
**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 June 30, 2016

OR

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

For the transition period from _____ to _____

Commission File Number 001-32686

VIACOM INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

20-3515052

(I.R.S. Employer
Identification Number)

**1515 Broadway
New York, NY 10036
(212) 258-6000**

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or 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 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.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

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

Class of Stock	Shares Outstanding as of July 15, 2016
Class A common stock, par value \$0.001 per share	49,431,379
Class B common stock, par value \$0.001 per share	347,224,638

VIACOM INC.
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PART I – FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements.

VIACOM INC. CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)

(in millions, except per share amounts)	Quarter Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Revenues	\$ 3,107	\$ 3,058	\$ 9,262	\$ 9,480
Expenses:				
Operating	1,575	1,252	4,822	4,931
Selling, general and administrative	708	666	2,080	2,118
Depreciation and amortization	55	56	166	168
Restructuring	—	—	—	206
Total expenses	2,338	1,974	7,068	7,423
Operating income	769	1,084	2,194	2,057
Interest expense, net	(156)	(166)	(466)	(492)
Equity in net earnings of investee companies	19	28	85	103
Other items, net	3	—	(1)	(30)
Earnings before provision for income taxes	635	946	1,812	1,638
Provision for income taxes	(195)	(301)	(602)	(528)
Net earnings (Viacom and noncontrolling interests)	440	645	1,210	1,110
Net earnings attributable to noncontrolling interests	(8)	(54)	(26)	(72)
Net earnings attributable to Viacom	\$ 432	\$ 591	\$ 1,184	\$ 1,038
Basic earnings per share attributable to Viacom	\$ 1.09	\$ 1.49	\$ 2.99	\$ 2.57
Diluted earnings per share attributable to Viacom	\$ 1.09	\$ 1.47	\$ 2.98	\$ 2.54
Weighted average number of common shares outstanding:				
Basic	396.5	397.5	396.4	403.6
Diluted	398.0	401.2	397.9	408.0
Dividends declared per share of Class A and Class B common stock	\$ 0.40	\$ 0.40	\$ 1.20	\$ 1.06

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(in millions)	Quarter Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Net earnings (Viacom and noncontrolling interests)	\$ 440	\$ 645	\$ 1,210	\$ 1,110
Other comprehensive income/(loss), net of tax:				
Foreign currency translation adjustments	(75)	73	(93)	(189)
Defined benefit pension plans	1	43	(3)	22
Cash flow hedges	(2)	2	(1)	2
Available for sale securities	—	1	—	—
Other comprehensive income/(loss) (Viacom and noncontrolling interests)	(76)	119	(97)	(165)
Comprehensive income	364	764	1,113	945
Less: Comprehensive income attributable to noncontrolling interest	11	57	25	69
Comprehensive income attributable to Viacom	\$ 353	\$ 707	\$ 1,088	\$ 876

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions, except par value)	June 30, 2016	September 30, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 192	\$ 506
Receivables, net	2,973	2,807
Inventory, net	829	786
Prepaid and other assets	615	479
Total current assets	4,609	4,578
Property and equipment, net	852	947
Inventory, net	4,106	3,616
Goodwill	11,411	11,456
Intangibles, net	326	340
Other assets	1,301	1,206
Total assets	<u>\$ 22,605</u>	<u>\$ 22,143</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 277	\$ 506
Accrued expenses	702	748
Participants' share and residuals	773	860
Program obligations	634	703
Deferred revenue	428	481
Current portion of debt	1,369	18
Other liabilities	452	537
Total current liabilities	4,635	3,853
Noncurrent portion of debt	10,996	12,267
Participants' share and residuals	380	351
Program obligations	326	356
Deferred tax liabilities, net	632	150
Other liabilities	1,281	1,348
Redeemable noncontrolling interest	203	219
Commitments and contingencies (Note 6)		
Viacom stockholders' equity:		
Class A common stock, par value \$0.001, 375.0 authorized; 49.4 and 50.1 outstanding, respectively	—	—
Class B common stock, par value \$0.001, 5,000.0 authorized; 347.4 and 348.0 outstanding, respectively	—	—
Additional paid-in capital	10,059	10,017
Treasury stock, 399.5 and 398.0 common shares held in treasury, respectively	(20,804)	(20,725)
Retained earnings	15,467	14,780
Accumulated other comprehensive loss	(630)	(534)
Total Viacom stockholders' equity	4,092	3,538
Noncontrolling interests	60	61
Total equity	4,152	3,599
Total liabilities and equity	<u>\$ 22,605</u>	<u>\$ 22,143</u>

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Nine Months Ended June 30,	
	2016	2015
OPERATING ACTIVITIES		
Net earnings (Viacom and noncontrolling interests)	\$ 1,210	\$ 1,110
Reconciling items:		
Depreciation and amortization	166	168
Feature film and program amortization	3,253	3,475
Equity-based compensation	71	72
Equity in net earnings and distributions from investee companies	(81)	(99)
Deferred income taxes	470	38
Operating assets and liabilities, net of acquisitions:		
Receivables	(137)	317
Inventory, program rights and participations	(3,915)	(3,885)
Accounts payable and other current liabilities	(482)	(23)
Other, net	(155)	(93)
Net cash provided by operating activities	400	1,080
INVESTING ACTIVITIES		
Acquisitions and investments, net	(59)	5
Capital expenditures	(80)	(90)
Net cash flow used in investing activities	(139)	(85)
FINANCING ACTIVITIES		
Borrowings	—	990
Debt repayments	(368)	(600)
Commercial paper	453	—
Purchase of treasury stock	(100)	(1,548)
Dividends paid	(476)	(405)
Excess tax benefits on equity-based compensation awards	—	45
Exercise of stock options	10	142
Other, net	(64)	(131)
Net cash flow used in financing activities	(545)	(1,507)
Effect of exchange rate changes on cash and cash equivalents	(30)	(67)
Net change in cash and cash equivalents	(314)	(579)
Cash and cash equivalents at beginning of period	506	1,000
Cash and cash equivalents at end of period	\$ 192	\$ 421

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PRESENTATION**Description of Business**

Viacom is home to premier global media brands that create compelling television programs, motion pictures, short-form content, apps, games, consumer products, social media experiences and other entertainment content for audiences in 180 countries. Viacom operates through two reporting segments: *Media Networks*, which includes the Music & Entertainment Group, the Kids & Family Group and BET Networks, and *Filmed Entertainment*. The *Media Networks* segment provides entertainment content and related branded products for consumers in targeted demographics attractive to advertisers, content distributors and retailers. The *Filmed Entertainment* segment produces, finances, acquires and distributes motion pictures, television programming and other entertainment content under the Paramount Pictures, Paramount Vantage, Paramount Classics, Paramount Animation, Insurge Pictures, Nickelodeon Movies, MTV Films and Paramount Television brands. References in this document to “Viacom,” “Company,” “we,” “us” and “our” mean Viacom Inc. and our consolidated subsidiaries, unless the context requires otherwise.

Unaudited Interim Financial Statements

The accompanying unaudited consolidated quarterly financial statements have been prepared on a basis consistent with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and pursuant to the rules of the Securities and Exchange Commission (“SEC”). In the opinion of management, the accompanying unaudited financial statements reflect all adjustments, consisting of only normal and recurring adjustments, necessary for a fair presentation of our results of operations, financial position and cash flows for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results expected for the fiscal year ending September 30, 2016 (“fiscal 2016”) or any future period. These financial statements should be read in conjunction with our Form 10-K for the year ended September 30, 2015, as filed with the SEC on November 12, 2015 (the “2015 Form 10-K”).

Use of Estimates

Preparing financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as of the dates presented and the reported amounts of revenues and expenses during the periods presented. Significant estimates inherent in the preparation of the accompanying Consolidated Financial Statements include estimates of film ultimate revenues, product returns, potential outcome of uncertain tax positions, fair value of acquired assets and liabilities, fair value of equity-based compensation and pension benefit assumptions. Estimates are based on past experience and other considerations reasonable under the circumstances. Actual results may differ from these estimates.

Reclassification

Certain prior year amounts have been reclassified to conform to the fiscal 2016 presentation.

Recent Accounting Pronouncements

In connection with its financial instruments project, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13 - Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments in June 2016 and ASU 2016-01 - Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities in January 2016.

- ASU 2016-13 introduces a new impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to use a forward-looking “expected loss” model that will replace the current “incurred loss” model and generally will result in earlier recognition of allowances for losses. The guidance will be effective for the first interim period of our 2021 fiscal year, with early adoption in fiscal year 2020 permitted.
- ASU 2016-01 addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among other provisions, the new guidance requires the fair value measurement of investments in certain equity securities. For investments without readily determinable fair values, entities have the option to either measure these investments at fair value or at cost adjusted for changes in observable prices minus impairment. All changes in measurement will be recognized in net income. The guidance will be effective for the first interim period of our 2019 fiscal year. Early adoption is not permitted, except for certain provisions relating to financial liabilities.

We are currently evaluating the impact of the new standards.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

In March 2016, the FASB issued ASU 2016-09 - Compensation - Stock Compensation: Improvements to Employee Share-Based Payment Accounting. ASU 2016-09 includes provisions intended to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements, such as requiring all income tax effects of awards to be recognized in the income statement when the awards vest or are settled and allowing a policy election to account for forfeitures as they occur. In addition, all related cash flows resulting from share-based payments will be reported as operating activities on the statement of cash flows. The guidance will be effective for the first interim period of our 2018 fiscal year, with early adoption permitted. The new standard will impact our financial statements by increasing or decreasing our income tax provision and increasing cash flow from operating activities.

In February 2016, the FASB issued ASU 2016-02 - Leases. ASU 2016-02 requires lessees to recognize a right-of-use asset and a lease liability on the balance sheet for most leases. For income statement purposes, leases will be classified as either operating or finance, generally resulting in straight-line expense recognition for operating leases (similar to current operating leases) and accelerated expense recognition for financing leases (similar to current capital leases). The guidance will be effective for the first interim period of our 2020 fiscal year, with early adoption permitted. We are currently evaluating the impact of the new standard.

In November 2015, the FASB issued ASU 2015-17 - Income Taxes: Balance Sheet Classification of Deferred Taxes, which requires that all deferred taxes be classified as noncurrent in the balance sheet. The guidance is effective for interim and annual periods beginning after December 15, 2016, with early adoption permitted on either a prospective or retrospective basis. In the quarter ended December 31, 2015, we adopted the new guidance on a retrospective basis. As a result, our \$99 million net deferred tax liability in the Consolidated Balance Sheet as of September 30, 2015 is presented as a deferred tax asset of \$51 million within *Other assets* and \$150 million in *Deferred tax liabilities, net*.

In May 2014, the FASB issued ASU 2014-09 - Revenue from Contracts with Customers, a comprehensive revenue recognition model that supersedes the current revenue recognition requirements and most industry-specific guidance. Subsequent accounting standard updates have also been issued which amend and/or clarify the application of ASU 2014-09. The guidance provides a five step framework to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services. The guidance will be effective for the first interim period of our 2019 fiscal year (with early adoption permitted beginning fiscal year 2018), and allows adoption either under a full retrospective or a modified retrospective approach. We are currently evaluating the impact of the new standard.

NOTE 2. INVENTORY

Our total inventory consists of the following:

Inventory (in millions)	June 30, 2016	September 30, 2015
Film inventory:		
Released, net of amortization	\$ 695	\$ 576
Completed, not yet released	160	55
In process and other	1,018	806
Total film inventory, net of amortization	1,873	1,437
Television productions	85	8
Total film and television production inventory	1,958	1,445
Original programming:		
Released, net of amortization	1,164	1,161
In process and other	599	599
Total original programming, net of amortization	1,763	1,760
Acquired program rights, net of amortization	1,123	1,108
Home entertainment inventory	91	89
Total inventory, net	4,935	4,402
Less: current portion	(829)	(786)
Total inventory-noncurrent, net	\$ 4,106	\$ 3,616

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 3. DEBT

Our total debt consists of the following:

Debt (in millions)	June 30, 2016	September 30, 2015
Senior Notes and Debentures:		
Senior notes due April 2016, 6.250%	—	368
Senior notes due December 2016, 2.500%	400	399
Senior notes due April 2017, 3.500%	499	498
Senior notes due October 2017, 6.125%	499	499
Senior notes due September 2018, 2.500%	497	497
Senior notes due April 2019, 2.200%	399	398
Senior notes due September 2019, 5.625%	550	550
Senior notes due December 2019, 2.750%	399	398
Senior notes due March 2021, 4.500%	495	494
Senior notes due December 2021, 3.875%	593	592
Senior notes due June 2022, 3.125%	296	296
Senior notes due March 2023, 3.250%	297	297
Senior notes due September 2023, 4.250%	1,234	1,233
Senior notes due April 2024, 3.875%	544	543
Senior debentures due December 2034, 4.850%	593	592
Senior debentures due April 2036, 6.875%	1,066	1,066
Senior debentures due October 2037, 6.750%	75	75
Senior debentures due February 2042, 4.500%	244	244
Senior debentures due March 2043, 4.375%	1,089	1,085
Senior debentures due June 2043, 4.875%	246	246
Senior debentures due September 2043, 5.850%	1,228	1,228
Senior debentures due April 2044, 5.250%	545	544
Commercial paper	453	—
Capital lease and other obligations	124	143
Total debt	12,365	12,285
Less: current portion	(1,369)	(18)
Total noncurrent portion of debt	\$ 10,996	\$ 12,267

In the third quarter, we repaid the \$368 million aggregate principal amount of our 6.250% Senior Notes due April 2016.

The total unamortized discount and issuance fees and expenses related to our senior notes and debentures was \$464 million as of June 30, 2016 and \$478 million as of September 30, 2015. The fair value of our senior notes and debentures was approximately \$12.3 billion as of June 30, 2016. The valuation of our publicly traded debt is based on quoted prices in active markets.

Credit Facility

At June 30, 2016, there were no amounts outstanding under our \$2.5 billion revolving credit facility due November 2019. The credit facility is used for general corporate purposes and to support commercial paper outstanding. The amount of unused capacity under the credit facility, after deducting commercial paper outstanding of \$453 million with a weighted average maturity of 29 days and weighted average interest rate of 1.24%, was \$2.05 billion as of June 30, 2016. The credit facility has one principal financial covenant that requires our interest coverage for the most recent four consecutive fiscal quarters to be at least 3.0x, which we met as of June 30, 2016.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 4. PENSION BENEFITS

The components of net periodic benefit cost for our defined benefit pension plans, which are currently frozen to future benefit accruals, are set forth below.

Net Periodic Benefit Cost (in millions)	Quarter Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Interest cost	\$ 9	\$ 10	\$ 26	\$ 32
Expected return on plan assets	(10)	(11)	(29)	(35)
Recognized actuarial loss	1	2	4	5
Loss on pension settlement	—	—	—	24
Net periodic benefit cost	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 26</u>

NOTE 5. REDEEMABLE NONCONTROLLING INTEREST

We are subject to a redeemable put option, payable in a foreign currency, with respect to an international subsidiary. The put option expires in December 2022 and is classified as *Redeemable noncontrolling interest* in the Consolidated Balance Sheets.

The activity reflected within redeemable noncontrolling interest is as follows:

Redeemable Noncontrolling Interest (in millions)	Nine Months Ended June 30,	
	2016	2015
Beginning balance	\$ 219	\$ 216
Net earnings	12	11
Distributions	(16)	(16)
Translation adjustment	(30)	(9)
Redemption value adjustment	18	4
Ending Balance	<u>\$ 203</u>	<u>\$ 206</u>

NOTE 6. COMMITMENTS AND CONTINGENCIES
Commitments

As more fully described in Note 11 of the 2015 Form 10-K, our commitments primarily consist of programming and talent commitments, operating and capital lease arrangements, and purchase obligations for goods and services. These arrangements result from our normal course of business and represent obligations that may be payable over several years.

Contingencies

We have certain indemnification obligations with respect to leases primarily associated with the previously discontinued operations of Famous Players Inc. (“Famous Players”). In addition, we have certain indemnities provided by the acquirer of Famous Players. These lease commitments amounted to approximately \$242 million as of June 30, 2016. The amount of lease commitments varies over time depending on expiration or termination of individual underlying leases, or of the related indemnification obligation, and foreign exchange rates, among other things. We may also have exposure for certain other expenses related to the leases, such as property taxes and common area maintenance. We have recorded a liability of \$192 million with respect to such obligations as of June 30, 2016. We believe our accrual is sufficient to meet any future obligations based on our consideration of available financial information, the lessees’ historical performance in meeting their lease obligations and the underlying economic factors impacting the lessees’ business models.

Legal Matters

Various Litigations Involving National Amusements, Inc. and the Sumner M. Redstone National Amusements Trust

National Amusements, Inc. (“National Amusements”), directly and indirectly, is the controlling stockholder of Viacom. National Amusements owns shares in Viacom representing approximately 79.8% of the voting interest in Viacom and approximately 10% of Viacom’s combined common stock. National Amusements is controlled by Sumner M. Redstone, our Chairman Emeritus, who is the Chairman and Chief Executive Officer of National Amusements, through the Sumner M. Redstone National Amusements Trust (the “SMR Trust”), which owns shares in National Amusements representing 80% of the

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

voting interest of National Amusements. The shares representing the other 20% of the voting interest of National Amusements are held through a trust controlled by Shari E. Redstone, who is Mr. Redstone's daughter and the non-executive Vice Chair of Viacom and the President and a member of the Board of Directors of National Amusements. The shares of National Amusements held by the SMR Trust are voted solely by Mr. Redstone until such time as his incapacity or death. Upon Mr. Redstone's incapacity or death, (1) Ms. Redstone will also become a trustee of the SMR Trust and (2) the shares of National Amusements held by the SMR Trust will be voted by the trustees of the SMR Trust.

Prior to May 20, 2016, the trustees of the SMR Trust were Mr. Dauman and George Abrams, a member of the Board of Directors, as well as Mr. Redstone, Phyllis Redstone, David R. Andelman, Norman Jacobs, and Leonard Lewin. The Board of Directors of National Amusements consisted of Mr. Redstone, Shari Redstone, Mr. Abrams, Mr. Andelman, Mr. Dauman, and Tyler Korff, Ms. Redstone's son and Mr. Redstone's grandson. On May 20, 2016, Messrs. Dauman and Abrams received notices stating that they had been removed as Trustees of the SMR Trust and as directors and managers of National Amusements and its subsidiaries and replaced, as to the SMR Trust, by Thaddeus Jankowski, the general counsel of National Amusements, and Jill Krutick; and as to National Amusements, by Ms. Krutick and Kimberlee Korff Ostheimer, Ms. Redstone's daughter and Mr. Redstone's granddaughter (the May 20, 2016 removals collectively, the "Purported Removals").

On May 23, 2016, Messrs. Dauman and Abrams filed a lawsuit (the "Massachusetts Action") in the Probate and Family Court in Norfolk County, Massachusetts, in which they challenged the Purported Removals on the grounds that such removals were the result of Mr. Redstone's incapacity and/or the product of undue influence or other improper conduct by Ms. Redstone or others. After commencing the Massachusetts Action, Messrs. Dauman and Abrams moved the court for expedited discovery and trial, as well as an evaluation of Mr. Redstone's mental competency, and the defendants moved to dismiss the action. On July 28, 2016, the Massachusetts court denied the defendants' motion to dismiss, and ordered defendants to produce certain medical records of Mr. Redstone. The case will now proceed to the discovery phase and the Massachusetts court noted that it would schedule a trial on the merits in October 2016.

Also on May 23, 2016, attorneys for Mr. Redstone filed a petition in the Superior Court of California, Los Angeles County (the "California Action"), seeking that court's confirmation that the Purported Removals were valid.

On June 6, 2016, National Amusements and NAI Entertainment Holdings LLC (together, "NAI") delivered to Viacom stockholder written consents purporting to amend certain provisions of our Amended and Restated Bylaws (the "Bylaws"), (i) requiring that any sale or financial transaction affecting all or a portion of Paramount Pictures Corporation ("Paramount") and various other Viacom subsidiaries that are utilized in the conduct of business of Paramount must be unanimously approved by all of the members of the Board of Directors then in office, (ii) specifying that the Board of Directors can amend the Bylaws only by an affirmative vote of all members of the Board of Directors then in office, and (iii) modifying, in certain respects, Viacom's existing Bylaws provision requiring that the Court of Chancery of the State of Delaware (the "Delaware Chancery Court") is the exclusive jurisdiction for certain types of corporate litigation.

On June 13, 2016, Viacom entered into a costs and expenses agreement with each of Mr. Dauman and Mr. Abrams (together, the "Agreements"), each of which was approved in advance by a committee comprised of independent members of the Board of Directors. Under the Agreements, Viacom will pay or promptly reimburse Mr. Dauman's and Mr. Abrams' costs and expenses (including attorneys' fees, expert witness fees and fees of public relations and other consultants) actually and reasonably incurred in connection with the Massachusetts Action and the California Action. Under the Agreements, each of Messrs. Dauman and Abrams is required to repay to Viacom (1) all amounts received from Viacom to the extent it is finally determined by a court of competent jurisdiction that, in instituting the Massachusetts Action, he acted in breach of his fiduciary or other duties to Viacom or that he has not acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interest of Viacom and (2) any amounts received after taking reasonable steps, as required under the Agreements, to seek recoupment or other economic recovery of costs and expenses related to the subject matter of the Massachusetts Action and the California Action from the SMR Trust and National Amusements and its subsidiaries as authorized under the respective governing documents of, and agreements with, those entities.

On June 16, 2016, NAI delivered to Viacom stockholder written consents purporting to amend additional provisions of the Bylaws to provide that any and all vacancies on the Board of Directors occurring as a result of stockholder action to remove directors or to increase the number of authorized directors shall be filled only by the affirmative vote of stockholders representing at least a majority of stock entitled to vote generally in the election of directors, except that in the case of a vacancy for any other reason, a majority of the Board of Directors then in office, though less than a quorum, or a sole remaining director shall fill such vacancy if not filled by stockholder action within 30 days of the occurrence of such other vacancy. The June 16th written consents also claimed to remove from the Board of Directors, without cause, Mr. Abrams, Mr. Dauman, Blythe J. McGarvie, Frederic V. Salerno and William Schwartz and to fill the resulting vacancies with Kenneth Lerer, Thomas J. May, Judith McHale, Ronald Nelson and Nicole Seligman (the "Purported Director Replacements").

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

On June 16, 2016, NAI filed a lawsuit (the “NAI Delaware Action”) in the Delaware Chancery Court pursuant to 8 Del. C. § 225, (1) seeking the court’s confirmation of the validity and effectiveness of the stockholder written consents delivered by NAI to Viacom on June 6th and June 16th and (2) requesting that, pending a final court ruling, the court maintain the existing Board of Directors and prohibit the Board of Directors from taking any action not in the ordinary course of business. Also on June 16, 2016, Mr. Salerno, Viacom’s lead independent director, filed a lawsuit in the Delaware Chancery Court pursuant to 8 Del. C. § 225 (the “Salerno Delaware Action” and, together with the NAI Delaware Action, the “Delaware Actions”), with the support of the independent directors of the Board of Directors, seeking an expedited determination (1) that the Purported Director Replacements are invalid, (2) that the Board of Directors remains as currently comprised, (3) enjoining NAI from taking further wrongful actions under the authority of Mr. Redstone and (4) entering a status quo order providing that NAI shall not take any actions that would disrupt the Board of Directors’ continuing management of the business and affairs of the Company in the ordinary course. The Delaware Actions are being managed under a coordination order. The Company is paying the expenses incurred in contesting the actions purportedly taken by NAI pursuant to its written consents.

On June 27, 2016, the Delaware Chancery Court entered a *status quo* order preserving the Board of Directors as constituted prior to the Purported Director Replacements during the pendency of the Delaware Actions. The *status quo* order further provides that none of Viacom, the Board of Directors, any committee of the Board of Directors, any member of the Board of Directors or any Viacom executive officer, or any person acting at the direction of any of them, shall authorize, agree to, knowingly cause or permit or take, directly or indirectly, any action that is outside the routine day-to-day operations of Viacom and its subsidiaries taken as a whole (the “Consolidated Company”) without providing five business days’ prior written notice to NAI (which notice shall be treated confidentially). For purposes of the *status quo* order, “action that is outside the routine day-to-day operations” of the Consolidated Company includes in summary, but is not limited to:

- declaring any spin-off or other similar distribution of capital stock of Viacom or distributing any securities or assets of Viacom, other than Viacom’s regular quarterly dividend;
- authorizing or entering into agreements with third parties not otherwise permitted by the *status quo* order, except for agreements entered into in the ordinary course of business consistent with past practice which do not effect a change in (i) the current business operations material to the Consolidated Company or (ii) the voting control or equity ownership of Viacom;
- authorizing, creating or amending securities of the Consolidated Company, subject to certain exceptions including if such action is taken in the ordinary course of business consistent with past practice or pursuant to existing agreements;
- authorizing or entering into agreements to issue, sell or dispose of securities of the Consolidated Company, subject to certain exceptions including if such action is taken in the ordinary course of business consistent with past practice or pursuant to mandatory provisions of existing agreements in existence as of June 15, 2016 (provided that under no circumstances may Viacom issue, sell or dispose of any Class A Common Stock or Class B Common Stock of Viacom);
- authorizing or entering into any action or transaction that would require Viacom stockholder approval;
- authorizing or entering into any transaction that is material to the business of Paramount and that is not in the ordinary course of business consistent with past practice, for any disposition of equity or assets of Paramount and its subsidiaries to a party other than the Consolidated Company;
- increasing the compensation and benefits payable to current officers and employees, hiring new officers or employees, or terminating or amending existing employment agreements, subject to certain exceptions including if such action is pursuant to agreements in existence as of June 15, 2016 or would not have required the approval of the Board of Directors or a committee of the Board of Directors prior to June 27, 2016;
- hiring a financial advisor where the aggregate fees would reasonably be expected to exceed \$10 million;
- entering into an agreement that is reasonably likely to result in Viacom incurring liability or making any payment based upon the resolution of the claims alleged in the Delaware Actions regarding the validity of the June 6 purported Bylaw amendments or the June 16 purported Bylaw amendments;
- instituting or funding legal proceedings seeking the relief sought in the consolidated action, *Dauman et al. v. Redstone, et al.* pending in Probate and Family Court in Norfolk County, Massachusetts, or Mr. Redstone’s petition pending in California Superior Court, subject to certain exceptions including the defense of legal proceedings seeking the relief sought in those actions and any advancement or indemnification obligations of the Consolidated Company in effect on June 16, 2016; and
- amending the Bylaws by action of the Board of Directors.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

The *status quo* order will remain in place until a final judgment is entered in the Delaware Actions (or until the Delaware Chancery Court enters a superseding order).

On July 1, 2016, Viacom filed an answer in the NAI Delaware Action, contesting the validity and effectiveness of the stockholder written consents delivered by NAI to Viacom on June 6th and June 16th. Mr. Salerno filed a joinder in that answer and asserted additional affirmative defenses. On July 11, 2016, the plaintiffs in the NAI Delaware Action filed motions for Judgment on the Pleadings in the NAI Delaware Action and motions to dismiss in the Salerno Delaware Action. On July 29, 2016, the Delaware Chancery Court denied all of the material motions. The case will now proceed to the discovery phase and the Delaware Chancery Court noted that it would schedule trial for the week of October 17, 2016.

On July 15, 2016, Viacom received “reservation of rights” letters from counsel to each of Mr. Dauman and Mr. Dooley. The letters were delivered in light of the Purported Director Replacements and note that Messrs. Dauman and Dooley are highly engaged in overseeing Viacom's operations and are committed to pursuing and executing Viacom's strategic plan for the duration of their respective employment agreements. The letters refer to each executive's right under his employment agreement to resign upon the occurrence of certain events that constitute “Good Reason” (subject to Viacom's opportunity to cure). The letters note the belief of the authors and each executive that such events have not occurred, but, in order to preserve their rights, each executive exercises the right to resign for “Good Reason” effective 31 days after the entry of a judicial order from which no appeal may be taken establishing the *validity* of the Purported Director Replacements, which could potentially result in significant costs to Viacom. The letters further note that if there is an entry of a judicial order from which no appeal may be taken establishing the *invalidity* of the Purported Director Replacements, the executives' resignation of employment shall not take effect.

Purported Class and Derivative Actions

Between June 17, 2016 and August 1, 2016, three substantially similar purported class action complaints were filed in the Delaware Chancery Court by purported Viacom stockholders, against Viacom, Viacom's directors, NAI and the purported new directors named in NAI's June 16th written consents. The complaints - brought on behalf of the class of all holders of Viacom Class B common stock except the named defendants and any person or entity affiliated with any of the defendants - allege claims for breaches of fiduciary duty against the incumbent director defendants and NAI. The purported new directors named in NAI's June 16th written consents are alleged to have aided and abetted these breaches. In addition to damages and attorneys' fees, the complaints seek declarations invalidating the June 2016 purported Bylaw amendments described above and “such other and further relief as the Court deems just and proper.” Viacom and certain Viacom directors have moved to dismiss the first two complaints and expect to shortly move to dismiss the third.

On July 20, 2016, a purported derivative action was commenced in Delaware Chancery Court by a purported Viacom stockholder against Viacom and its directors. The complaint alleges that Viacom's directors breached their fiduciary duties to Viacom in connection with compensation paid to Mr. Redstone. These breaches, it is alleged, permitted a waste of corporate assets and the unjust enrichment of Mr. Redstone.

European Commission Statement of Objections

In July 2015, the Directorate-General for Competition (“DG Comp”) of the European Commission (the “Commission”) issued a Statement of Objections (the “SO”) to the six major Hollywood film studios, including Paramount, and to Sky UK (“Sky”), in connection with DG Comp's investigation into whether conventional territorial restrictions in agreements licensing content to pay television broadcasters impeded European Union (“EU”) single market imperatives in an anti-competitive way. The SO directed at Paramount takes issue with certain geo-filtering provisions in Paramount's 2009 and 2014 agreements with Sky, which were designed to enforce the territorial nature of the content Paramount licenses for distribution on Sky's online and mobile pay television platforms. In addition, the SO challenges certain provisions in the 2009 agreement regarding Sky's satellite distribution of Paramount content. While we believe that Paramount's licensing practices in the EU have been consistent with the region's competition and other rules, rather than prolong the dispute, Viacom and Paramount have chosen to reach agreement with the Commission in the form of binding commitments related to the types of geo-filtering clauses permitted in premium pay television license agreements with broadcasters to the extent they restrict European Economic Area (“EEA”) broadcasters from responding to unsolicited requests by consumers located in a different territory in the EEA. The commitments permit Paramount to continue to license films through premium pay television license agreements in Europe on an exclusive territorial basis. No admission of liability has been made. In addition, the commitments eliminate the possibility of fines and enable the Commission to close similar pending cases against Viacom and Paramount relating to broadcasters in Italy, France, Germany and Spain. The Commission adopted the commitments on July 26, 2016, bringing the matter to conclusion apart from ongoing compliance monitoring.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 7. STOCKHOLDERS' EQUITY

The components of stockholders' equity are as follows:

Stockholders' Equity (in millions)	Nine Months Ended June 30, 2016			Nine Months Ended June 30, 2015		
	Total Viacom Stockholders' Equity	Noncontrolling Interests	Total Equity	Total Viacom Stockholders' Equity	Noncontrolling Interests	Total Equity
Beginning Balance	\$ 3,538	\$ 61	\$ 3,599	\$ 3,719	\$ 28	\$ 3,747
Net earnings	1,184	26	1,210	1,038	72	1,110
Other comprehensive loss ⁽¹⁾	(96)	(1)	(97)	(162)	(3)	(165)
Noncontrolling interests	(18)	(26)	(44)	(4)	(29)	(33)
Dividends declared	(478)	—	(478)	(428)	—	(428)
Purchase of treasury stock	(100)	—	(100)	(1,500)	—	(1,500)
Equity-based compensation and other	62	—	62	209	—	209
Ending Balance	<u>\$ 4,092</u>	<u>\$ 60</u>	<u>\$ 4,152</u>	<u>\$ 2,872</u>	<u>\$ 68</u>	<u>\$ 2,940</u>

(1) The components of other comprehensive loss are net of tax expense of \$4 million and \$16 million for the nine months ended June 30, 2016 and 2015, respectively.

Equity Awards

During the quarter ended June 30, 2016, we granted 3.8 million stock options and 1.3 million restricted share units to employees with a weighted average grant date fair value of \$8.65 and \$38.86 per share, respectively.

NOTE 8. RESTRUCTURING

Our restructuring liability as of June 30, 2016 by reporting segment is as follows:

(in millions)	Media Networks	Filmed Entertainment	Corporate	Total
September 30, 2015	\$ 87	\$ 51	\$ 9	\$ 147
Severance payments	(41)	(24)	(4)	(69)
Revisions to initial estimates	—	(5)	—	(5)
June 30, 2016	<u>\$ 46</u>	<u>\$ 22</u>	<u>\$ 5</u>	<u>\$ 73</u>

The liability as of June 30, 2016 is related to future severance payments in connection with the restructuring plan undertaken in fiscal 2015, as further described in Note 14 of the 2015 Form 10-K. We anticipate that most of the liability associated with the restructuring plan will be paid by September 30, 2016.

NOTE 9. EARNINGS PER SHARE

Basic earnings per common share is computed by dividing *Net earnings attributable to Viacom* by the weighted average number of common shares outstanding during the period. The determination of diluted earnings per common share includes the weighted average number of common shares plus the dilutive effect of equity awards based upon the application of the treasury stock method. Anti-dilutive common shares were excluded from the calculation of diluted earnings per common share.

The following table sets forth the weighted average number of common shares outstanding used in determining basic and diluted earnings per common share and anti-dilutive common shares:

Weighted Average Number of Common Shares Outstanding and Anti-dilutive Common Shares	Quarter Ended June 30,		Nine Months Ended June 30,	
(in millions)	2016	2015	2016	2015
Weighted average number of common shares outstanding, basic	396.5	397.5	396.4	403.6
Dilutive effect of equity awards	1.5	3.7	1.5	4.4
Weighted average number of common shares outstanding, diluted	<u>398.0</u>	<u>401.2</u>	<u>397.9</u>	<u>408.0</u>
Anti-dilutive common shares	17.0	8.1	14.3	5.6

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 10. SUPPLEMENTAL CASH FLOW AND OTHER INFORMATION

Our supplemental cash flow information is as follows:

Supplemental Cash Flow Information (in millions)	Nine Months Ended June 30,	
	2016	2015
Cash paid for interest	\$ 464	\$ 479
Cash paid for income taxes	\$ 253	\$ 388

Accounts Receivable

We had \$549 million and \$577 million of noncurrent trade receivables as of June 30, 2016 and September 30, 2015, respectively. Accounts receivables are principally related to long-term television license arrangements at *Filmed Entertainment* and content distribution arrangements at *Media Networks*. These amounts are included within *Other assets - noncurrent* in our Consolidated Balance Sheets. Such amounts are due in accordance with the underlying terms of the respective agreements with companies that are investment grade or with which we have historically done business under similar terms. We have determined that credit loss allowances are generally not considered necessary for these amounts.

Variable Interest Entities

In the normal course of business, we enter into joint ventures or make investments with business partners that support our underlying business strategy and provide us the ability to enter new markets to expand the reach of our brands, develop new programming and/or distribute our existing content. In certain instances, an entity in which we make an investment may qualify as a variable interest entity (“VIE”). In determining whether we are the primary beneficiary of a VIE, we assess whether we have the power to direct matters that most significantly impact the activities of the VIE and have the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Unconsolidated Variable Interest Entities: We have an unconsolidated investment in Prism TV Private Limited (“Prism”), a 50% owned joint venture in India that qualifies as a VIE. In connection with our investment, we do not have the power to direct matters that most significantly impact the activities of Prism and therefore we do not qualify as the primary beneficiary. Our carrying value in Prism was \$156 million and \$145 million as of June 30, 2016 and September 30, 2015, respectively.

Consolidated Variable Interest Entities: Our Consolidated Balance Sheets include amounts related to consolidated VIEs totaling \$194 million in assets and \$57 million in liabilities as of June 30, 2016, and \$207 million in assets and \$54 million in liabilities as of September 30, 2015. The consolidated VIEs’ revenues, expenses and operating income were not significant for all periods presented.

Income Taxes

Our effective income tax rate was 30.7% and 33.2% in the quarter and nine months ended June 30, 2016, respectively. Net discrete tax benefit of \$13 million reduced the effective income tax rate by 2.1 percentage points in the quarter and net discrete tax expense of \$8 million contributed 0.4 percentage points to the effective income tax rate in the nine months. The net discrete tax benefit in the quarter was principally related to the release of tax reserves upon the remeasurement of excess foreign tax credits associated with the reorganization of certain non-U.S. subsidiaries in the fourth quarter of 2015. The net discrete tax expense in the nine month period was principally related to a reduction in qualified production activity tax benefits as a result of retroactively reenacted legislation, partially offset by reserve releases.

Our effective income tax rate was 31.8% and 32.2% in the quarter and nine months ended June 30, 2015, respectively. Net discrete tax expense of \$23 million in the nine months, taken together with restructuring and programming charges and a pension settlement loss, contributed 0.4 percentage points to the effective income tax rate. This net discrete tax expense was principally related to a reduction in qualified production activity tax benefits as a result of retroactively reenacted legislation, partially offset by reserve releases.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 11. FAIR VALUE MEASUREMENTS

The following table summarizes our financial assets and liabilities measured and recorded at fair value on a recurring basis as of June 30, 2016 and September 30, 2015:

Financial Asset/(Liability) (in millions)	Total	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
June 30, 2016				
Marketable securities	\$ 111	\$ 111	\$ —	\$ —
Derivatives	(4)	—	(4)	—
Total	<u>\$ 107</u>	<u>\$ 111</u>	<u>\$ (4)</u>	<u>\$ —</u>
September 30, 2015				
Marketable securities	\$ 100	\$ 100	\$ —	\$ —
Derivatives	(10)	—	(10)	—
Total	<u>\$ 90</u>	<u>\$ 100</u>	<u>\$ (10)</u>	<u>\$ —</u>

The fair value for marketable securities is determined utilizing a market approach based on quoted market prices in active markets at period end and the fair value for derivatives is determined utilizing a market-based approach.

The notional value of all foreign exchange contracts was \$1.164 billion and \$1.040 billion as of June 30, 2016 and September 30, 2015, respectively. At June 30, 2016, \$752 million related to our foreign currency balances and \$412 million related to future production costs. At September 30, 2015, \$769 million related to our foreign currency balances and \$271 million related to future production costs.

NOTE 12. REPORTING SEGMENTS

The following tables set forth our financial performance by reporting segment. Our reporting segments have been determined in accordance with our internal management structure. We manage our operations through two reporting segments: (i) *Media Networks* and (ii) *Filmed Entertainment*. Typical intersegment transactions include the purchase of advertising by the *Filmed Entertainment* segment on *Media Networks*' properties and the purchase of *Filmed Entertainment*'s feature films and television programming exhibition rights by *Media Networks*. The elimination of such intercompany transactions in the Consolidated Financial Statements is included within eliminations in the tables below.

Our measure of segment performance is adjusted operating income/(loss). Adjusted operating income/(loss) is defined as operating income/(loss), before equity-based compensation and certain other items identified as affecting comparability, including restructuring and programming charges, when applicable.

Revenues by Segment (in millions)	Quarter Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Media Networks	\$ 2,513	\$ 2,597	\$ 7,459	\$ 7,703
Filmed Entertainment	621	479	1,888	1,858
Eliminations	(27)	(18)	(85)	(81)
Total revenues	<u>\$ 3,107</u>	<u>\$ 3,058</u>	<u>\$ 9,262</u>	<u>\$ 9,480</u>

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Adjusted Operating Income/(Loss) (in millions)	Quarter Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Media Networks	\$ 872	\$ 1,114	\$ 2,734	\$ 3,121
Filmed Entertainment	(26)	48	(308)	(11)
Corporate expenses	(60)	(58)	(163)	(176)
Eliminations	2	1	2	3
Equity-based compensation	(19)	(21)	(71)	(72)
Restructuring and programming charges	—	—	—	(784)
Loss on pension settlement	—	—	—	(24)
Operating income	769	1,084	2,194	2,057
Interest expense, net	(156)	(166)	(466)	(492)
Equity in net earnings of investee companies	19	28	85	103
Other items, net	3	—	(1)	(30)
Earnings before provision for income taxes	<u>\$ 635</u>	<u>\$ 946</u>	<u>\$ 1,812</u>	<u>\$ 1,638</u>

Total Assets (in millions)	June 30, 2016	September 30, 2015
Media Networks	\$ 16,669	\$ 17,088
Filmed Entertainment	6,476	5,914
Corporate/Eliminations	(540)	(859)
Total assets	<u>\$ 22,605</u>	<u>\$ 22,143</u>

Revenues by Component (in millions)	Quarter Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Advertising	\$ 1,216	\$ 1,223	\$ 3,659	\$ 3,762
Affiliate fees	1,148	1,244	3,396	3,522
Feature film	580	433	1,760	1,712
Ancillary	190	176	532	565
Eliminations	(27)	(18)	(85)	(81)
Total revenues	<u>\$ 3,107</u>	<u>\$ 3,058</u>	<u>\$ 9,262</u>	<u>\$ 9,480</u>

NOTE 13. RELATED PARTY TRANSACTIONS

National Amusements, directly and indirectly, is the controlling stockholder of both Viacom and CBS Corporation (“CBS”). Note 6 to the Consolidated Financial Statements sets forth a detailed description of the relationships among National Amusements, the SMR Trust, Viacom, Mr. Redstone, Ms. Redstone and other directors of Viacom and National Amusements. In addition, Mr. Redstone serves as Chairman Emeritus of CBS and Ms. Redstone serves as non-executive Vice Chair of CBS.

Transactions between Viacom and related parties are overseen by our Governance and Nominating Committee.

Viacom and National Amusements Related Party Transactions

National Amusements licenses films in the ordinary course of business for its motion picture theaters from all major studios, including Paramount. During the nine months ended June 30, 2016 and 2015, Paramount earned revenues from National Amusements in connection with these licenses in the aggregate amounts of approximately \$5 million and \$6 million, respectively.

Viacom and CBS Corporation Related Party Transactions

In the ordinary course of business, we are involved in transactions with CBS and its various businesses that result in the recognition of revenues and expenses by us. Transactions with CBS are settled in cash.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Our *Filmed Entertainment* segment earns revenues and recognizes expenses associated with its distribution of certain television products into the home entertainment market on behalf of CBS. Pursuant to its agreement with CBS, Paramount distributes CBS's library of television and other content on DVD and Blu-ray disc on a worldwide basis. Under the terms of the agreement, Paramount is entitled to retain a fee based on a percentage of gross receipts and is generally responsible for all out-of-pocket costs, which are recoupable together with any advance amounts paid. Paramount made advance payments of \$60 million to CBS during the nine months ended June 30, 2016. Paramount also earns revenues from CBS through leasing of studio space and licensing of certain film products.

Our *Media Networks* segment recognizes advertising revenues and purchases television programming from CBS. The cost of the programming purchases is initially recorded as acquired program rights inventory and amortized over the estimated period that revenues will be generated.

Both of our segments recognize advertising expenses related to the placement of advertisements with CBS.

The following table summarizes the transactions with CBS as included in our Consolidated Financial Statements:

CBS Related Party Transactions (in millions)	Quarter Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Consolidated Statements of Earnings				
Revenues	\$ 26	\$ 32	\$ 91	\$ 124
Operating expenses	\$ 39	\$ 42	\$ 127	\$ 190
			June 30, 2016	September 30, 2015
Consolidated Balance Sheets				
Accounts receivable			\$ 2	\$ 5
Accounts payable			\$ —	\$ 1
Participants' share and residuals, current			64	77
Program obligations, current			60	62
Program obligations, noncurrent			40	55
Other liabilities			2	2
Total due to CBS			\$ 166	\$ 197

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Other Related Party Transactions

In the ordinary course of business, we are involved in related party transactions with equity investees. These related party transactions primarily relate to the provision of advertising services, licensing of film and programming content, distribution of films and provision of certain administrative support services, for which the impact on our Consolidated Financial Statements is as follows:

Other Related Party Transactions (in millions)	Quarter Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Consolidated Statements of Earnings				
Revenues	\$ 37	\$ 24	\$ 67	\$ 82
Operating expenses	\$ 23	\$ 9	\$ 39	\$ 30
Selling, general and administrative	\$ (5)	\$ (5)	\$ (11)	\$ (11)
Consolidated Balance Sheets				
			June 30, 2016	September 30, 2015
Accounts receivable			\$ 85	\$ 60
Other assets			1	1
Total due from other related parties			<u>\$ 86</u>	<u>\$ 61</u>
Accounts payable			\$ 6	\$ 5
Other liabilities			59	55
Total due to other related parties			<u>\$ 65</u>	<u>\$ 60</u>

All other related party transactions are not material in the periods presented.

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

Management's discussion and analysis of results of operations and financial condition is provided as a supplement to and should be read in conjunction with the unaudited consolidated financial statements and related notes to enhance the understanding of our results of operations, financial condition and cash flows. Additional context can also be found in our Form 10-K for the fiscal year ended September 30, 2015, as filed with the Securities and Exchange Commission ("SEC") on November 12, 2015 (the "2015 Form 10-K"). References in this document to "Viacom," "Company," "we," "us" and "our" mean Viacom Inc. and our consolidated subsidiaries, unless the context requires otherwise.

Significant components of management's discussion and analysis of results of operations and financial condition include:

Overview: The overview section provides a summary of our business.

Results of Operations: The results of operations section provides an analysis of our results on a consolidated and reportable segment basis for the quarter and nine months ended June 30, 2016, compared with the quarter and nine months ended June 30, 2015. In addition, we provide a discussion of items that affect the comparability of our results of operations.

Liquidity and Capital Resources: The liquidity and capital resources section provides a discussion of our cash flows for the nine months ended June 30, 2016, compared with the nine months ended June 30, 2015, and of our outstanding debt, commitments and contingencies existing as of June 30, 2016.

OVERVIEW

Summary

We are home to premier global media brands that create compelling television programs, motion pictures, short-form content, apps, games, consumer products, social media experiences and other entertainment content for audiences in 180 countries. Our media networks, including Nickelodeon®, COMEDY CENTRAL®, MTV®, VH1®, SPIKE®, BET®, CMT®, TV Land®, Nick at Nite®, Nick Jr.®, Channel 5® (UK), Logo®, Nicktoons®, TeenNick® and Paramount Channel™, reach 510 million households worldwide. Viacom Media Networks also provides extensive online, mobile and app experiences. Paramount Pictures® is a major global producer and distributor of filmed entertainment. Paramount Television™ develops and produces programming for television and video-on-demand platforms. In February 2016, the Company announced that it initiated a process to explore opportunities for a significant strategic minority equity investment in Paramount Pictures.

We operate through two reporting segments: *Media Networks* and *Filmed Entertainment*. Our measure of segment performance is adjusted operating income/(loss). We define adjusted operating income/(loss) for our segments as operating income/(loss), before equity-based compensation and certain other items identified as affecting comparability, when applicable. Equity-based compensation is excluded from our segment measure of performance since it is set and approved by the Compensation Committee of Viacom's Board of Directors in consultation with corporate executive management, and is included as a component of consolidated adjusted operating income.

When applicable, we use consolidated adjusted operating income, adjusted earnings before provision for income taxes, adjusted provision for income taxes, adjusted net earnings attributable to Viacom and adjusted diluted earnings per share ("EPS"), among other measures, to evaluate our actual operating performance and for planning and forecasting of future periods. We believe that the adjusted results provide relevant and useful information for investors because they clarify our actual operating performance, make it easier to compare our results with those of other companies and allow investors to review performance in the same way as our management. Since these are not measures of performance calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"), they should not be considered in isolation of, or as a substitute for, operating income, earnings before provision for income taxes, provision for income taxes, net earnings attributable to Viacom and diluted EPS as indicators of operating performance and they may not be comparable to similarly titled measures employed by other companies. For a reconciliation of our adjusted measures and discussion of the items affecting comparability, refer to the section entitled "*Factors Affecting Comparability*".

Media Networks

Our *Media Networks* segment generates revenues in three categories: (i) the sale of advertising and marketing services, (ii) affiliate fees from cable television operators, direct-to-home satellite television operators, mobile networks, video-on-demand services, and other distributors of our programming and program services, and (iii) ancillary revenues, which include consumer products licensing, brand licensing, sale of content on DVDs and Blu-ray discs, licensing of our content for download-to-own and download-to-rent services and television syndication.

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
(continued)**

Media Networks segment expenses consist of operating expenses, selling, general and administrative ("SG&A") expenses and depreciation and amortization. Operating expenses are comprised of costs related to original and acquired programming, including programming amortization, expenses associated with the distribution of home entertainment products and consumer products licensing, participation fees, integrated marketing expenses and other costs of sales. SG&A expenses consist primarily of employee compensation, marketing, research and professional service fees and facility and occupancy costs. Depreciation and amortization expenses reflect depreciation of fixed assets, including transponders financed under capital leases, and amortization of finite-lived intangible assets.

Filmed Entertainment

Our *Filmed Entertainment* segment generates revenues worldwide principally from: (i) the theatrical release and/or distribution of motion pictures, (ii) home entertainment, which includes sales of DVDs and Blu-ray discs relating to the motion pictures we release theatrically and direct-to-DVD, as well as content distributed on behalf of Viacom and third parties, transactional video-on-demand and download-to-own services, (iii) licensing of film and television exhibition rights to pay and basic cable television, free television, subscription video-on-demand and free video-on-demand services and (iv) ancillary revenues from providing production services to third parties, primarily at Paramount's studio lot, licensing of its brands for consumer products, theme parks and other uses, and distribution of content specifically developed for digital platforms.

Filmed Entertainment segment expenses consist of operating expenses, SG&A expenses and depreciation and amortization. Operating expenses principally include the amortization of film costs of our released feature films (including participations and residuals), print and advertising expenses and other distribution costs. We incur marketing costs before and throughout the theatrical release of a film and, to a lesser extent, other distribution windows. Such costs are incurred to generate public interest in our films and are expensed as incurred; therefore, we typically incur losses with respect to a particular film prior to and during the film's theatrical exhibition and profitability may not be realized until well after a film's theatrical release. Therefore, the results of the *Filmed Entertainment* segment can be volatile as films work their way through the various distribution windows. SG&A expenses include employee compensation, facility and occupancy costs, professional service fees and other overhead costs. Depreciation and amortization expense principally consists of depreciation of fixed assets.

RESULTS OF OPERATIONS

Consolidated Results of Operations

Our summary consolidated results of operations are presented below for the quarters and nine months ended June 30, 2016 and 2015.

(in millions, except per share amounts)	Quarter Ended June 30,		Better/(Worse)		Nine Months Ended June 30,		Better/(Worse)	
	2016	2015	\$	%	2016	2015	\$	%
<u>GAAP</u>								
Revenues	\$ 3,107	\$ 3,058	\$ 49	2 %	\$ 9,262	\$ 9,480	\$ (218)	(2)%
Operating income	769	1,084	(315)	(29)	2,194	2,057	137	7
Net earnings attributable to Viacom	432	591	(159)	(27)	1,184	1,038	146	14
Diluted earnings per share	1.09	1.47	(0.38)	(26)	2.98	2.54	0.44	17
<u>Non-GAAP*</u>								
Adjusted operating income	\$ 769	\$ 1,084	\$ (315)	(29)%	\$ 2,194	\$ 2,865	\$ (671)	(23)%
Adjusted net earnings attributable to Viacom	419	591	(172)	(29)	1,192	1,596	(404)	(25)
Adjusted diluted earnings per share	1.05	1.47	(0.42)	(29)	3.00	3.91	(0.91)	(23)

* See "Factors Affecting Comparability" section below for a reconciliation of our reported results to our adjusted results, which are calculated on a non-GAAP basis.

Factors Affecting Comparability

The Consolidated Financial Statements reflect our results of operations, financial position and cash flows reported in accordance with GAAP. Our results have been affected by certain items identified as affecting comparability. Accordingly, when applicable, we use non-GAAP measures, including consolidated adjusted operating income, adjusted earnings before provision for income taxes, adjusted provision for income taxes, adjusted net earnings attributable to Viacom and adjusted diluted EPS, to evaluate our actual operating performance and for planning and forecasting of future periods. We believe that the adjusted results provide relevant and useful information for investors because they clarify our actual operating performance, make it easier to compare our results with those of other companies and allow investors to review performance in the same way.

**Management's Discussion and Analysis
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(continued)**

as our management. These measures of performance are calculated on a basis other than GAAP and should not be considered in isolation of, or as a substitute for, operating income, earnings before provision for income taxes, provision for income taxes, net earnings attributable to Viacom and diluted EPS as indicators of operating performance, and they may not be comparable to similarly titled measures employed by other companies.

The following tables reconcile our reported results (GAAP) to our adjusted results (non-GAAP). There were no adjustments to our results for the quarter ended June 30, 2015.

(in millions, except per share amounts)

	Quarter Ended June 30, 2016				
	Operating Income	Earnings Before Provision for Income Taxes	Provision for Income Taxes *	Net Earnings Attributable to Viacom	Diluted EPS
Reported results (GAAP)	\$ 769	\$ 635	\$ 195	\$ 432	\$ 1.09
Factors Affecting Comparability:					
Discrete tax benefit	—	—	13	(13)	(0.04)
Adjusted results (Non-GAAP)	\$ 769	\$ 635	\$ 208	\$ 419	\$ 1.05

(in millions, except per share amounts)

	Nine Months Ended June 30, 2016				
	Operating Income	Earnings Before Provision for Income Taxes	Provision for Income Taxes *	Net Earnings Attributable to Viacom	Diluted EPS
Reported results (GAAP)	\$ 2,194	\$ 1,812	\$ 602	\$ 1,184	\$ 2.98
Factors Affecting Comparability:					
Discrete tax expense	—	—	(8)	8	0.02
Adjusted results (Non-GAAP)	\$ 2,194	\$ 1,812	\$ 594	\$ 1,192	\$ 3.00

(in millions, except per share amounts)

	Nine Months Ended June 30, 2015				
	Operating Income	Earnings Before Provision for Income Taxes	Provision for Income Taxes *	Net Earnings Attributable to Viacom	Diluted EPS
Reported results (GAAP)	\$ 2,057	\$ 1,638	\$ 528	\$ 1,038	\$ 2.54
Factors Affecting Comparability:					
Restructuring and programming charges	784	784	264	520	1.27
Loss on pension settlement	24	24	9	15	0.04
Discrete tax expense	—	—	(23)	23	0.06
Adjusted results (Non-GAAP)	\$ 2,865	\$ 2,446	\$ 778	\$ 1,596	\$ 3.91

*Represents amount calculated by applying the tax rates applicable to the adjustments presented.

Discrete taxes: The net discrete tax benefit in the quarter ended June 30, 2016 was principally related to the release of tax reserves upon the remeasurement of excess foreign tax credits associated with the reorganization of certain non-U.S. subsidiaries in the fourth quarter of 2015. The net discrete tax expense in each of the nine months ended June 30, 2016 and 2015 was principally related to a reduction in qualified production activity tax benefits as a result of retroactively reenacted legislation, partially offset by reserve releases.

Restructuring and programming charges: The nine months ended June 30, 2015 reflect a pre-tax charge of \$784 million recognized in connection with a company-wide review across our worldwide Media Networks, Filmed Entertainment operations and corporate functions. The company-wide review resulted in the implementation of significant strategic and operational improvements aimed at addressing the ratings challenges experienced by our networks and enhancing the effectiveness and efficiency of our operations, including a new programming strategy shifting focus away from repeated acquired programming and toward fresher, first-run original programming specifically targeted to appeal to our youth and family-oriented demographics.

**Management’s Discussion and Analysis
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As a result of the review, we reorganized our operating segments and the newly structured operating segment management performed a comprehensive strategic review of existing programming, resulting in the identification of programming not aligned with the Company’s new strategy. Decisions were made to cease airing certain programs, alter future airing patterns of certain other programs, and move some programming to secondary networks that would not generate sufficient revenues to support their carrying value.

The charge consisted of \$578 million of programming charges and a \$206 million restructuring charge associated with workforce reductions. See “*Segment Results of Operations*” for additional discussion of the impact of the restructuring and programming charges on segment expenses.

Loss on pension settlement: The pre-tax non-cash charge of \$24 million in the nine months ended June 30, 2015 was driven by the settlement of pension benefits of certain participants of our funded pension plan.

Revenues

Worldwide revenues increased \$49 million, or 2%, to \$3.107 billion in the quarter ended June 30, 2016. *Media Networks* revenues decreased \$84 million, or 3%, principally reflecting lower affiliate revenues. *Filmed Entertainment* revenues increased \$142 million, or 30%, primarily reflecting higher license fees and theatrical revenues.

Worldwide revenues decreased \$218 million, or 2%, to \$9.262 billion in the nine months ended June 30, 2016. *Media Networks* revenues decreased \$244 million, or 3%, principally reflecting lower affiliate and advertising revenues. *Filmed Entertainment* revenues increased \$30 million, or 2%, primarily driven by higher license fees, partially offset by lower home entertainment revenues.

Expenses

Total expenses increased \$364 million, or 18%, to \$2.338 billion in the quarter ended June 30, 2016, reflecting higher segment expenses. Total expenses decreased \$355 million, or 5%, to \$7.068 billion in the nine months ended June 30, 2016, primarily due to \$784 million of restructuring and programming charges and a \$24 million loss on pension settlement in the prior year, partially offset by higher segment expenses in the current year. *Media Networks* expenses increased \$158 million, or 11%, in the quarter and \$143 million, or 3%, in the nine months, reflecting higher operating and SG&A expenses. *Filmed Entertainment* expenses increased \$216 million, or 50%, in the quarter and \$327 million, or 17%, in the nine months, driven by higher operating expenses.

Operating

Operating expenses increased \$323 million, or 26%, to \$1.575 billion in the quarter and declined \$109 million, or 2%, to \$4.822 billion in the nine months. Consolidated operating expenses included a programming charge of \$578 million in the prior year nine month period, as described in more detail in the “*Factors Affecting Comparability*” discussion above. *Media Networks* operating expenses increased \$92 million, or 10%, in the quarter and \$101 million, or 3%, in the nine months. *Filmed Entertainment* operating expenses increased \$239 million, or 73%, in the quarter and \$370 million, or 24%, in the nine months.

Selling, General and Administrative

SG&A expenses increased \$42 million, or 6%, to \$708 million in the quarter and declined \$38 million, or 2%, to \$2.080 billion in the nine months. *Media Networks* SG&A expenses increased \$67 million, or 13%, in the quarter and \$42 million, or 3%, in the nine months. *Filmed Entertainment* SG&A expenses decreased \$22 million, or 24%, in the quarter and \$42 million, or 15%, in the nine months. Consolidated SG&A expenses included a \$24 million loss on pension settlement in the prior year nine month period, as described in more detail in the “*Factors Affecting Comparability*” discussion above.

Operating Income

Operating income decreased \$315 million, or 29%, to \$769 million in the quarter ended June 30, 2016, reflecting the operating results discussed above. *Media Networks* adjusted operating income decreased \$242 million, or 22%, reflecting an increase in expenses and revenue declines. *Filmed Entertainment* adjusted operating results decreased \$74 million principally reflecting distribution costs for our release of *Teenage Mutant Ninja Turtles: Out of the Shadows*. In addition, corporate expenses increased \$2 million, or 3%, principally resulting from expenses associated with corporate governance matters and transaction related costs.

Operating income increased \$137 million, or 7%, to \$2.194 billion in the nine months ended June 30, 2016, reflecting the operating results discussed above. Excluding the items discussed in “*Factors Affecting Comparability*”, adjusted operating income decreased \$671 million, or 23%, to \$2.194 billion in the nine months. *Media Networks* adjusted operating income decreased \$387 million, or 12%, principally reflecting revenue declines as well as an increase in programming expenses. *Filmed Entertainment* adjusted operating loss increased \$297 million, reflecting lower contribution from current year films in

**Management's Discussion and Analysis
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release across the distribution windows. In addition, corporate expenses decreased \$13 million, or 7%, principally due to lower employee-related costs.

Income Taxes

Our effective income tax rate was 30.7% and 33.2% in the quarter and nine months ended June 30, 2016, respectively. Discrete tax benefit of \$13 million reduced the effective income tax rate by 2.1 percentage points in the quarter and discrete tax expense of \$8 million contributed 0.4 percentage points to the effective income tax rate in the nine months. Excluding the impact of discrete tax items, our adjusted effective income tax rate was 32.8% in both the quarter and nine months.

Our effective income tax rate was 31.8% and 32.2% in the quarter and nine months ended June 30, 2015, respectively. Discrete tax expense of \$23 million in the nine months, taken together with the other factors affecting comparability discussed above, as applicable, contributed 0.4 percentage points to the effective income tax rate in the nine months. Excluding the impact of discrete tax items, our adjusted effective income tax rate was 31.8% in the nine months.

Net Earnings Attributable to Viacom

Net earnings attributable to Viacom decreased \$159 million, or 27%, to \$432 million in the quarter, principally due to the decline in tax-effected operating income described above, partially offset by the impact of net earnings attributable to noncontrolling interests. Net earnings attributable to Viacom increased \$146 million, or 14%, to \$1.184 billion in the nine months, principally due to the increase in tax-effected operating income described above and the impact of net earnings attributable to noncontrolling interests. Excluding the items noted above under “*Factors Affecting Comparability*”, adjusted net earnings attributable to Viacom decreased \$172 million, or 29%, to \$419 million in the quarter and \$404 million, or 25%, to \$1.192 billion in the nine months.

Diluted Earnings Per Share

Diluted EPS decreased \$0.38 per diluted share to \$1.09 in the quarter and increased \$0.44 per diluted share to \$2.98 in the nine months, reflecting the impact of net earnings. Excluding the items noted above under “*Factors Affecting Comparability*”, adjusted diluted EPS decreased \$0.42 per diluted share to \$1.05 in the quarter and \$0.91 per diluted share to \$3.00 in the nine months.

Segment Results of Operations

Transactions between reportable segments are accounted for as third-party arrangements for the purposes of presenting segment results of operations. Typical intersegment transactions include the purchase of advertising by the *Filmed Entertainment* segment on *Media Networks*' properties and the purchase of *Filmed Entertainment*'s feature films and television programming exhibition rights by *Media Networks*.

Media Networks

(in millions)	Quarter Ended June 30,		Better/(Worse)		Nine Months Ended June 30,		Better/(Worse)	
	2016	2015	\$	%	2016	2015	\$	%
Revenues by Component								
Advertising	\$ 1,216	\$ 1,223	\$ (7)	(1)%	\$ 3,659	\$ 3,762	\$ (103)	(3)%
Affiliate fees	1,148	1,244	(96)	(8)	3,396	3,522	(126)	(4)
Ancillary	149	130	19	15	404	419	(15)	(4)
Total revenues by component	\$ 2,513	\$ 2,597	\$ (84)	(3)%	\$ 7,459	\$ 7,703	\$ (244)	(3)%
Expenses								
Operating	\$ 1,036	\$ 944	\$ (92)	(10)%	\$ 2,989	\$ 2,888	\$ (101)	(3)%
Selling, general and administrative	564	497	(67)	(13)	1,612	1,570	(42)	(3)
Depreciation and amortization	41	42	1	2	124	124	—	—
Total expenses	\$ 1,641	\$ 1,483	\$ (158)	(11)%	\$ 4,725	\$ 4,582	\$ (143)	(3)%
Adjusted Operating Income	\$ 872	\$ 1,114	\$ (242)	(22)%	\$ 2,734	\$ 3,121	\$ (387)	(12)%

Revenues

Worldwide revenues decreased \$84 million, or 3%, to \$2.513 billion and \$244 million, or 3%, to \$7.459 billion in the quarter and nine months ended June 30, 2016, respectively. Domestic revenues decreased 7% to \$2.028 billion and 4% to \$6.034

**Management's Discussion and Analysis
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billion in the quarter and nine months, respectively. International revenues increased 13% in the quarter to \$485 million and 3% in the nine months to \$1.425 billion. Foreign exchange had a 5-percentage point and 6-percentage point unfavorable impact on international revenues in the quarter and nine months, respectively.

Advertising

Worldwide advertising revenues decreased \$7 million, or 1%, to \$1.216 billion in the quarter and \$103 million, or 3%, to \$3.659 billion in the nine months. Domestic advertising revenues decreased 4% in both the quarter and nine months. While pricing increased, reduced unit loads and softer ratings at certain of our networks caused lower audience delivery, reducing impressions and associated revenue. International advertising revenues increased 13% in the quarter and 3% in the nine months. Excluding foreign exchange, which had a 6-percentage point and 7-percentage point unfavorable impact, international advertising revenues increased 19% and 10% in the quarter and nine months, respectively, driven by growth in Europe.

Affiliate Fees

Worldwide affiliate fee revenues decreased \$96 million, or 8%, to \$1.148 billion in the quarter and \$126 million, or 4%, to \$3.396 billion in the nine months. Domestic affiliate revenues decreased 10% in the quarter and 5% in the nine months, principally reflecting a difficult comparison with product made available under certain distribution agreements in the prior year quarter. Excluding the impact from the timing of product available under certain distribution agreements, domestic affiliate revenues declined in the low single digits in the quarter and were substantially flat in the nine months due to a modest decline in subscribers and the impact of a rate adjustment with a major distributor, partially offset by rate increases across the remaining subscriber base. For the full fiscal year 2016, we expect domestic affiliate revenues to decline at a low- to mid-single-digit rate. Due to continuing uncertainty around the timing of completion of a significant distribution agreement, domestic affiliate revenues could decline at a mid- to high-single-digit rate. International affiliate revenues increased 9% in the quarter and 2% in the nine months. Excluding the impact of foreign exchange, which had a 3-percentage point unfavorable impact, international affiliate revenues increased 12% in the quarter, driven by the completion of certain distribution agreements. Excluding the impact of foreign exchange, which had a 6-percentage point unfavorable impact, international affiliate revenues increased 8% in the nine months, driven by new channel launches, increased subscribers, rate increases and the completion of certain distribution agreements.

Ancillary

Worldwide ancillary revenue increased \$19 million, or 15%, to \$149 million in the quarter, principally driven by higher consumer product revenue. Worldwide ancillary revenue decreased \$15 million, or 4%, to \$404 million in the nine months, principally reflecting lower television syndication revenue.

Expenses

Total expenses increased \$158 million, or 11%, to \$1.641 billion in the quarter and \$143 million, or 3%, to \$4.725 billion in the nine months.

Operating

Operating expenses increased \$92 million, or 10%, to \$1.036 billion in the quarter, and \$101 million, or 3%, to \$2.989 billion in the nine months. Programming costs increased \$101 million, or 12%, in the quarter and \$126 million, or 5%, in the nine months, primarily reflecting our continuing investment in original content. Programming costs reflect 4-percentage points of benefit in the nine months attributable to programming abandoned or impaired in the second fiscal quarter of 2015, as previously described in the “*Factors Affecting Comparability*” section. Distribution and other expenses decreased \$9 million, or 8%, in the quarter and \$25 million, or 8%, in the nine months, primarily driven by lower participation costs on certain distribution agreements and ancillary expenses.

Selling, General and Administrative

SG&A expenses increased \$67 million, or 13%, to \$564 million in the quarter and \$42 million, or 3%, to \$1.612 billion in the nine months, principally driven by higher advertising and promotion costs, partially offset by 3-percentage points and 4-percentage points of benefit in the quarter and nine months, respectively, from our 2015 restructuring. Refer to the “*Factors Affecting Comparability*” section above for a discussion of our restructuring charge taken in the second fiscal quarter of 2015.

Adjusted Operating Income

Adjusted operating income decreased \$242 million, or 22%, to \$872 million and \$387 million, or 12%, to \$2.734 billion in the quarter and nine months, respectively, reflecting the operating results discussed above.

**Management's Discussion and Analysis
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Filmed Entertainment

	Quarter Ended June 30,		Better/(Worse)		Nine Months Ended June 30,		Better/(Worse)	
(in millions)	2016	2015	\$	%	2016	2015	\$	%
Revenues by Component								
Theatrical	\$ 91	\$ 20	\$ 71	355 %	\$ 402	\$ 394	\$ 8	2 %
Home entertainment	192	199	(7)	(4)	584	709	(125)	(18)
License fees	297	214	83	39	774	609	165	27
Ancillary	41	46	(5)	(11)	128	146	(18)	(12)
Total revenues by component	\$ 621	\$ 479	\$ 142	30 %	\$ 1,888	\$ 1,858	\$ 30	2 %
Expenses								
Operating	\$ 567	\$ 328	\$ (239)	(73)%	\$ 1,920	\$ 1,550	\$ (370)	(24)%
Selling, general and administrative	68	90	22	24	238	280	42	15
Depreciation and amortization	12	13	1	8	38	39	1	3
Total expenses	\$ 647	\$ 431	\$ (216)	(50)%	\$ 2,196	\$ 1,869	\$ (327)	(17)%
Adjusted Operating Income/(Loss)	\$ (26)	\$ 48	\$ (74)	NM	\$ (308)	\$ (11)	\$ (297)	NM

NM - Not Meaningful

Revenues

Worldwide revenues increased \$142 million, or 30%, to \$621 million, and \$30 million, or 2%, to \$1.888 billion in the quarter and nine months ended June 30, 2016, respectively. Domestic revenues were \$326 million, an increase of 23%, and substantially flat at \$1.003 billion in the quarter and nine months, respectively. International revenues increased 38% to \$295 million in the quarter and 4% to \$885 million in the nine months, with foreign exchange having a 4-percentage point and 5-percentage point unfavorable impact on international revenues in the quarter and nine months, respectively.

Theatrical

Worldwide theatrical revenues increased \$71 million, or 355%, to \$91 million in the quarter, with both domestic and international revenues benefiting from the release of *Teenage Mutant Ninja Turtles: Out of the Shadows* in the quarter.

Worldwide theatrical revenues increased \$8 million, or 2%, to \$402 million in the nine months. Revenues from our current year releases increased \$54 million due to the number and mix of releases, and carryover revenues decreased \$46 million principally reflecting revenues in the prior year period from *Teenage Mutant Ninja Turtles*. Significant current year releases were *Daddy's Home*, *Teenage Mutant Ninja Turtles: Out of the Shadows*, *The Big Short* and *10 Cloverfield Lane*, compared with *The SpongeBob Movie: Sponge Out of Water* and *Interstellar* in the prior year. Domestic theatrical revenues decreased 6% due to the weak performance of certain films in our current year slate compared with the prior year's performance of *Interstellar* and *SpongeBob Movie: Sponge Out of Water*, while international theatrical revenues increased 15%. Foreign exchange had an 11-percentage point unfavorable impact on international theatrical revenues.

Home Entertainment

Worldwide home entertainment revenues decreased \$7 million, or 4%, to \$192 million in the quarter, primarily reflecting the number and mix of current quarter releases. Significant current quarter releases were *13 Hours: The Secret Soldiers of Benghazi* and *10 Cloverfield Lane*, while the prior year quarter included *The SpongeBob Movie: Sponge Out of Water* and *The Gambler*. Domestic home entertainment revenues decreased 3% and international home entertainment revenues decreased 4%. Foreign exchange had a 4-percentage point unfavorable impact on international home entertainment revenues.

Worldwide home entertainment revenues decreased \$125 million, or 18%, to \$584 million in the nine months, primarily reflecting lower carryover revenues due to the mix of available titles, including revenues from *Transformers: Age of Extinction* in the prior year, as well as lower revenues associated with third-party distribution titles. Significant releases in the current year were *Mission: Impossible - Rogue Nation*, *Terminator: Genisys*, *Daddy's Home* and *The Big Short*, while significant releases in the prior year included *Teenage Mutant Ninja Turtles*, *Interstellar*, *Hercules* and *The SpongeBob Movie: Sponge Out of Water*. Domestic home entertainment revenues decreased 9% and international home entertainment revenues decreased 31%. Foreign exchange had a 5-percentage point unfavorable impact on international home entertainment revenues.

**Management's Discussion and Analysis
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(continued)**

License Fees

License fees increased \$83 million, or 39%, to \$297 million, and \$165 million, or 27%, to \$774 million, in the quarter and nine months, respectively, primarily driven by the licensing of certain titles in subscription video-on-demand and delivery of television product.

Expenses

Total expenses increased \$216 million, or 50%, to \$647 million in the quarter and \$327 million, or 17%, to \$2.196 billion in the nine months, driven by higher operating expenses.

Operating

Operating expenses increased \$239 million, or 73%, to \$567 million in the quarter and \$370 million, or 24%, to \$1.920 billion, in the nine months, principally due to costs associated with the release of *Teenage Mutant Ninja Turtles: Out of the Shadows* this quarter. Film costs increased \$157 million, or 74%, in the quarter and \$241 million, or 30%, in the nine months. Distribution and other costs, principally print and advertising expenses, increased \$82 million, or 70%, in the quarter and \$129 million, or 17%, in the nine months.

Selling, General and Administrative

SG&A expenses decreased \$22 million, or 24%, to \$68 million, and \$42 million, or 15%, to \$238 million, in the quarter and nine months, respectively, primarily driven by lower employee-related costs.

Adjusted Operating Income/(Loss)

Adjusted operating loss was \$26 million in the quarter compared with adjusted operating income of \$48 million for the prior year quarter and adjusted operating loss was \$308 million for the nine months compared with \$11 million for the prior year nine month period. The decline in results in the quarter and nine months reflect the underperformance of current year films, such as *Zoolander 2*, *Teenage Mutant Ninja Turtles: Out of the Shadows* and *Whiskey Tango Foxtrot*. Operating losses reflect the recognition of print and advertising expenses incurred in the period, generally before and throughout the theatrical release of a film, while revenues for the respective films are recognized as earned through its theatrical exhibition and subsequent distribution windows. We expect to generate an adjusted operating loss for the quarter and fiscal year ending September 30, 2016 principally reflecting the underperformance of certain films in the current year slate.

LIQUIDITY AND CAPITAL RESOURCES**Liquidity****Sources and Uses of Cash**

Our primary source of liquidity is cash provided through the operations of our businesses. We have access to external financing sources such as our \$2.5 billion five-year revolving credit facility and the capital markets. Our principal uses of cash from operations include the creation of new programming and film content, acquisitions of third-party content, and interest and income tax payments. We also use cash for the repayment of debt, quarterly cash dividends and capital expenditures, as well as discretionary share repurchases under our stock repurchase program, as deemed appropriate.

We believe that our cash flows from operating activities together with our credit facility provide us with adequate resources to fund our anticipated ongoing cash requirements. We anticipate that future debt maturities will be funded with cash and cash equivalents, cash flows from operating activities and future access to capital markets, including our credit facility. Share repurchases under the program are expected to be funded through a combination of debt and cash generated by operations, as deemed appropriate.

We may continue to access external financing from time to time depending on our cash requirements, assessments of current and anticipated market conditions and after-tax cost of capital. Our access to capital markets can be impacted by factors outside our control, including economic conditions; however, we believe that our strong cash flows and balance sheet, our credit facility and our credit rating will provide us with adequate access to funding given our expected cash needs. Any new borrowing cost would be affected by market conditions and short and long-term debt ratings assigned by independent rating agencies, and there can be no assurance that we will be able to access capital markets on terms and conditions that will be favorable to us.

**Management's Discussion and Analysis
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Cash Flows

Cash and cash equivalents were \$192 million as of June 30, 2016, a decrease of \$314 million compared with September 30, 2015.

Operating Activities

Cash provided by operating activities was \$400 million for the nine months ended June 30, 2016, a decrease of \$680 million compared with the nine months ended June 30, 2015, primarily reflecting unfavorable working capital requirements.

Investing Activities

Cash used in investing activities was \$139 million and \$85 million for the nine months ended June 30, 2016 and 2015, respectively, reflecting higher spending on acquisitions and investments.

Financing Activities

Cash used in financing activities was \$545 million for the nine months ended June 30, 2016, primarily driven by dividend payments of \$476 million, the repayment of the \$368 million aggregate principal amount of our 6.250% Senior Notes due April 2016 and the settlement of share repurchases totaling \$100 million, partially offset by \$453 million of commercial paper borrowings.

Cash used in financing activities was \$1.507 billion for the nine months ended June 30, 2015, primarily driven by settlement of share repurchases totaling \$1.548 billion and dividend payments of \$405 million, partially offset by net proceeds of \$390 million from debt transactions. Proceeds of \$990 million from the issuance of senior notes and debentures were partially offset by the repayment of the \$600 million aggregate principal amount of our 1.250% Senior Notes due February 2015.

Capital Resources**Capital Structure and Debt**

Total debt was \$12.365 billion as of June 30, 2016, an increase of \$80 million from \$12.285 billion at September 30, 2015.

In the third quarter, we repaid the \$368 million aggregate principal amount of our 6.250% Senior Notes due April 2016.

Credit Facility

At June 30, 2016, there were no amounts outstanding under our credit facility. The credit facility is used for general corporate purposes and to support commercial paper outstanding. The amount of unused capacity under the credit facility, after deducting commercial paper outstanding of \$453 million with a weighted average maturity of 29 days and weighted average interest rate of 1.24%, was \$2.05 billion as of June 30, 2016. The credit facility has one principal financial covenant that requires our interest coverage for the most recent four consecutive fiscal quarters to be at least 3.0x, which we met as of June 30, 2016.

Stock Repurchase Program

During the nine months ended June 30, 2016, we repurchased 2.1 million shares of Class B common stock for an aggregate purchase price of \$100 million, leaving \$4.9 billion of remaining capacity under our program.

Commitments and Contingencies**Legal Matters**

See Note 6 to the Consolidated Financial Statements for information regarding legal matters.

OTHER MATTERS**Related Parties**

In the ordinary course of business we enter into transactions with related parties, including National Amusements, Inc., CBS Corporation, their respective subsidiaries and affiliates, and companies that we account for under the equity method of accounting. For additional information, see Note 13 to the Consolidated Financial Statements.

**Management's Discussion and Analysis
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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q, including “Item 2. Management’s Discussion and Analysis of Results of Operations and Financial Condition,” contains both historical and forward-looking statements. All statements that are not statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements reflect our current expectations concerning future results, objectives, plans and goals, and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause future results, performance or achievements to differ. These risks, uncertainties and other factors include, among others: the effect of actions taken in the name of the Company’s controlling stockholder to affect control of the Company and the related uncertainty under which the Company is operating; the public acceptance of our brands, programs, motion pictures and other entertainment content on the various platforms on which they are distributed; the impact of inadequate audience measurement on our program ratings, advertising revenues and affiliate fees; technological developments and their effect in our markets and on consumer behavior; competition for content, audiences, advertising and distribution; the impact of piracy; economic fluctuations in advertising and retail markets, and economic conditions generally; fluctuations in our results due to the timing, mix, number and availability of our motion pictures and other programming; the potential for loss of carriage or other reduction in the distribution of our content; changes in the Federal communications or other laws and regulations; evolving cybersecurity and similar risks; other domestic and global economic, business, competitive and/or regulatory factors affecting our businesses generally; and other factors described below and in our news releases and filings with the Securities and Exchange Commission, including but not limited to our 2015 Form 10-K and reports on Form 10-Q and Form 8-K. The forward-looking statements included in this document are made only as of the date of this document, and we do not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk.*

We are exposed to the impact of interest rate changes, foreign currency fluctuations and changes in the market value of investments. In the ordinary course of business, we may employ established and prudent policies and procedures to manage our exposure principally to changes in interest rates and foreign exchange risks. The objective of such policies and procedures is to manage exposure to market risks in order to minimize the impact on earnings and cash flows. We do not hold or enter into financial instruments for speculative trading purposes.

Item 4. *Controls and Procedures.*

Our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended (“Exchange Act”)) were effective, based on the evaluation of these controls and procedures required by Rule 13a-15(b) or 15d-15(b) of the Exchange Act.

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. *Legal Proceedings.*

Since our 2015 Form 10-K, there have been no material developments in the material legal proceedings in which we are involved, except as set forth in Note 6 to the Consolidated Financial Statements.

Item 1A. *Risk Factors.*

A wide range of risks may affect our business and financial results, now and in the future. We consider the risks described in our 2015 Form 10-K and below to be the most significant. There may be other currently unknown or unpredictable economic, business, competitive, regulatory or other factors that could have material adverse effects on our future results.

Through National Amusements' Voting Control of Viacom and CBS Corporation, Certain Members of Management, Directors and Stockholders May Face Actual or Potential Conflicts of Interest, and National Amusements is in a Position to Control Actions that Require, or May be Accomplished by, Stockholder Approval

National Amusements, directly and indirectly, is the controlling stockholder of both Viacom and CBS. National Amusements owns shares in Viacom representing approximately 79.8% of the voting interest in Viacom and approximately 10% of Viacom's combined common stock. National Amusements is controlled by Mr. Redstone, who is the Chairman and Chief Executive Officer of NAI, through the SMR Trust, which owns shares in National Amusements representing 80% of the voting interest of National Amusements. Shares of National Amusements held by the SMR Trust are voted solely by Mr. Redstone until such time as his incapacity or death. Upon Mr. Redstone's incapacity or death, (1) Ms. Redstone, who is the non-executive Vice Chair of Viacom and the President and a director of National Amusements, will also become a trustee of the SMR Trust and (2) the shares of National Amusements held by the SMR Trust will be voted by the trustees of the SMR Trust. The trustees of the SMR Trust include Mr. Redstone and Mr. Andelman, a member of the boards of directors of National Amusements and CBS. On May 20, 2016, Mr. Dauman, our Executive Chairman, President and Chief Executive Officer, and Mr. Abrams, a member of the Board of Directors, received notice stating that they had been removed as Trustees of the SMR Trust and as directors and managers of National Amusements and its subsidiaries. Mr. Redstone serves as our Chairman Emeritus and as the Chairman Emeritus of CBS. Ms. Redstone, who is Mr. Redstone's daughter, serves as the non-executive Vice Chair of our Board of Directors as well as of the Board of Directors of CBS. The purported removal of Messrs. Dauman and Abrams as trustees of the SMR Trust and as directors and managers of National Amusements and its subsidiaries is being disputed. See Note 6 to the Consolidated Financial Statements.

The National Amusements ownership structure and the common directors among National Amusements, Viacom and CBS could create, or appear to create, potential conflicts of interest when the management, directors and controlling stockholder of the commonly controlled entities face decisions that could have different implications for each entity. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between us and CBS. Potential conflicts of interest, or the appearance thereof, could also arise when we and CBS enter into any commercial arrangements with each other, despite review by our directors not affiliated with CBS. Our certificate of incorporation and the CBS certificate of incorporation both contain provisions related to corporate opportunities that may be of interest to us and to CBS, and these provisions create the possibility that a corporate opportunity of one company may be used for the benefit of the other company.

In addition, National Amusement's voting control of us allows it to control the outcome of corporate actions that require, or may be accomplished by, stockholder approval, including the election and removal of directors, the amendment of the Bylaws, and transactions involving a change in control. For example, on June 6, 2016, NAI delivered to Viacom stockholder written consents purporting to amend certain provisions of the Bylaws, requiring that any sale or financial transaction affecting all or a portion of Paramount and various other Viacom subsidiaries that are utilized in the conduct of business of Paramount must be unanimously approved by all of the members of the Board of Directors then in office, and specifying that the Board of Directors can amend the Bylaws only by an affirmative vote of all members of the Board of Directors then in office, giving each of Mr. Redstone and Ms. Redstone veto power over any transaction for a significant strategic minority investment in Paramount, even if such a transaction would otherwise create value for other Viacom stockholders. For so long as National Amusements retains voting control of us, our stockholders, other than National Amusements, will be unable to affect the outcome of any corporate actions including a sale of all or a portion of Paramount. The interests of National Amusements may not be the same as the interests of our other stockholders, who must rely on our independent directors to represent their interests.

The Company’s Business and Stock Prices May Be Adversely Affected by the Uncertainty Created by Certain Pending Litigation and by Actions Taken in the Name of the Company’s Controlling Stockholder

The recent and highly public controversy relating to the Company’s governance (including the various litigation proceedings described above) has created a significant degree of uncertainty with respect to the Company. We do not know how long the disputes will continue or who will be determined to be the ultimate directors of the Company following the conclusion of the proceedings. In addition, we have received notice from Mr. Dauman, our Executive Chairman, President and Chief Executive Officer, and Mr. Dooley, our Senior Executive Vice President and Chief Operating Officer, that, should a final court judgment establish the validity of the Purported Director Replacements, each executive exercises the right to resign for “Good Reason” effective 31 days after the entry of such an order, adding to the uncertainty and potentially resulting in significant costs to Viacom. We are incurring legal expenses, which could be significant and the full amount of which are difficult to predict.

In addition, NAI’s proposed Bylaw amendments, as well as certain statements made by representatives of NAI with respect to the matters described in Note 6 to our Consolidated Financial Statements, may make it difficult or impossible for management and the current Board of Directors to negotiate or execute on any Paramount transaction.

The foregoing factors are having, and may continue to have, an adverse impact on the Company’s ability to negotiate, or renegotiate, contractual arrangements on commercially advantageous terms, attract and retain key management and employees, access the capital markets on the most cost efficient terms, and otherwise operate its business in the most efficient manner. These factors are also creating volatility in our stock price, imposing significant demands on the time of senior management and having, and may continue to have, an adverse impact on the business operations, financial position and results of operations of the Company.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.*

None.

Item 3. *Defaults Upon Senior Securities.*

None.

Item 4. *Mine Safety Disclosures.*

Not Applicable.

Item 5. *Other Information.*

None.

Item 6. Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
3.2*	Bylaws of Viacom Inc., as purportedly amended as of June 6, 2016 and June 16, 2016.
10.1*	Summary of Viacom Inc. Compensation for Outside Directors.
10.2*	Viacom Inc. 2011 RSU Plan for Outside Directors, as amended and restated as of January 1, 2016, and as further amended and restated as of May 18, 2016.
10.3*	Viacom Inc. 2016 LTMP: Form of Terms and Conditions to the Stock Option Certificate.
10.4*	Viacom Inc. 2016 LTMP: Form of Terms and Conditions to the Restricted Share Units Certificate.
10.5*	Viacom Inc. 2016 LTMP: Form of Terms and Conditions to the Performance Share Units Certificate.
10.6*	Agreement dated as of June 13, 2016 between George S. Abrams and Viacom Inc.
10.7*	Agreement dated as of June 13, 2016 between Philippe P. Dauman and Viacom Inc.
31.1*	Certification of the Chief Executive Officer of Viacom Inc. pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer of Viacom Inc. pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer of Viacom Inc. furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Chief Financial Officer of Viacom Inc. furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith

SIGNATURES

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.

VIACOM INC.

Date: August 4, 2016

By: /s/ WADE DAVIS
Wade Davis
Executive Vice President, Chief Financial Officer

Date: August 4, 2016

By: /s/ KATHERINE GILL-CHAREST
Katherine Gill-Charest
Senior Vice President, Controller
(Chief Accounting Officer)

**BYLAWS
OF
VIACOM INC.,
AS PURPORTEDLY AMENDED AS OF JUNE 6, 2016
AND AS OF JUNE 16, 2016**

ARTICLE I

OFFICES

Section 1. The registered offices of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. The Corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Meetings of stockholders may be held at such time and place, within and without the State of Delaware, as shall be designated by the board of directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof. The board of directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication.

Section 2. The annual meeting of stockholders for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting shall be held at such date and hour as shall be determined by the board of directors.

Section 3. Notice of the place, if any, date, and time of all meetings of the stockholders, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given, not less than ten nor more than sixty days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the Delaware General Corporation Law (the "DGCL") or the Amended and Restated Certificate of Incorporation of the Corporation).

When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty days after the date for which the meeting was originally noticed, notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, shall be given to each stockholder in conformity herewith. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for notice of such adjourned meeting, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors and, except as otherwise required by law, shall not be more than sixty nor less than ten days before the date of such adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 4. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; provided, however, if the record date for determining the stockholders entitled to vote is less than ten days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, at the principal place of business of the Corporation. The list shall also be produced and kept open at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Amended and Restated Certificate of Incorporation, may be called by the affirmative vote of a majority of the Whole Board (for purposes of these bylaws, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships), the Chairman of the Board, the Chief Executive Officer or the Vice Chair of the Board and shall be called by the Chairman of the Board, the Chief Executive Officer, the Vice Chair of the Board or Secretary at the request in writing of the holders of record of at least 50.1% of the aggregate voting power of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, acting together as a single class. Such request shall state the purpose or purposes of the proposed meeting. The board of directors may postpone or reschedule any previously scheduled meeting.

Section 6. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 7. At any meeting of the stockholders, the holders of a majority of the aggregate voting power of the shares of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for all purposes except as otherwise provided by statute or by the Amended and Restated Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 8. When a quorum is present at any meeting, the vote of the holders of a majority of the aggregate voting power of the shares of the capital stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by provision of applicable law or of the Amended and Restated Certificate of Incorporation, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 9. At every meeting of the stockholders, each stockholder shall be entitled to vote, in person or by a valid proxy given by the stockholder or his or her duly authorized attorney-in-fact, each share of the capital stock having voting power held by such stockholder in accordance with the provisions of the Amended and Restated Certificate of Incorporation and, if applicable, the certificate of designations relating thereto, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

Section 10. Any action required to be taken at any annual or special meeting of the stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing (or deemed to be in writing under applicable law), setting forth the action so taken, shall be signed by stockholders (or deemed to be signed by stockholders under applicable law) representing not less than the minimum number of votes that would be necessary to authorize or take such actions at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered and dated as required by law. Prompt notice of the taking of such action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. The Secretary shall file such consents with the minutes of the meetings of the stockholders.

Section 11. At all meetings of stockholders, the chairman of the meeting shall have absolute authority over matters of procedure, and there shall be no appeal from the ruling of the chairman.

Section 12. Attendance of a stockholder, in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting, except where the stockholder, in person or by proxy, attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE III

DIRECTORS

Section 1. The number of directors which shall constitute the entire board of directors shall be fixed as set forth in Article V of the Amended and Restated Certificate of Incorporation.

Section 2. Subject to the rights of the holders of any series of Preferred Stock or any other class of capital stock of the Corporation then outstanding (other than Common Stock), vacancies in the board of directors occurring as a result of (i) stockholder action to remove directors or to increase the number of authorized directors or (ii) for any other reason shall be filled only by the affirmative vote of the holders of record of the outstanding shares representing at least a majority of all the aggregate voting power of outstanding shares of capital stock of the Corporation then entitled to vote generally in the election of directors, voting together as a single class, and shall not be filled by the board of directors; *provided* that in the case of a vacancy referred to in clause (ii) above, such vacancy may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, if not filled by stockholder action within thirty days of the occurrence of such vacancy. The directors so chosen shall hold office until their death, resignation or removal or until their successors are duly elected and qualified.

Section 3. The property and business of the Corporation shall be controlled and managed in accordance with the terms of the Amended and Restated Certificate of Incorporation by its board of directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Amended and Restated Certificate of Incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the Corporation, or any committees thereof, may hold meetings, both regular and special, either within or without the State of Delaware.

Section 5. A regular annual meeting of the board of directors, including newly elected directors, shall be held in connection with each annual meeting of stockholders at the place of such stockholders' meeting, and no notice of such meeting to the directors shall be necessary in order legally to constitute the meeting, *provided* that a quorum shall be present. If such meeting is held at any other time or place, notice thereof must be given or waived as hereinafter provided for special meetings of the board of directors.

Section 6. Additional regular meetings of the board of directors shall be held on such dates and at such times and at such places as shall from time to time be determined by the board of directors. Notice thereof must be given or waived as hereinafter provided for special meetings of the board of directors.

Section 7. The Chairman of the Board, the Chief Executive Officer or the Vice Chair of the Board may call a special meeting of the board of directors at such time, at such place, and on such date as he, she or they shall fix. Notice of the place, date, and time of each such special meeting shall be given to each director by whom it is not waived orally in person or by telephone, or by mailing written notice not less than five days before the meeting or by telegraphing, telexing, facsimile, or electronic transmission of the same not less than twenty-four hours before the meeting. Unless otherwise stated in the notice thereof, any and all business may be transacted at a special meeting.

Section 8. At all meetings of the board a majority of the directors then in office shall constitute a quorum for the transaction of business and the vote of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, unless the vote of a greater number is required by statute, the Amended and Restated Certificate of Incorporation or these bylaws. If a quorum shall not be present at any meeting of the board of directors, a majority of the directors present thereat may adjourn the meeting to another place, date or time, without notice other than announcement at the meeting.

Notwithstanding the foregoing, the affirmative vote of all the directors then in office shall be required to approve any of the following:

- (1) Any sale, issuance, transfer, redemption, lien, encumbrance or other disposition (including, without limitation, by way of recapitalization, reclassification, dividend, distribution, merger, consolidation or otherwise) of (i) any shares of capital stock or ownership interest of Paramount Pictures Corporation ("Paramount"), (ii) any shares of capital stock or ownership interest of any direct or indirect subsidiary of Paramount (each, a "Paramount Subsidiary"), (iii) any shares of capital stock or ownership interest of any direct or indirect subsidiary of the Corporation that conducts any business supporting, servicing or otherwise utilized in the conduct of business of Paramount or any Paramount Subsidiary, including, without limitation, as a lender or a borrower or as a guarantor of any obligation or indebtedness (each a "Related Entity"; each of Paramount, any Paramount Subsidiary and any Related Entity, individually, a "Paramount Entity") or (iv) any options, warrants, convertible securities or other rights to purchase or acquire or encumber any shares of such capital stock or ownership interest of any Paramount Entity; or
- (2) Any sale, transfer, license, lien, encumbrance or other disposition of the material assets or businesses of any Paramount Entity other than in the ordinary course of business consistent with past practice; or
- (3) The entry by any Paramount Entity into any partnership, limited partnership or joint venture; or
- (4) The entry by the Corporation or any direct or indirect subsidiary thereof into any contract, joint venture, agreement, guarantee, commitment or understanding, whether or not legally binding or enforceable, to effect or consummate, or otherwise related to or that would facilitate, any transaction described in subparagraph (1), (2) or (3) above; or
- (5) The adoption or approval of any amendment to the certificate or articles of incorporation of any Paramount Entity (or similar governing document of any Paramount Entity that is not a corporation, including any limited liability company agreement or partnership agreement) (any of (1) through (5) is referred to herein as a "Paramount Transaction"); or

(6) The vote or consent of any shares of capital stock, other equity interests, or other securities of any Paramount Entity owned or held, directly or indirectly, by the Corporation or any direct or indirect subsidiary thereof, with respect to, or in connection with, a Paramount Transaction.

Section 9. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission, setting forth the action so taken, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board or committee.

Section 10. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation or these bylaws, members of the board of directors, or any committee thereof, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

Section 11. Designation of Committees. The board of directors may, by resolution passed by a majority of the board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

Section 12. Vacancies. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member.

Section 13. Powers. Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors to the extent provided by Section 141(c) of the DGCL as it exists now or may hereafter be amended.

Section 14. Minutes. Each committee of the board of directors shall keep regular minutes of its meetings and report the same to the board of directors when required.

COMPENSATION OF DIRECTORS

Section 15. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation or these bylaws, the board of directors shall have the authority to fix the compensation of directors. All directors may be paid their expenses, if any, of attendance at each meeting of the board of directors, and directors who are not full-time employees of the Corporation may be paid a fixed sum for attendance at each meeting of the board of directors, and/or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or

standing committees may be allowed like compensation and expenses for attending committee meetings. As used herein, salary means monetary and other forms of compensation.

REMOVAL OF DIRECTORS

Section 16. Subject to the rights of the holders of any series of Preferred Stock or any other class of capital stock of the Corporation (other than the Common Stock) then outstanding, any or all directors may be removed from office at any time prior to the expiration of his, her or their term of office, with or without cause, only by the affirmative vote of the holders of record of outstanding shares representing at least a majority of all the aggregate voting power of outstanding shares of capital stock of the Corporation then entitled to vote generally in the election of directors, voting together as a single class at a special meeting of stockholders called expressly for that purpose; *provided* that, any director may be removed from office by the affirmative vote of a majority of the board of directors, at any time prior to the expiration of his term of office, as provided by law, in the event a director is in breach of any agreement between such director and the Corporation relating to such director's service as a director or employee of the Corporation.

ARTICLE IV

NOTICES

Section 1. Whenever, under the provisions of applicable law, the Amended and Restated Certificate of Incorporation or these bylaws, notice is required to be given to (a) any director, it shall be construed to mean oral notice given telephonically or in person or written or printed notice given either personally or by mail, wire, telephone, telex, facsimile or electronic transmission, or (b) any stockholder, it shall be construed to mean written or printed notice given either personally or by mail, wire or electronic transmission in the manner and to the extent provided by Section 232 of the DGCL, in each case, addressed to such director or stockholder, at his or her address as it appears on the records of the Corporation, with postage or other charges thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail or at the appropriate office for transmission by wire or, in the case of electronic transmission, at the time specified by Section 232 of the DGCL.

Section 2. Whenever any notice is required to be given under the provisions of applicable law or of the Amended and Restated Certificate of Incorporation or of these bylaws, a waiver thereof in writing or by electronic transmission, signed by the person or persons entitled to said notice, whether before or after the time of the event for which notice is given, shall be deemed equivalent thereto.

Section 3. Attendance at a meeting shall constitute a waiver of notice except where a director or stockholder attends a meeting for the express purpose of objecting at the beginning of a meeting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Neither the business to be transacted at, nor the purpose of, any meeting need be specified in the waiver of notice of such meeting.

ARTICLE V

OFFICERS

Section 1. The officers of the Corporation shall be elected by the board of directors at its first meeting in connection with each annual meeting of the stockholders and shall be a Chief Executive Officer, a Chief Financial Officer and/or a Treasurer and a Secretary. The board of directors may also elect a Chairman of the Board, one or more Vice Chairmen or Vice Chairs of the Board, one or more Presidents and Vice Presidents and one or more Assistant Treasurers and Assistant Secretaries, and such other officers as the board of directors deems appropriate. Any number of offices may be held by the same person. Vice Presidents may be given distinctive designations such as Executive Vice President or Senior Vice President. At the time of election, the board of directors may determine that the Chairman of the Board shall be a Non-Executive Chairman of the Board or that the Vice Chair of the Board shall be a Non-Executive Vice Chair of the Board.

Section 2. The board of directors may elect such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board of directors.

Section 3. The officers of the Corporation shall hold office until their successors are elected or appointed and qualify or until their earlier resignation or removal. Any officer elected or appointed by the board of directors may be removed at any time with or without cause by the affirmative vote of majority of the board of directors. Any vacancy occurring in any office of the Corporation shall be filled by the board of directors.

CHAIRMAN OF THE BOARD

Section 4. The Chairman of the Board, if any shall be elected, shall preside at all meetings of the board of directors and the stockholders and shall have such other powers and perform such other duties as may from time to time be assigned to him or her by the board of directors.

VICE CHAIR OF THE BOARD

Section 5. The Vice Chair of the Board, if any shall be elected, or if there be more than one, the Vice Chairs of the Board in order of their election, shall, in the absence of the Chairman of the Board, or in case the Chairman of the Board shall resign, retire, become deceased or otherwise cease or be unable to act, perform the duties and exercise the powers of the Chairman of the Board. In addition, the Vice Chair of the Board shall have such other powers and perform such other duties as may from time to time be assigned or delegated to him or her by the board of directors.

THE CHIEF EXECUTIVE OFFICER

Section 6. The Chief Executive Officer shall be the chief executive officer of the Corporation and shall have the general powers and duties of supervision, management and control of the business and affairs of the Corporation, subject to the control of the board of directors. The Chief Executive Officer shall perform the duties and exercise the powers incident to the office of Chief Executive Officer and shall have such other powers and perform such other

duties as may from time to time be assigned or delegated to him or her by the board of directors or these bylaws.

THE PRESIDENT

Section 7. The President, if any shall be elected, shall, under the direction of the Chief Executive Officer, be responsible for the operations of the Corporation and shall have all the powers, rights, functions and responsibilities normally exercised by a president. The President shall have such other powers and perform such other duties as may from time to time be assigned or delegated to the President by the Chief Executive Officer, the board of directors or these bylaws.

THE VICE PRESIDENTS

Section 8. The Vice Presidents, if any shall be elected, shall have such powers and perform such duties as may from time to time be assigned or delegated to them by the board of directors or the Chief Executive Officer.

THE SECRETARY AND ASSISTANT SECRETARY

Section 9. The Secretary, if any shall be elected, shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees of the board of directors when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and the meetings of the board of directors, as applicable, and shall perform such other duties as may be prescribed by the board of directors or the Chief Executive Officer, under whose supervision he or she shall be. He or she shall have custody of the corporate seal of the Corporation and he or she, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his or her signature or by the signature of such Assistant Secretary. The board of directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his or her signature.

Section 10. The Assistant Secretary, if any shall be elected, or if there be more than one, the Assistant Secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall have such other powers and perform such other duties as may from time to time be assigned or delegated to them by the board of directors, the Chief Executive Officer or the Secretary.

THE TREASURER AND ASSISTANT TREASURERS

Section 11. The Treasurer, under the supervision of the Chief Executive Officer, shall have charge of the corporate funds and securities and shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by or at the direction of the board of directors.

Section 12. The Treasurer shall disburse or cause to be disbursed the funds of the Corporation as may be ordered by or at the direction of the Chief Executive Officer or the board of directors, taking proper vouchers for such disbursements, and subject to the supervision of the Chief Executive Officer, shall render to the board of directors, when they or either of them so require, an account of his or her transactions as Treasurer and of the financial condition of the Corporation.

Section 13. If required by the board of directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his or her office and for the restoration to the Corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

Section 14. The Assistant Treasurer, if any shall be elected, or if there shall be more than one, the Assistant Treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall have such other powers and perform such other duties as may from time to time be assigned or delegated to them by the board of directors, the Chief Financial Officer or the Treasurer.

Section 15. In addition to the corporate officers elected by the board of directors pursuant to this Article V, the Chief Executive Officer may, from time to time, appoint one or more other persons as appointed officers who shall not be deemed to be corporate officers, but may, respectively, be designated with such titles as the Chief Executive Officer may deem appropriate. The Chief Executive Officer may prescribe the powers to be exercised and the duties to be performed by each such appointed officer, may designate the term for which each such appointment is made, and may, from time to time, terminate any or all of such appointments. Such appointments and termination of appointments shall be reported to the board of directors.

ARTICLE VI

TRANSFERS OF STOCK

Section 1. Unless otherwise provided by resolution of the board of directors, each class or series of the shares of capital stock in the Corporation shall be issued in uncertificated form pursuant to the customary arrangements for issuing shares in such form. Shares shall be transferable only on the books of the Corporation by the holder thereof in person or by attorney upon presentment of proper evidence of succession, assignation or authority to transfer in accordance with the customary procedures for transferring shares in uncertificated form.

FIXING RECORD DATE

Section 2. In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board of directors may, except as otherwise required by law, fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and

which record date shall not be more than sixty nor less than ten days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 2 at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to consent to corporate action without a meeting, (including by telegram, cablegram or other electronic transmission as permitted by law), the board of directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall be not more than ten days after the date upon which the resolution fixing the record date is adopted. If no record date has been fixed by the board of directors and no prior action by the board of directors is required by the DGCL, the record date shall be the first date on which a consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by Article II, Section 10 hereof. If no record date has been fixed by the board of directors and prior action by the board of directors is required by the DGCL with respect to the proposed action by consent of the stockholders without a meeting, the record date for determining stockholders entitled to consent to corporate action without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

REGISTERED STOCKHOLDERS

Section 3. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

INDEMNIFICATION OF EMPLOYEES

Section 1. *Right to Indemnification.* The Corporation shall indemnify any present or former employee of the Corporation who was or is involved in or is threatened to be involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was an employee of the Corporation, or is or was serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise (such person, an “indemnatee”), to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment and unless applicable law otherwise requires, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against judgments, fines, amounts paid in settlement and expenses (including, without limitation, attorneys’ fees), actually and reasonably incurred by him or her in connection with such action, suit or proceeding. Notwithstanding the foregoing, except as provided in Section 7 of this Article VII with respect to proceedings to enforce rights to indemnification and advancement of expenses, the Corporation shall indemnify an indemnatee in connection with a proceeding (or part thereof) initiated by the indemnatee, if and only if the board of directors authorized the bringing of the action, suit or proceeding (or part thereof) in advance of the commencement of the proceeding.

Section 2. *Successful Defense.* To the extent that an indemnatee has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of this Article VII, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including, without limitation, attorneys’ fees) actually and reasonably incurred by him or her in connection therewith.

Section 3. *Advance Payment of Expenses.* Expenses (including attorneys’ fees) incurred by an indemnatee in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon such terms and conditions, if any, as the Corporation deems appropriate, by resolution of the board of directors.

Section 4. *Not Exclusive.* The indemnification and advancement of expenses provided by, or granted pursuant to, the other sections of this Article VII shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. Without limiting the foregoing, the Corporation is authorized to enter into an agreement with any employee of the Corporation providing indemnification for such person against expenses, including, without limitation, attorneys' fees, judgments, fines and amounts paid in settlement that result from any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, including, without limitation, any action, suit or proceeding by or in the right of the Corporation, that arises by reason of the fact that such person is or was an employee of the Corporation, or is or was serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, to the fullest extent allowed by law, except that no such agreement shall provide for indemnification for any actions that constitute fraud, actual dishonesty or willful misconduct.

Section 5. *Insurance.* The Corporation may purchase and maintain insurance on behalf of any person who is or was an employee of the Corporation, or is or was serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VII.

Section 6. *Certain Definitions.* For the purposes of this Article VII, (a) any employee of the Corporation who shall serve or has served as an employee of any other corporation, limited liability company, partnership, joint venture, trust or other enterprise of which the Corporation, directly or indirectly, is or was a stockholder or creditor, or in which the Corporation is or was in any way interested, or (b) any current or former employee of any subsidiary corporation, limited liability company, partnership, joint venture, trust or other enterprise wholly owned by the Corporation, shall be deemed to be serving as such employee at the request of the Corporation, unless the board of directors of the Corporation shall determine otherwise. In all other instances where any person shall serve or has served as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise of which the Corporation is or was a stockholder or creditor, or in which it is or was otherwise interested, if it is not otherwise established that such person is or was serving as such employee at the request of the Corporation, the board of directors of the Corporation may determine whether such service is or was at the request of the Corporation, and it shall not be necessary to show any actual or prior request for such service. For purposes of this Article VII, references to a corporation include all constituent corporations absorbed in a consolidation or merger (including any constituent of a constituent) as well as the resulting or surviving corporation so that any person who is or was an employee of such a constituent corporation, or is or was serving at the request of such constituent corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving

corporation as he or she would if he or she had served the resulting or surviving corporation in the same capacity. For purposes of this Article VII, references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Corporation” shall include any service as an employee of the Corporation which imposes duties on, or involves services by, such employee with respect to an employee benefit plan, its participants, or beneficiaries, and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article VII.

Section 7. *Proceedings to Enforce Rights to Indemnification.* (a) If a claim under Section 1 or 2 of this Article VII is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation, or a claim under Section 3 of this Article VII is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. Any such written claim under Section 1 or 2 of this Article VII shall include such documentation and information as is reasonably available to the indemnitee and reasonably necessary to determine whether and to what extent the indemnitee is entitled to indemnification. Any written claim under Sections 1, 2 and 3 of this Article VII shall include reasonable documentation of the expenses incurred by the indemnitee.

(b) If successful in whole or in part in any suit brought pursuant to Section 7(a) of this Article VII, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking to the extent an undertaking would be required of a present director or officer of the Corporation pursuant to Article VI of the Amended and Restated Certificate of Incorporation of the Corporation (an “undertaking”), the indemnitee shall also be entitled to be paid and indemnified for the expense of prosecuting or defending such suit.

(c) In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of

expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

Section 8. *Preservation of Rights.* The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be an employee of the Corporation, or has ceased to serve at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, and shall inure to the benefit of the heirs, executors and administrators of such a person. Any repeal or modification of this Article VII by the stockholders of the Corporation entitled to vote thereon shall not adversely affect any right or protection of an employee of the Corporation, or any person serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, existing at the time of such repeal or modification.

ARTICLE VIII

GENERAL PROVISIONS

DIVIDENDS

Section 1. Dividends upon the capital stock of the Corporation, subject to the provisions of the Amended and Restated Certificate of Incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of any statute, the Amended and Restated Certificate of Incorporation and these bylaws.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purposes as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

FORUM FOR ADJUDICATION OF DISPUTES

Section 3. The Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state or federal court located within the State of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action or proceeding asserting a claim against the Corporation or any director or officer of the Corporation arising pursuant to, or seeking to enforce any right, obligation, or remedy under, any provision of the DGCL, the Corporation's Amended and Restated Certificate of Incorporation, or these Bylaws (as each may be amended from time to time), (iv) any action or proceeding to interpret, apply, enforce, or determine the validity of any provision or provisions of the

Corporation's Amended and Restated Certificate of Incorporation or these Bylaws (as each may be amended from time to time), or any amendment thereto or modification thereof, (v) any action or proceeding asserting a claim against the Corporation or any director or officer of the Corporation governed by the internal affairs doctrine, or (vi) any action or proceeding to determine the result of any vote or action by written consent of stockholders. The Board of Directors may consent in writing to the selection of an alternative forum; *provided, however*, that any such consent shall require the affirmative vote of all the directors then in office.

CHECKS

Section 4. All checks or demands for money of the Corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 5. The fiscal year of the Corporation shall be as specified by the board of directors.

SEAL

Section 6. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IX

AMENDMENTS

In furtherance of and not in limitation of the powers conferred by statute, the board of directors of the Corporation from time to time may adopt, amend, alter, change or repeal the bylaws of the Corporation by the affirmative vote of all the directors then in office; *provided*, that any bylaws adopted, amended, altered, changed or repealed by the board of directors or the stockholders of the Corporation may be amended, altered, changed or repealed by the stockholders of the Corporation. Notwithstanding any other provisions of the Amended and Restated Certificate of Incorporation of the Corporation or these bylaws (and notwithstanding the fact that a lesser percentage may be specified by law, the Amended and Restated Certificate of Incorporation or these bylaws), the affirmative vote of not less than a majority of the aggregate voting power of all outstanding shares of capital stock of the Corporation then entitled to vote generally in an election of directors, voting together as a single class, shall be required for the stockholders of the Corporation to amend, alter, change, repeal or adopt any bylaws of the Corporation.

Summary of Viacom Inc. Compensation for Outside Directors
(Effective as of May 18, 2016)

Cash Compensation

- The Vice Chair of the Board receives an annual retainer of \$200,000, and each other outside director receives an annual retainer of \$100,000, in each case payable in equal installments quarterly in advance.
- The Chairs of the Audit and Compensation Committees each receive an annual retainer of \$20,000, payable in equal installments quarterly in advance, and the members of those Committees receive a per meeting attendance fee of \$2,000.
- The Chair of the Governance and Nominating Committee receives an annual retainer of \$15,000, payable in equal installments quarterly in advance, and the members of that Committee receive a per meeting attendance fee of \$1,500.

Outside directors may elect to defer their cash compensation under the Viacom Inc. Deferred Compensation Plan for Outside Directors.

Equity Compensation

- Each outside director receives an annual grant on January 31st of each year of Restricted Share Units (RSUs), the number of which is determined by dividing (i) \$175,000 by (ii) the fair market value of one share of Class B Common Stock on The NASDAQ Global Select Market (NASDAQ) on the date of grant.
- In addition, the Lead Independent Director receives an annual grant on January 31st of each year of RSUs, the number of which is determined by dividing (i) \$50,000 by (ii) the fair market value of one share of Class B Common Stock on NASDAQ on the date of grant.
- All RSUs vest one year from the date of grant and are payable to outside directors in shares of Class B Common Stock upon vesting unless the outside director has previously elected to defer settlement of the RSUs to a future date. Outside directors are entitled to receive dividend equivalents on the RSUs in the event the Company pays a regular cash dividend on its Class B Common Stock.

VIACOM INC.
2011 RSU PLAN FOR OUTSIDE DIRECTORS

(Amended and Restated as of January 1, 2016 and as Further Amended and Restated as of
May 18, 2016)

ARTICLE I

GENERAL

Section 1.1 Purpose.

The purpose of the Viacom Inc. 2011 RSU Plan for Outside Directors, as amended and restated as of January 1, 2016 and as further amended and restated as of May 18, 2016 (the “***Plan***”) is to benefit and advance the interests of Viacom Inc., a Delaware corporation (the “***Company***”), and its subsidiaries by obtaining and retaining the services of qualified persons who are not employees of the Company or its subsidiaries to serve as directors and to induce them to make a maximum contribution to the success of the Company and its subsidiaries.

Section 1.2 Definitions.

As used in the Plan, the following terms shall have the following meanings:

- (a) “2016 Effective Date” shall mean January 1, 2016.
- (b) “Annual LID Grant” shall have the meaning set forth in Section 2.1(d).
- (c) “Annual RSU Grant” shall have the meaning set forth in Section 2.1(a).
- (d) “Award” shall mean any Director RSU or Dividend Equivalent.
- (e) “Board” shall mean the Board of Directors of the Company.
- (f) “Class B Common Stock” shall mean the shares of Class B Common Stock, par value \$0.001 per share, of the Company.
- (g) “Code” shall mean the Internal Revenue Code of 1986, as amended, including any successor law thereto, and the rules and regulations promulgated thereunder from time to time.
- (h) “Company” shall have the meaning set forth in Section 1.1.
- (i) “Deferred Compensation Plan” means the Viacom Inc. Deferred Compensation Plan for Outside Directors, as may be amended from time to time.
- (j) “Director RSUs” shall mean a contractual right granted to a Participant pursuant to Article II to receive shares of Class B Common Stock, subject to the terms and conditions set forth in the Plan. Director RSUs shall be settled exclusively in Class B Common Stock, with fractional shares payable in cash.
- (k) “Dividend Equivalent” shall mean a right to receive a payment based upon the value of the regular cash dividend paid on a specified number of shares of Class B Common

Stock as set forth in Article III below. Payment in respect of Dividend Equivalents upon settlement shall be in shares of Class B Common Stock except as set forth in Article III below.

(l) "Elective RSU Grant" shall have the meaning set forth in Section 2.1(e).

(m) "Fair Market Value" of a share of Class B Common Stock on a given date shall be the closing price on such date on the NASDAQ Global Select Market or other principal stock exchange on which the Class B Common Stock is then listed, as reported by The Wall Street Journal (Northeast edition) as the 4:00 p.m. (New York time) closing price or as reported by any other authoritative source selected by the Company. If such date is not a business day on which the Fair Market Value can be determined, then the Fair Market Value shall be determined as of the last preceding business day on which the Fair Market Value can be determined.

(n) "Initial LID Grant" shall have the meaning set forth in Section 2.1(c).

(o) "Lead Independent Director" shall have the meaning set forth in Section 2.1(c).

(p) "LID Grants" shall have the meaning set forth in Section 2.1(d).

(q) "Outside Director" shall mean any member of the Board who is not an employee of the Company or any of its Subsidiaries, except that the Chairman Emeritus shall not be deemed to be an Outside Director.

(r) "Participant" shall mean any Outside Director to whom Awards have been granted under the Plan.

(s) "Plan" shall have the meaning set forth in Section 1.1.

(t) "Stock Option Plan" shall mean the Viacom Inc. 2011 Stock Option Plan for Outside Directors.

(u) "Stock Unit Account" shall have the meaning assigned to such term in the Deferred Compensation Plan.

(v) "Subsidiary" shall mean a corporation (or a partnership or other enterprise) in which the Company owns or controls, directly or indirectly, more than 50% of the outstanding shares of stock normally entitled to vote for the election of directors (or comparable equity participation and voting power).

(w) "Substitute Awards" means Awards granted upon assumption of, or in substitution for, outstanding awards previously granted by a company or other entity all or a portion of the assets or equity of which is acquired by the Company, with which the Company merges or otherwise combines or from which the Company is spun-off or otherwise separated.

Section 1.3 Administration of the Plan.

The Plan shall be administered by the members of the Board who are not Outside Directors and such Board members shall determine all questions of interpretation, administration and application of the Plan. References in the Plan to actions or determinations by the Board will be understood to mean actions or determinations by those members of the Board responsible for administering the Plan. Such Board members' determinations shall be final and binding in all matters relating to the Plan.

Section 1.4 Eligible Persons.

Awards shall be granted only to Outside Directors.

Section 1.5 Class B Common Stock Subject to the Plan.

Subject to adjustment in accordance with the provisions of Article IV hereof, the maximum number of shares of Class B Common Stock that may be issued during the five-year period starting on the 2016 Effective Date shall be 500,000 shares. Any shares of Class B Common Stock underlying Substitute Awards shall not be counted against this limit. The shares of Class B Common Stock shall be made available from authorized but unissued shares of Class B Common Stock or from shares of Class B Common Stock issued and held in the treasury of the Company. The settlement of any Awards under the Plan in any manner shall result in a decrease in the number of shares of Class B Common Stock which thereafter may be issued for purposes of this Section 1.5 by the number of shares issued upon such settlement. Shares of Class B Common Stock with respect to which Awards lapse, expire or are cancelled without being settled or are otherwise terminated may be regranted under the Plan.

ARTICLE II

RESTRICTED SHARE UNITS

Section 2.1 Grants of Restricted Share Units; Settlement Election.

(a) On January 31st of each year until the Plan terminates in accordance with the terms hereof, each Outside Director shall automatically be granted a number of Director RSUs determined by dividing (i) \$175,000 by (ii) the Fair Market Value of one share of Class B Common Stock on the date of grant (an “**Annual RSU Grant**”).

(b) The Annual RSU Grants shall not be prorated and persons who become Outside Directors after the date of a particular Award shall first become eligible to receive an Award under the Plan as of the date of the next Annual RSU Grant.

(c) In connection with the election of a Lead Independent Director of the Board (the “**Lead Independent Director**”), the Board may authorize a grant to the Lead Independent Director of a number of Director RSUs determined by dividing (i) \$50,000 (or such lesser amount as the Board may determine) by (ii) the Fair Market Value of one share of Class B Common Stock on the date of grant (an “**Initial LID Grant**”).

(d) On January 31st of each year until the Plan terminates in accordance with the terms hereof, in addition to any Annual RSU Grant granted in accordance with paragraph 2.1(a) above, the Lead Independent Director shall automatically be granted a number of Director RSUs determined by dividing (i) \$50,000 by (ii) the Fair Market Value of one share of Class B Common Stock on the date of grant (an “**Annual LID Grant**”) and together with the “**Initial LID Grant**,” the “**LID Grants**”).

(e) On the first day of each calendar quarter, each Outside Director who has made an election under the Deferred Compensation Plan to defer fees in the form of Director RSUs shall automatically be granted a number of Director RSUs determined by dividing (i) the dollar amount of the balance in such Outside Director’s Stock Unit Account as of the first day of such calendar quarter, as determined under Section 3(b) of the Deferred Compensation Plan by (ii) the Fair Market Value of one share of Class B Common Stock on the first day of such calendar quarter (an “**Elective RSU Grant**”).

(f) In addition to shares delivered in settlement of Annual RSU Grants, LID Grants and Elective RSU Grants, shares subject to the Plan shall be available to satisfy the Company's obligations pursuant to Section 3(c) of the Deferred Compensation Plan and pursuant to Article III hereof.

(g) The Company shall periodically issue (or arrange for the issuance of) statements or other communications to Participants advising them of grants and vesting of Director RSUs.

Section 2.2 Vesting.

Director RSUs shall be settled only to the extent the Participant is vested therein. Subject to Section 2.3(b), each Annual RSU Grant and LID Grant shall vest on the first anniversary of the relevant date of grant. Each Elective RSU Grant shall be vested in full upon grant.

Section 2.3 Settlement of Restricted Share Units.

(a) *Settlement.* All restrictions contained in the Plan or any supplemental documentation relating to Director RSUs shall lapse as follows: (i) in the case of Annual RSU Grants and LID Grants, on the date on which Director RSUs included in the relevant Annual RSU Grant and LID Grants vest; and (ii) in the case of Elective RSU Grants, on the applicable payment date determined in accordance with the Outside Director's payment election made pursuant to the Deferred Compensation Plan. Upon the lapse of such restrictions, Director RSUs shall be payable in shares of Class B Common Stock, with any fractional shares payable in cash, and shall be evidenced in such manner as the Board in its discretion shall deem appropriate, including, without limitation, book-entry registration. Any fractional shares of Class B Common Stock to which a Participant becomes entitled shall not be settled by delivery of shares but instead shall be paid in cash, based on the Fair Market Value of the Class B Common Stock on the date of payment.

(b) *Settlement in the Event of Termination of Services.* If the services of a Participant as a director of the Company terminate for any reason, the Participant shall forfeit all unvested Director RSUs as of the date of such event.

(c) *Deferral of Settlement.* Notwithstanding Section 2.3(a), a Participant may elect to defer settlement of any or all Director RSUs included in an Annual RSU Grant or in an LID Grant to a date subsequent to the vesting date of such Director RSUs, *provided* that such election to defer is made no later than December 31 of the taxable year prior to the year in which the Outside Director performs the services for which such Director RSUs are granted. Settlement of any such deferred Director RSUs shall be made in a single distribution or three or five annual installments in accordance with the Participant's deferral election. The single distribution or first annual installment, as applicable, will be payable on the later of (i) six months following the date of the Participant's termination of services as a director of the Company for any reason or (ii) January 31 of the calendar year following the calendar year in which the Participant's services as a director of the Company terminate for any reason.

ARTICLE III

DIVIDEND EQUIVALENTS

Section 3. Dividend Equivalents.

(a) *General.* The Participant shall be entitled to receive Dividend Equivalents on the Director RSUs in the event the Company pays a regular cash dividend with respect to the Class B Common Stock. The Company shall maintain a bookkeeping record that credits the dollar amount of the

Dividend Equivalents to a Participant's account on the date that it pays such regular cash dividend on the shares of Class B Common Stock.

(b) *Dividend Equivalents on Annual RSU Grants and LID Grants.* Dividend Equivalents shall accrue on the Director RSUs included in Annual RSU Grants and in LID Grants until the Director RSUs vest. Except to the extent that the Participant has made a deferral election pursuant to Section 2.3(c) above, upon vesting the Dividend Equivalents shall be paid in shares of Class B Common Stock determined by dividing (i) the aggregate amount credited in respect of such Dividend Equivalents by (ii) the Fair Market Value on the vesting date, with any fractional shares resulting from this calculation paid in cash. If, however, the Participant has made an election to defer settlement of Director RSUs, then the Dividend Equivalents related to such Director RSUs will not be paid when the Director RSUs vest but instead will be credited to the Participant's account as additional whole and/or fractional Director RSUs based on the Fair Market Value of the Class B Common Stock on the vesting date and will be settled when the related Director RSUs are settled. Payment of Dividend Equivalents that have been credited to the Participant's account will not be made with respect to any Director RSUs that do not vest and are cancelled. If the Participant elects to defer settlement of the Director RSUs included in an Annual RSU Grant or in an LID Grant pursuant to Section 2.3(c) above, the Participant will continue to earn Dividend Equivalents on the deferred Director RSUs (including any deferred Director RSUs that resulted from crediting Dividend Equivalents on the vesting date, or any subsequent date, pursuant to this Section 3(b)) through the settlement date. All such Dividend Equivalents credited to the Participant's account with respect to deferred Director RSUs shall be converted, on the first day of the first calendar quarter commencing after the dividend payment date (or if the dividend payment date is the first day of a calendar quarter, on the dividend payment date), into additional whole and/or fractional Director RSUs, based on the Fair Market Value of the Class B Common Stock on such first day of the relevant calendar quarter. Such additional Director RSUs shall be deferred subject to the same terms and conditions (including payment schedule) as the Director RSUs to which the Dividend Equivalents originally related.

(c) *Dividend Equivalents on Elective RSU Grants.* Dividend Equivalents shall accrue on Director RSUs included in Elective RSU Grants through the relevant settlement date. All such Dividend Equivalents credited to the Participant's account shall be converted, as of the first day of the first calendar quarter commencing after the dividend payment date (or if the dividend payment date is the first day of a calendar quarter, on the dividend payment date), into additional whole and/or fractional Director RSUs, based on the Fair Market Value of the Class B Common Stock on such first day of the relevant calendar quarter. Such additional Director RSUs shall be subject to the same terms and conditions (including payment schedule) as the Director RSUs to which the Dividend Equivalents originally related.

(d) *Settlement of Cash Balance.* The aggregate dollar amount of Dividend Equivalents on deferred Director RSUs and Director RSUs included in Elective RSU Grants that have not yet converted to additional Director RSUs at the time any such Director RSUs are settled shall be paid in shares of Class B Common stock determined by dividing (i) the aggregate amount of such unconverted Dividend Equivalents credited on the Director RSUs that are being settled by (ii) the Fair Market Value on the settlement date, with any fractional shares resulting from this calculation paid in cash.

ARTICLE IV

EFFECT OF CERTAIN CORPORATE CHANGES

In the event of any merger, consolidation, stock-split, dividend (other than a regular cash dividend), distribution, combination, recapitalization, reclassification, reorganization, split-off or spin-off that changes the character or amount of the shares of Class B Common Stock or any other changes in the corporate structure, equity securities or capital structure of the Company, the Board shall make such proportionate adjustments to (i) the number and kind of securities subject to any outstanding Awards,

(ii) the number and kind of securities subject to the Annual RSU Grants, LID Grants and Elective RSU Grants, and (iii) the maximum number and kind of securities available for issuance under the Plan referred to in Section 1.5, in each case, as it deems appropriate. The Board may, in its sole discretion, also make such other adjustments as it deems appropriate in order to preserve, but not increase, the benefits or potential benefits intended to be made available hereunder upon the occurrence of any of the foregoing events. The Board's determination as to what, if any, adjustments shall be made shall be final and binding on the Company and all Participants. Adjustments under this Article shall be conducted in a manner consistent with any adjustments under the Stock Option Plan.

ARTICLE V

SUBSTITUTE AWARDS

Notwithstanding any terms or conditions of the Plan to the contrary, the Board may provide for Substitute Awards under the Plan upon assumption of, or in substitution for, outstanding awards previously granted to a director by a company or other entity all or a portion of the assets or equity of which is acquired by the Company, with which the Company merges or otherwise combines or from which the Company is spun-off or otherwise separated. Notwithstanding any terms or conditions of the Plan to the contrary, Substitute Awards may have substantially the same terms and conditions, including without limitation provisions relating to vesting, expiration, payment, forfeiture, and the consequences of termination of employment and changes in control, as the awards that they replace.

ARTICLE VI

MISCELLANEOUS

Section 6.1 No Right to Re-election.

Nothing in the Plan shall be deemed to create any obligation on the part of the Board to nominate any of its members for re-election by the Company's stockholders, nor confer upon any Participant the right to remain a member of the Board for any period of time, or at any particular rate of compensation.

Section 6.2 Restriction on Transfer.

The rights of a Participant with respect to any Awards under the Plan shall not be transferable by the Participant to whom such Awards are granted, except (i) by will or the laws of descent and distribution, (ii) upon prior notice to the Company, for transfers to members of the Participant's immediate family or trusts whose beneficiaries are members of the Participant's immediate family, *provided, however*, that such transfer is being made for estate and/or tax planning purposes without consideration being received therefor, (iii) upon prior notice to the Company, for transfers to a former spouse incident to a divorce or (iv) for such other transfers as the Board may approve, subject to any conditions and limitations that it may, in its sole discretion, impose.

Section 6.3 Stockholder Rights.

No grant of an Award under the Plan shall entitle a Participant, a Participant's estate or a permitted transferee to any rights of a holder of shares of Class B Common Stock, except upon the delivery of shares through book-entry registration upon settlement of an Award and as provided in Section 2.3.

Section 6.4 No Restriction on Right of Company to Effect Corporate Changes.

The Plan shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the shares of Class B Common Stock or the rights thereof or which are convertible into or exchangeable for shares of Class B Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

Section 6.5 Headings.

The headings of articles and sections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Plan.

Section 6.6 Governing Law.

The Plan and all rights hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

ARTICLE VII

AMENDMENT AND TERMINATION

The Board may at any time and from time to time alter, amend, suspend or terminate the Plan in whole or in part, including, without limitation, amend the provisions for determining the amount of Director RSUs to be issued to an Outside Director, *provided, however*, that any amendment which under the requirements of applicable law or under the rules of the NASDAQ Global Select Market or other principal stock exchange on which the shares of Class B Common Stock are then listed must be approved by the stockholders of the Company shall not be effective unless and until such stockholder approval has been obtained in compliance with such law or rule; and no alteration, amendment, suspension or termination of the Plan that would adversely affect a Participant's rights under the Plan with respect to any Award made prior to such action shall be effective as to such Participant unless he or she consents thereto, *provided, however*, that no such consent shall be required if the Board determines in its sole discretion that any such alteration, amendment, suspension or termination is necessary or advisable to comply with any law, regulation, ruling, judicial decision or accounting standards or to ensure that Director RSUs or Dividend Equivalents are not subject to federal, state or local income tax prior to settlement.

ARTICLE VIII

EFFECTIVE DATE

The Plan is effective as of January 1, 2016 and approval of the Company's stockholders was obtained at the Company's 2015 annual meeting of stockholders. Unless earlier terminated in accordance with Article VII above, the Plan shall terminate on the fifth anniversary of the 2016 Effective Date, and no further Awards may be granted hereunder after such date.

Viacom Inc.
2016 Long-Term Management Incentive Plan

2016 Terms and Conditions to the Stock Option Certificate

ARTICLE I
TERMS OF STOCK OPTIONS

Section 1.1 Grant of Stock Options. The Stock Options have been awarded to the Participant subject to the terms and conditions contained in (A) the confirmation for the May 18, 2016 grant of Stock Options provided to the Participant (the “Stock Option Certificate”) and the Terms and Conditions contained herein (collectively with the Stock Option Certificate, the “Certificate”) and (B) the Plan, the terms of which are hereby incorporated by reference. A copy of the Plan and the Prospectus dated May 18, 2016 are being provided simultaneously to the Participant on-line or attached hereto. Capitalized terms that are not otherwise defined herein have the meanings assigned to them in the Stock Option Certificate or the Plan. The Stock Options are not intended to be, or qualify as, “Incentive Stock Options” within the meaning of Section 422 of the Code.

Section 1.2 Terms of Stock Options.

(a) Exercisability. The Stock Options shall be exercisable only to the extent the Participant is vested therein. Subject to the other terms and conditions contained in the Certificate and in the Plan, the Stock Options shall vest in four installments of an approximately equal whole number of Stock Options on each of the first, second, third and fourth anniversaries of the Date of Grant.

(b) Option Period. Except as provided in Section 1.2(c) hereof, the period during which the Stock Options may be exercised shall expire on the eighth anniversary of the Date of Grant (the “Expiration Date”). If the Participant remains employed by the Company or any of its Subsidiaries through the Expiration Date, his or her Outstanding Stock Options may be exercised to the extent exercisable until the close of trading (generally 4:00 p.m. New York time) on the last trading day falling within the exercise period on the NASDAQ Global Select Market (“NASDAQ”) or, if different, the principal stock exchange on which the Class B Common Stock is then listed. Thus, if the Expiration Date is not a trading day, then the last day the Stock Options may be exercised is the last trading day preceding the Expiration Date.

(c) Exercise in the Event of Termination of Employment, Retirement, or Death.

(i) Termination of Employment (other than Termination for Cause). Except as otherwise provided in this Section 1.2 or as otherwise determined by the Committee (including in any applicable employment agreement), in the event of the Participant’s termination of employment other than a termination of employment for Cause, the Participant’s Outstanding Stock Options can be exercised in accordance with the following provisions:

(A) if the Participant ceases to be an employee of the Company or any of its Subsidiaries by reason of the voluntary termination by the Participant or the termination by the Company or any of its Subsidiaries other than a termination of employment for Cause,

the Participant may exercise his or her Outstanding Stock Options to the extent exercisable on the date of the Participant's termination of employment until the earlier of six months after such date or the Expiration Date;

(B) if the Participant ceases to be an employee of the Company or any of its Subsidiaries by reason of the Participant's Retirement, the Participant may exercise his or her Outstanding Stock Options to the extent exercisable on the date of Retirement until the earlier of the third anniversary of such date or the Expiration Date; and

(C) if the Participant dies during a period during which the Participant could have exercised his or her Stock Options, the Participant's Outstanding Stock Options may be exercised to the extent exercisable at the date of death by the person who acquired the right to exercise such Stock Options by will or the laws of descent and distribution, permitted transfer, or beneficiary designation, until the earlier of the second anniversary of the date of death or the Expiration Date.

Except as otherwise provided in this Section 1.2 or as otherwise determined by the Committee, upon the occurrence of an event described in clauses (A), (B), or (C) of this Section 1.2(c)(i), all rights with respect to Stock Options that are not vested as of such event will be forfeited. A "termination of employment" occurs, for purposes of the Stock Options, when a Participant is no longer an employee of the Company or any of its Subsidiaries. Unless the Committee determines otherwise, the employment of a Participant who works for a Subsidiary shall also terminate, for purposes of the Stock Options, on the date on which the Participant's employing company ceases to be a Subsidiary.

(ii) Termination for Cause. If the Participant's employment with the Company or any of its Subsidiaries ends due to a termination of employment for Cause, then, unless the Committee in its discretion determines otherwise, all Outstanding Stock Options, whether or not then vested, shall terminate effective as of the date of such termination.

(iii) Exercise Periods following Termination of Employment, Retirement, or Death. For the purposes of determining the dates on which Stock Options may be exercised following the occurrence of an event described in clauses (A), (B), or (C) of Section 1.2(c)(i), the day following the occurrence of such event shall be the first day of the exercise period and the Stock Options may be exercised until the close of trading (generally 4:00 p.m. New York time) on the last trading day falling within the exercise period on NASDAQ or, if different, the principal stock exchange on which the Class B Common Stock is then listed. Thus, if the last day of the exercise period is not a trading day, then the last date the Stock Options may be exercised is the last trading day preceding the end of the exercise period.

Section 1.3 Exercise of Stock Options.

(a) Whole or Partial Exercise. The Participant may exercise all vested Outstanding Stock Options granted hereunder in whole at one time or in part in increments of 100 Stock Options (or the entire number of Outstanding Stock Options in which the Participant is vested, if such number is not a multiple of 100) by notice to the Senior Director, Global Equity Services, Viacom Inc., 1515 Broadway, New York, New York 10036, or to such agent(s) for the Company ("Agent") as the Company may from time to time specify, in such manner and at such address as may be specified from time to time by the Company. Such notice shall (i) state the number of Stock Options being exercised and (ii) be signed (or otherwise authorized in a

manner acceptable to the Company) by the person or persons so exercising the Stock Options and, in the event the Stock Options are being exercised (pursuant to Section 1.2(c)(i) hereof) by any person or persons other than the Participant, such exercise is accompanied by proof satisfactory to the Company's counsel of the right of such person or persons to exercise the Stock Options. Information concerning any Agent and its address may be obtained by contacting the Senior Director, Global Equity Services.

(b) Payment of Purchase Price Upon Exercise. Full payment of the aggregate Exercise Price (which shall be determined by multiplying the number of Stock Options being exercised by the Exercise Price as set forth on the Stock Option Certificate) shall be made on or before the settlement date for the shares of Class B Common Stock issued pursuant to the exercise of the Stock Options. Unless otherwise provided by the Company, such Exercise Price shall be paid in cash (e.g., check or wire transfer). In accordance with the rules and procedures established by the Company for this purpose, the Stock Options may be exercised by the Participant through a procedure, approved by the Company from time to time, involving a broker or dealer, that affords the Participant the opportunity to sell immediately some or all of the shares underlying the exercised portion of the Stock Options in order to generate sufficient cash to pay the Exercise Price of the Stock Options. In addition, if the Company so permits, the Exercise Price may be paid in whole or in part using a net share settlement procedure or through the withholding of shares subject to the Stock Options with a value equal to the Exercise Price. Upon the close of trading on NASDAQ (or, if different, the principal stock exchange on which the Class B Common Stock is then listed) on the Expiration Date (or, if the Expiration Date is not a trading day, then the last trading day immediately preceding the Expiration Date), the Company may, in its discretion, exercise any unexercised Stock Options of Participants then currently employed by the Company or a Subsidiary using a net share settlement procedure or any other procedure permitted by the Certificate and the Plan.

(c) Outstanding Stock Options. The number of shares of Class B Common Stock subject to the Stock Options that is set forth on the Stock Option Certificate may not reflect the number of Outstanding Stock Options due to Stock Option exercises or adjustments pursuant to Article II.

ARTICLE II EFFECT OF CERTAIN CORPORATE CHANGES

In the event of a merger, consolidation, stock split, reverse stock split, dividend, distribution, combination, reclassification, reorganization, split-up, spin-off or recapitalization that changes the character or amount of the Class B Common Stock or any other changes in the corporate structure, equity securities or capital structure of the Company, the Committee shall make such adjustments, if any, to the number and kind of securities subject to the Stock Options and the Exercise Price of the Stock Options, in each case, as it deems appropriate. The Committee may, in its sole discretion, also make such other adjustments as it deems appropriate in order to preserve the benefits or potential benefits intended to be made available hereunder. Such determinations by the Committee shall be conclusive and binding on all persons for all purposes.

ARTICLE III DEFINITIONS

As used herein, the following terms shall have the following meanings:

(a) "Board" shall mean the Board of Directors of the Company.

(b) "Cause" shall (i) have the meaning provided in a Company or a Subsidiary employment agreement that is in effect and applicable to the Participant, or (ii) mean, if there is no such employment

agreement or if such employment agreement contains no such term, unless the Committee determines otherwise, (A) conduct constituting embezzlement, misappropriation or fraud, whether or not related to the Participant's employment with the Company or a Subsidiary; (B) conduct constituting a felony, whether or not related to the Participant's employment with the Company or a Subsidiary; (C) conduct constituting a financial crime, material act of dishonesty or material unethical business conduct, involving the Company or a Subsidiary; (D) willful unauthorized disclosure or use of Company or Subsidiary confidential information; (E) the failure to obey a material lawful directive that is appropriate to the Participant's position from a superior in his or her reporting line or the Board; (F) the failure or refusal to substantially perform the Participant's material employment obligations (other than any such failure or refusal resulting from the Participant's disability); (G) the willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, whether or not related to employment with the Company or a Subsidiary, after being instructed by the Company or a Subsidiary to cooperate; (H) the willful destruction of or failure to preserve documents or other material known to be relevant to any investigation referred to in subparagraph (G) above; or (I) the willful inducement of others to engage in the conduct described in subparagraphs (A) – (H).

(c) “Certificate” shall have the meaning set forth in Section 1.1 hereof.

(d) “Class B Common Stock” shall mean shares of Class B Common Stock, par value \$0.001 per share, of the Company.

(e) “Code” shall mean the U.S. Internal Revenue Code of 1986, as amended, including any successor law thereto and the rules, regulations and guidance promulgated thereunder.

(f) “Committee” shall mean the Compensation Committee of the Board (or such other committee(s) as may be appointed or designated by the Board to administer the Plan).

(g) “Company” shall mean Viacom Inc., a Delaware corporation.

(h) “Date of Grant” shall be the date set forth on the Stock Option Certificate.

(i) “Expiration Date” shall be the date set forth on the Stock Option Certificate and in Section 1.2(b) hereof.

(j) “Exercise Price” shall be the amount set forth on the Stock Option Certificate, which amount shall be equal to the Fair Market Value of a share of Class B Common Stock on the Date of Grant.

(k) “Fair Market Value” of a share of Class B Common Stock on a given date shall be, unless otherwise determined by the Committee, the closing price on such date on the NASDAQ Global Select Market (“NASDAQ”) or, if different, the principal stock exchange on which the Class B Common Stock is then listed, as reported by The Wall Street Journal (Northeast edition) as the 4:00 p.m. (New York time) closing price, or as reported by any other authoritative source selected by the Company. If such date is not a business day on which the Fair Market Value can be determined, then the Fair Market Value shall be determined as of the last preceding business day on which the Fair Market Value can be determined.

(l) “Outstanding Stock Option” shall mean on a given date a Stock Option granted to the Participant which has not yet been exercised and which has not yet expired or been terminated in accordance with its terms.

(m) “Participant” shall mean the employee named on the Stock Option Certificate.

(n) “Plan” shall mean the Viacom Inc. 2016 Long-Term Management Incentive Plan, as may be amended from time to time.

(o) “Retirement” shall mean the resignation or termination of employment after attainment of an age and years of service required for payment of an immediate pension pursuant to the terms of any qualified defined benefit retirement plan maintained by the Company or a Subsidiary in which the Participant participates; provided, however, that no resignation or termination prior to a Participant’s 60th birthday shall be deemed a Retirement unless the Committee so determines in its sole discretion; and provided further that the resignation or termination of employment other than a termination of employment for Cause after attainment of age 60 shall be deemed a Retirement if the Participant does not participate in a qualified defined benefit retirement plan maintained by the Company or a Subsidiary.

(p) “Section 409A” shall mean Section 409A of the Code and the rules, regulations and guidance promulgated thereunder from time to time.

(q) “Stock Option” shall mean the contractual right granted to the Participant to purchase shares of Class B Common Stock at such time and price, and subject to such other terms and conditions, as set forth in the Certificate and the Plan.

(r) “Stock Option Certificate” shall have the meaning set forth in Section 1.1 hereof.

(s) “Subsidiary” shall mean a corporation (or a partnership or other enterprise) in which the Company owns or controls, directly or indirectly, 50% or more of the outstanding shares of stock normally entitled to vote for the election of directors (or comparable equity participation and voting power).

ARTICLE IV MISCELLANEOUS

Section 4.1 No Rights to Awards or Continued Employment. Neither the Certificate, the Plan nor any action taken in accordance with such documents shall confer upon the Participant any right to be employed by or to continue in the employment of the Company or any Subsidiary, nor to be entitled to any remuneration or benefits not set forth in the Plan or the Certificate, including the right to receive any future awards under the Plan or any other plan of the Company or any Subsidiary or interfere with or limit the right of the Company or any Subsidiary to modify the terms of or terminate the Participant’s employment at any time for any reason.

Section 4.2 Restriction on Transfer. The rights of the Participant with respect to the Stock Options shall be exercisable during the Participant’s lifetime only by the Participant and shall not be transferable by the Participant to whom the Stock Options are granted, except by will, the laws of descent and distribution, or beneficiary designation; provided that the Committee may permit other transferability, subject to any conditions and limitations that it may, in its sole discretion, impose.

Section 4.3 Taxes. As a condition to the exercise of the Stock Options, the Participant shall make an arrangement acceptable to the Company to pay to the Company an amount sufficient to satisfy the combined federal, state, local or other withholding tax obligations which arise in connection with the exercise of such Stock Options and make such payment. In accordance with the rules and procedures established by the Company for this purpose, the Participant may satisfy such withholding obligations through a procedure

involving a broker or dealer, that affords the Participant the opportunity to sell immediately some or all of the shares underlying the exercised portion of the Stock Options in order to generate sufficient cash to pay such withholding obligations. In addition, if the Company so permits, the Exercise Price may be paid in whole or in part using a net share settlement procedure or through the withholding of shares subject to the applicable Stock Options with a value equal to the Exercise Price.

Section 4.4 Stockholder Rights. The grant of Stock Options under the Certificate shall not entitle the Participant or a Participant's estate, any permitted transferee or beneficiary to any rights of a holder of shares of Class B Common Stock, unless, and only when, the Participant, the Participant's estate, or the permitted transferee or beneficiary is registered on the books and records of the Company as a stockholder and shares are delivered to such party upon exercise of the Stock Options. Unless otherwise determined by the Committee in its discretion or specified herein, no adjustment shall be made for dividends or distributions or other rights in respect of any shares of Class B Common Stock for which the record date is prior to the date on which the Participant, a Participant's estate or any permitted transferee or beneficiary shall become the holder of such shares of Class B Common Stock.

Section 4.5 No Restriction on Right of Company to Effect Corporate Changes. Neither the Plan nor the Certificate shall affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Class B Common Stock or the rights thereof or which are convertible into or exchangeable for Class B Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

Section 4.6 Section 409A. If any provision of the Certificate contravenes any regulations or Treasury guidance promulgated under Section 409A or could cause the Participant to be required to recognize income for United States federal income tax purposes with respect to any Stock Options before such Stock Options are exercised or to be subject to any additional tax or interest under Section 409A, such provision of the Certificate may be modified to maintain, to the maximum extent practicable, the original intent of the applicable provision without the imposition of any additional tax or interest under Section 409A. Moreover, any discretionary authority that the Board or the Committee may have pursuant to the Certificate shall not be applicable to Stock Options that are subject to Section 409A to the extent such discretionary authority will contravene Section 409A.

Section 4.7 Amendment. The Committee shall have broad authority to amend the Certificate without approval of the Participant to the extent necessary or desirable (a) to comply with, or take into account changes in, applicable tax laws, securities laws, accounting rules and other applicable laws, rules and regulations or (b) to ensure that the Participant is not required to recognize income for United States federal income tax purposes with respect to any Stock Options before such Stock Options are exercised and is not subject to additional tax or interest under Section 409A with respect to any Stock Options. The Committee shall not be obligated to make any such amendment, however, and neither the Committee nor the Company makes any representation or guarantee that the Stock Options will not be subject to additional tax or interest under Section 409A.

Section 4.8 Interpretation. In the event of any conflict between the provisions of the Certificate (including the definitions set forth herein) and those of the Plan, the provisions of the Plan will control. Additionally, in the event of a conflict or ambiguity between the provisions of the Certificate and

the provisions of any employment agreement that is in effect and applicable to the Participant with respect to the Stock Options, the provisions of such employment agreement shall be deemed controlling to the extent such provisions are consistent with the provisions of the Plan and are more favorable to the Participant than the provisions of the Certificate.

Section 4.9 Breach of Covenants. In the event that the Committee makes a good faith determination that the Participant committed a material breach of the restrictive covenants relating to non-competition, non-solicitation, confidential information or proprietary property in any employment or other agreement applicable to the Participant during the Participant's employment or the one-year period after termination of the Participant's employment with the Company or a Subsidiary for any reason, the Participant shall be required to return any "gain" (as defined below) realized on the Stock Options during the one-year period prior to such breach or at any time after such breach occurs. In addition, if the Committee makes such determination, the Participant's Outstanding Stock Options, whether or not vested, will be forfeited. The "gain" on the Stock Options shall mean the difference between the Fair Market Value on the date of exercise and the Exercise Price.

Section 4.10 Limited Purpose Accounts. If the Participant is a Plan participant in the United States, the Company shall be entitled to access the information contained in the Participant's individual limited purpose account maintained by the applicable plan administrator; provided, however, that the Company may not disclose individual account information to third parties (other than the plan administrator).

Section 4.11 Notice. The Certificate and the Plan contain information regarding the latest date by which the Stock Options may be exercised, and the Company shall have no obligation to provide any additional information or notice to any holder of Stock Options in advance of the Expiration Date or any earlier expiration date.

Section 4.12 Governmental Regulations. The Stock Options shall be subject to all applicable rules and regulations of governmental or other authorities.

Section 4.13 Headings. The headings of articles and sections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Certificate.

Section 4.14 Governing Law. The Certificate and all rights hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

Viacom Inc.
2016 Long-Term Management Incentive Plan

2016 Terms and Conditions to the Restricted Share Units Certificate

ARTICLE I
TERMS OF RESTRICTED SHARE UNITS

Section 1.1 Grant of Restricted Share Units. The Restricted Share Units (the “Restricted Share Units”) have been awarded to the Participant subject to the terms and conditions contained in (A) the confirmation for the May 18, 2016 grant of Restricted Share Units provided to the Participant (the “Restricted Share Units Certificate”) and the Terms and Conditions contained herein (collectively with the Restricted Share Units Certificate, the “Certificate”) and (B) the Plan, the terms of which are hereby incorporated by reference. A copy of the Plan and the Prospectus dated May 18, 2016 are being provided simultaneously to the Participant on-line or attached hereto. Capitalized terms that are not otherwise defined herein have the meanings assigned to them in the Restricted Share Units Certificate or the Plan. Each Restricted Share Unit shall entitle the Participant to receive one share of Class B Common Stock, subject to the terms and conditions set forth in the Certificate and the Plan.

Section 1.2 Terms of Restricted Share Units.

(a) Vesting. Subject to the other terms and conditions contained in the Certificate and in the Plan, the Restricted Share Units shall vest in four installments of an approximately equal whole number of Restricted Share Units on each of the first, second, third and fourth anniversaries of the Date of Grant.

(b) Settlement. On the date each portion of the Restricted Share Units vests, that portion of the Restricted Share Units that has vested shall be payable in shares of Class B Common Stock, which may be evidenced in such manner as the Committee in its discretion shall deem appropriate, including, without limitation, book-entry registration. Settlement of vested Restricted Share Units shall be made as soon as practicable, and in any event within 60 days, after the vesting dates.

(c) Dividend Equivalents. Until the Restricted Shares Units are settled, Dividend Equivalents shall accrue on the Restricted Share Units if the Company pays regular cash dividends on Class B Common Stock. The Company will credit such Dividend Equivalents when it pays the corresponding dividend on the Class B Common Stock. Accrued Dividend Equivalents will vest and be paid in cash through payroll at the later of (i) the date on which the corresponding Restricted Share Units vest and (ii) the date on which such dividends are paid with respect to the Class B Common Stock. The decision to pay a dividend and, if so, the amount of any such dividend, is determined by the Company in its sole discretion. Accrued Dividend Equivalents will not be paid with respect to any Restricted Share Units that do not vest and are cancelled.

(d) Termination of Employment. In the event that the Participant’s employment with the Company or any of its Subsidiaries ends prior to the date or dates on which the Restricted Share Units vest in accordance with Section 1.2(a) hereof, the Participant shall forfeit all unvested Restricted Share Units as of the date of such event, unless (i) otherwise provided in the Participant’s employment agreement or (ii) the Committee determines otherwise and provides that some or all of such Participant’s unvested Restricted Share Units shall vest as of the date of such event, in which case shares of Class B Common Stock shall be delivered in accordance with Section 1.2(b) hereof to the Participant or, in the case of the Participant’s death,

to the person or persons who acquired the right to receive such certificates by will, the laws of descent and distribution, or beneficiary designation. Unless the Committee determines otherwise, the employment of a Participant who works for a Subsidiary shall also terminate, for purposes of the Restricted Share Units, on the date on which the Participant's employing company ceases to be a Subsidiary.

ARTICLE II EFFECT OF CERTAIN CORPORATE CHANGES

In the event of a merger, consolidation, stock split, reverse stock split, dividend, distribution, combination, reclassification, reorganization, split-up, spin-off or recapitalization that changes the character or amount of the Class B Common Stock or any other changes in the corporate structure, equity securities or capital structure of the Company, the Committee shall make such adjustments, if any, to the number and kind of securities subject to the Restricted Share Units, as it deems appropriate. The Committee may, in its sole discretion, also make such other adjustments as it deems appropriate in order to preserve the benefits or potential benefits intended to be made available hereunder. Such determinations by the Committee shall be conclusive and binding on all persons for all purposes.

ARTICLE III DEFINITIONS

As used herein, the following terms shall have the following meanings:

(a) “Board” shall mean the Board of Directors of the Company.

(b) “Cause” shall (i) have the meaning provided in a Company or a Subsidiary employment agreement that is in effect and applicable to the Participant, or (ii) mean, if there is no such employment agreement or if such employment agreement contains no such term, unless the Committee determines otherwise, (A) conduct constituting embezzlement, misappropriation or fraud, whether or not related to the Participant's employment with the Company or a Subsidiary; (B) conduct constituting a felony, whether or not related to the Participant's employment with the Company or a Subsidiary; (C) conduct constituting a financial crime, material act of dishonesty or material unethical business conduct, involving the Company or a Subsidiary; (D) willful unauthorized disclosure or use of Company or Subsidiary confidential information; (E) the failure to obey a material lawful directive that is appropriate to the Participant's position from a superior in his or her reporting line or the Board; (F) the failure or refusal to substantially perform the Participant's material employment obligations (other than any such failure or refusal resulting from the Participant's disability); (G) the willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, whether or not related to employment with the Company or a Subsidiary, after being instructed by the Company or a Subsidiary to cooperate; (H) the willful destruction of or failure to preserve documents or other material known to be relevant to any investigation referred to in subparagraph (G) above; or (I) the willful inducement of others to engage in the conduct described in subparagraphs (A) – (H).

(c) “Certificate” shall have the meaning set forth in Section 1.1 hereof.

(d) “Class B Common Stock” shall mean shares of Class B Common Stock, par value \$0.001 per share, of the Company.

(e) “Code” shall mean the U.S. Internal Revenue Code of 1986, as amended, including any successor law thereto and the rules, regulations and guidance promulgated thereunder.

- (f) “Committee” shall mean the Compensation Committee of the Board (or such other committee(s) as may be appointed or designated by the Board to administer the Plan).
- (g) “Company” shall mean Viacom Inc., a Delaware corporation.
- (h) “Date of Grant” shall be the date set forth on the Restricted Share Units Certificate.
- (i) “Dividend Equivalent” shall mean an amount in cash equal to the regular cash dividend, if any, that would have been paid on the number of shares of Class B Common Stock underlying the Restricted Share Units.
- (j) “Fair Market Value” of a share of Class B Common Stock on a given date shall be, unless otherwise determined by the Committee, the closing price on such date on the NASDAQ Global Select Market or, if different, the principal stock exchange on which the Class B Common Stock is then listed, as reported by The Wall Street Journal (Northeast edition) as the 4:00 p.m. (New York time) closing price, or as reported by any other authoritative source selected by the Company. If such date is not a business day on which the Fair Market Value can be determined, then the Fair Market Value shall be determined as of the last preceding business day on which the Fair Market Value can be determined.
- (k) “Participant” shall mean the employee named on the Restricted Share Units Certificate.
- (l) “Plan” shall mean the Viacom Inc. 2016 Long-Term Management Incentive Plan, as may be amended from time to time.
- (m) “Restricted Share Units” shall mean the contractual right granted to the Participant to receive shares of Class B Common Stock, subject to the terms and conditions set forth in the Certificate and the Plan.
- (n) “Restricted Share Units Certificate” shall have the meaning set forth in Section 1.1 hereof.
- (o) “Section 409A” shall mean Section 409A of the Code and the rules, regulations and guidance promulgated thereunder from time to time.
- (p) “Subsidiary” shall mean a corporation (or a partnership or other enterprise) in which the Company owns or controls, directly or indirectly, 50% or more of the outstanding shares of stock normally entitled to vote for the election of directors (or comparable equity participation and voting power).

ARTICLE IV MISCELLANEOUS

Section 4.1 No Rights to Awards or Continued Employment. Neither the Certificate, the Plan nor any action taken in accordance with such documents shall confer upon the Participant any right to be employed by or to continue in the employment of the Company or any Subsidiary, nor to be entitled to any remuneration or benefits not set forth in the Plan or the Certificate, including the right to receive any future awards under the Plan or any other plan of the Company or any Subsidiary or interfere with or limit the right of the Company or any Subsidiary to modify the terms of or terminate the Participant’s employment at any time for any reason.

Section 4.2 Restriction on Transfer. The rights of the Participant with respect to the Restricted Share Units shall not be transferable, except by will, the laws of descent and distribution, or beneficiary

designation; provided that the Committee may permit other transferability, subject to any conditions and limitations that it may, in its sole discretion, impose.

Section 4.3 Taxes. The Company or a Subsidiary, as appropriate, shall be entitled to deduct and withhold from any payment made to the Participant, a Participant's estate or any permitted transferee or beneficiary an amount sufficient to satisfy any federal, state, local and/or other tax withholding requirement. The Company, in its discretion, may, as a condition to the settlement of the Restricted Share Units, payment of the Dividend Equivalents or delivery of any shares of Class B Common Stock, require that an additional amount be paid in cash equal to the amount of any federal, state, local and/or other tax withholding requirement or, alternatively, satisfy such tax withholding requirement by withholding shares of Class B Common Stock subject to the applicable Restricted Share Units and/or Dividend Equivalents.

Section 4.4 Stockholder Rights. The grant of Restricted Share Units under the Certificate shall not entitle the Participant or a Participant's estate, any permitted transferee or beneficiary to any rights of a holder of shares of Class B Common Stock, unless, and only when, the Participant, the Participant's estate, or the permitted transferee or beneficiary is registered on the books and records of the Company as a stockholder and shares are delivered to such party upon settlement of the Restricted Share Units or payment of the Dividend Equivalents. Unless otherwise determined by the Committee in its discretion or specified herein, no adjustment shall be made for dividends or distributions or other rights in respect of any shares of Class B Common Stock for which the record date is prior to the date on which the Participant, a Participant's estate or any permitted transferee or beneficiary shall become the holder of such shares of Class B Common Stock.

Section 4.5 No Restriction on Right of Company to Effect Corporate Changes. Neither the Plan nor the Certificate shall affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Class B Common Stock or the rights thereof or which are convertible into or exchangeable for Class B Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

Section 4.6 Section 409A. If any provision of the Certificate contravenes any regulations or Treasury guidance promulgated under Section 409A or could cause the Participant to be required to recognize income for United States federal income tax purposes with respect to any Restricted Share Units before such Restricted Share Units are settled or to be subject to any additional tax or interest under Section 409A, such provision of the Certificate may be modified to maintain, to the maximum extent practicable, the original intent of the applicable provision without the imposition of any additional tax or interest under Section 409A. Moreover, any discretionary authority that the Board or the Committee may have pursuant to the Certificate shall not be applicable to Restricted Share Units that are subject to Section 409A to the extent such discretionary authority will contravene Section 409A.

Section 4.7 Amendment. The Committee shall have broad authority to amend the Certificate without approval of the Participant to the extent necessary or desirable (a) to comply with, or take into account changes in, applicable tax laws, securities laws, accounting rules and other applicable laws, rules and regulations or (b) to ensure that the Participant is not required to recognize income for United States federal income tax purposes with respect to any Restricted Share Units before such Restricted Share Units are settled and is not subject to additional tax or interest under Section 409A with respect to any Restricted

Share Units. The Committee shall not be obligated to make any such amendment, however, and neither the Committee nor the Company makes any representation or guarantee that the Restricted Share Units will not be subject to additional tax or interest under Section 409A.

Section 4.8 Interpretation. In the event of any conflict between the provisions of the Certificate (including the definitions set forth herein) and those of the Plan, the provisions of the Plan will control. Additionally, in the event of a conflict or ambiguity between the provisions of the Certificate and the provisions of any employment agreement that is in effect and applicable to the Participant with respect to the Restricted Share Units, the provisions of such employment agreement shall be deemed controlling to the extent such provisions are consistent with the provisions of the Plan and are more favorable to the Participant than the provisions of the Certificate.

Section 4.9 Breach of Covenants. In the event that the Committee makes a good faith determination that the Participant committed a material breach of the restrictive covenants relating to non-competition, non-solicitation, confidential information or proprietary property in any employment or other agreement applicable to the Participant during the Participant's employment or the one-year period after termination of the Participant's employment with the Company or a Subsidiary for any reason, (a) the Participant shall be required to return the shares of Class B Common Stock received by him or her in settlement of the Restricted Share Units and the cash payment of the Dividend Equivalents during the one-year period prior to such breach or any time after such breach occurs, or, if the shares of Class B Common Stock received in settlement of the Restricted Share Units within the one-year period prior to such breach were sold by the Participant, return any proceeds realized on the sale of such shares of Class B Common Stock prior to such breach or any time after such breach occurs and (b) any Restricted Share Units that have not been settled shall be forfeited.

Section 4.10 Limited Purpose Accounts. If the Participant is a Plan participant in the United States, the Company shall be entitled to access the information contained in the Participant's individual limited purpose account maintained by the applicable plan administrator; provided, however, that the Company may not disclose individual account information to third parties (other than the plan administrator).

Section 4.11 Governmental Regulations. The Restricted Share Units shall be subject to all applicable rules and regulations of governmental or other authorities.

Section 4.12 Headings. The headings of articles and sections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Certificate.

Section 4.13 Governing Law. The Certificate and all rights hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

Viacom Inc.
2016 Long-Term Management Incentive Plan

2016 Terms and Conditions to the Performance Share Units Certificate

ARTICLE I
TERMS OF PERFORMANCE SHARE UNITS

Section 1.1 Grant of Performance Share Units. The Performance Share Units (the “Performance Share Units”) have been awarded to the Participant subject to the terms and conditions contained in (A) the confirmation for the January 1, 2016, grant of Performance Share Units provided to the Participant (the “Performance Share Units Certificate”) and the Terms and Conditions contained herein (collectively with the Performance Share Units Certificate, the “Certificate”) and (B) the Plan, the terms of which are hereby incorporated by reference. A copy of the Plan and the Prospectus dated January 1, 2016, are being provided simultaneously to the Participant on-line or attached hereto. Capitalized terms that are not otherwise defined herein have the meanings assigned to them in the Performance Share Units Certificate or the Plan. Performance Share Units are notional units of measurement and represent the right to receive a number of shares of Class B Common Stock determined on the basis of the performance of the Class B Common Stock in comparison to the performance of the common stock of companies comprising the Reference Group, on the terms and conditions set forth in the Certificate.

Section 1.2 Terms of Performance Share Units.

(a) Valuation. As of the Determination Date, the TSR of the Class B Common Stock over the Measurement Period will be measured against the TSR of the common stock of the companies comprising the Reference Group over the same Measurement Period. Subject to Section 1.2(b), the percentile ranking of the TSR of the Shares as compared to the companies comprising the Reference Group will be used to calculate the number of shares of Class B Common Stock that the Participant will receive, in accordance with the following schedule (the “Schedule”):

Schedule
• If the Company achieves less than the 25 th percentile TSR, the award of Performance Share Units will be forfeited.
• If the Company achieves the 25 th percentile TSR, the number of shares to be delivered under the award will be 25% of the Target Award.
• If the Company achieves the 50 th percentile TSR, the number of shares to be delivered under the award will be 100% of the Target Award.
• If the Company achieves the 100 th percentile TSR (that is, if it is the first ranked company in the Reference Group for TSR), the number of shares to be delivered under the award will be 300% of the Target Award.

For Company achievement at intermediate points between the 25th and 50th percentile, or between the 50th percentile and the 100th percentile, the number of shares of Class B Common Stock to be delivered will be interpolated between the respective number of shares delivered at such percentiles. For example, if the Company were to achieve the 70th percentile TSR, the number of Shares to be delivered would be 180% of the Target Award.

(b) EPS Valuation Rule. Notwithstanding the valuation principles set forth in Section 1.2(a), if for the Measurement Period (i) the Company achieves less than the 50th percentile TSR, and (ii) its earnings per share (“EPS”) exceed a hurdle which has been specified by the Committee, then the number of shares of Class B Common Stock to be delivered under the award will equal the arithmetic average of the Target Award and the number of shares that would be received under the award pursuant to the Schedule, rounded up to the nearest whole share.

(c) Settlement and Delivery of Shares. Shares delivered in settlement of the Performance Share Units will be delivered, net of any Shares withheld to satisfy taxes, as follows:

(i) The number of shares of Class B Common Stock determined pursuant to the Schedule will be delivered no later than four (4) weeks following the Determination Date; and

(ii) If the Company does not achieve at least the 50th percentile TSR, any incremental shares of Class B Common Stock in excess of the number of shares determined pursuant to the Schedule to which the Participant is entitled by virtue of Section 1.2(b), if any, will be delivered on the second business day following the delivery of the Company’s audited financial statements in respect of the last year of the applicable Measurement Period (so that it can be determined whether or not the Company attained the EPS hurdle in respect of such award) and in any event no later than March 15 of the year following the last year of the Measurement Period.

(d) Dividend Equivalents. If the Company pays a regular cash dividend on the Class B Common Stock, the Participant will be credited with Dividend Equivalents in an amount equal to the amount of the dividend that would have been paid on the number of shares of Class B Common Stock included in the Target Award. The Company will credit such Dividend Equivalents when it pays the corresponding dividend on the Class B Common Stock. Dividend Equivalents will vest and be paid at the same time as the Performance Share Units, and the amount paid to the Participant will be based on the number of shares of Class B Common Stock that are delivered to the Participant in accordance with the foregoing provisions of this Section 1.2, provided that such Dividend Equivalents will be canceled to the extent that application of this Section 1.2 results in the Participant earning less than the Target Award and will be increased to the extent that the application of this Section 1.2 results in the Participant earning more than the Target Award. (For example, if the Participant earns 80% of the Target Award, 20% of the Dividend Equivalents previously credited will be canceled.) The decision to pay a dividend and, if so, the amount of any such dividend, is determined by the Company in its sole discretion. No Dividend Equivalents will be paid to the Participant on any canceled Performance Share Units.

(e) Termination of Employment.

(i) In the event the Participant's employment with the Company or a Subsidiary terminates in a Qualifying Termination prior to December 31, 2018, the number of shares of Class B Common Stock that the Participant will receive for the applicable Measurement Period will be determined by multiplying the shares of Class B Common Stock determined under the applicable valuation criteria under Section 1.2(a) or (b) by a fraction, the numerator of which is the number of days starting with and inclusive of January 1, 2016, and ending on the applicable Determination Date and the denominator of which is the number of days starting with and inclusive of January 1, 2016, and ending on December 31, 2018.

(ii) Unless otherwise specified in the Participant's employment agreement with the Company, in the event the Participant's employment with the Company or a Subsidiary terminates for any reason other than a Qualifying Termination, the Participant shall forfeit all unvested Performance Share Units as of the date of such event.

**ARTICLE II
EFFECT OF CERTAIN CORPORATE CHANGES**

In the event of a merger, consolidation, stock split, reverse stock split, dividend, distribution, combination, reclassification, reorganization, split-up, spin-off or recapitalization that changes the character or amount of the Class B Common Stock or any other changes in the corporate structure, equity securities or capital structure of the Company, the Committee shall make such adjustments, if any, to the number and kind of securities subject to the Performance Share Units, as it deems appropriate. The Committee may, in its sole discretion, also make such other adjustments as it deems appropriate in order to preserve the benefits or potential benefits intended to be made available hereunder. Such determinations by the Committee shall be conclusive and binding on all persons for all purposes.

**ARTICLE III
DEFINITIONS**

As used herein, the following terms shall have the following meanings:

(a) "Board" shall mean the Board of Directors of the Company.

(b) "Cause" shall (i) have the meaning provided in a Company or a Subsidiary employment agreement that is in effect and applicable to the Participant, or (ii) mean, if there is no such employment agreement or if such employment agreement contains no such term, unless the Committee determines otherwise, (A) conduct constituting embezzlement, material misappropriation or fraud, whether or not related to the Participant's employment with the Company or a Subsidiary; (B) conduct constituting a felony, whether or not related to the Participant's employment with the Company or a Subsidiary; (C) conduct constituting a financial crime, material act of dishonesty or material unethical business conduct, involving the Company or a Subsidiary; (D) willful unauthorized disclosure or use of Company or Subsidiary confidential information; (E) the failure to substantially obey a material lawful directive that is appropriate to the Participant's position from a superior in his or her reporting line or the Board; (F) the failure or refusal to substantially perform the Participant's material employment obligations (other than any such failure or refusal resulting from the Participant's disability); (G) the willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, whether or not related to employment with the Company or a Subsidiary, after being instructed by the Company or a Subsidiary to cooperate; (H) the willful destruction of or failure to preserve documents or other material known to be relevant to any investigation referred to in subparagraph (G) above;

or (I) the willful inducement of others to engage in the conduct described in subparagraphs (A) – (H).

(c) “Certificate” shall have the meaning set forth in Section 1.1 hereof.

(d) “Class B Common Stock” shall mean shares of Class B Common Stock, par value \$0.001 per share, of the Company.

(e) “Code” shall mean the U.S. Internal Revenue Code of 1986, as amended, including any successor law thereto and the rules, regulations and guidance promulgated thereunder.

(f) “Committee” shall mean the Compensation Committee of the Board (or such other committee(s) as may be appointed or designated by the Board to administer the Plan).

(g) “Company” shall mean Viacom Inc., a Delaware corporation.

(h) “Date of Grant” shall be the date set forth on the Performance Share Units Certificate.

(i) “Determination Date” shall mean the December 31 immediately preceding the third anniversary of the Date of Grant; provided, however, that in the event the Participant’s employment with the Company terminates in a Qualifying Termination prior to the third anniversary of the Date of Grant, the Determination Date will be the effective date of the Participant’s termination of employment.

(j) “Dividend Equivalent” shall mean an amount in cash equal to the regular cash dividend, if any, that would have been paid on the number of shares of Class B Common Stock underlying the Performance Share Units.

(k) “Fair Market Value” of a share of Class B Common Stock on a given date shall be, unless otherwise determined by the Committee, the closing price on such date on the NASDAQ Global Select Market or, if different, the principal stock exchange on which the Class B Common Stock is then listed, as reported by The Wall Street Journal (Northeast edition) as the 4:00 p.m. (New York time) closing price, or as reported by any other authoritative source selected by the Company. If such date is not a business day on which the Fair Market Value can be determined, then the Fair Market Value shall be determined as of the last preceding business day on which the Fair Market Value can be determined.

(l) “Good Reason” shall have the meaning assigned to such term in the Participant’s employment agreement with the Company or a Subsidiary.

(m) “Measurement Period” shall mean the period beginning on the starting date and ending on the end date specified in the Participant’s Performance Share Units Certificate; provided, however, that if the Participant’s employment with the Company terminates in a Qualifying Termination, the Measurement Period will be the period beginning on the starting date specified in the Participant’s Performance Share Units Certificate and ending on the effective date of the Participant’s Qualifying Termination.

(n) “Participant” shall mean the employee named on the Performance Share Units Certificate.

(o) “Performance Share Units” shall mean notional units of measurement representing the contractual right granted to the Participant to receive shares of Class B Common Stock based on the performance of the Class B Common Stock in comparison with the performance of the common stock of the Reference Group over the Measurement Period, on the terms and conditions forth in the Certificate.

(p) “Performance Share Units Certificate” shall have the meaning set forth in Section 1.1 hereof.

(q) “Plan” shall mean the Viacom Inc. 2016 Long-Term Management Incentive Plan, as may be amended from time to time.

(r) “Qualifying Termination” shall have the meaning set forth for such term in the Participant’s employment agreement with the Company or, if the Participant does not have such an employment agreement, or the employment agreement does not include a definition of such term, shall mean (i) the termination of the Participant’s employment by the Company or a Subsidiary other than in a termination of employment for Cause; (ii) in the event the Participant has an employment agreement with the Company or a Subsidiary that contains a Good Reason provision, such Participant’s resignation of employment for Good Reason; (iii) the termination of the Participant’s employment with the Company or a Subsidiary by reason of the Participant’s death; (iv) the termination of the Participant’s employment with the Company or a Subsidiary by reason of the Participant’s Retirement; or (v) in the event the Participant has an employment agreement with the Company or a Subsidiary, the non-renewal of such employment agreement at the Company’s or Subsidiary’s election followed by termination of the Participant’s employment with the Company and any Subsidiary within six months of such contract expiration for any reason other than for Cause.

(s) “Reference Group” shall mean all companies whose common stock is included in the S&P 500 at the start of the Measurement Period (other than (I) companies that cease to be included in the S&P 500 during the Measurement Period solely due to merger, acquisition, liquidation or similar events fundamentally changing the identity and nature of the company and (II) companies that cease to be included in the S&P 500 other than on account of events described in the preceding clause (I) and which also cease to have common stock publicly traded on an exchange or on a recognized market system or the over-the-counter market).

(t) “Retirement” shall mean the resignation or termination of employment after attainment of an age and years of service required for payment of an immediate pension pursuant to the terms of any qualified defined benefit retirement plan maintained by the Company or a Subsidiary in which the Participant participates; provided, however, that no resignation or termination prior to a Participant’s 62nd birthday shall be deemed a Retirement unless the Committee so determines in its sole discretion; and provided further that the resignation or termination of employment other than a termination of employment for Cause after attainment of age 62 shall be deemed a Retirement if the Participant does not participate in a qualified defined benefit retirement plan maintained by the Company or a Subsidiary.

(u) “S&P 500” shall mean the Standard & Poor’s 500 Composite Index.

(v) “Section 409A” shall mean Section 409A of the Code and the rules, regulations and guidance promulgated thereunder from time to time.

(w) “Subsidiary” shall mean a corporation (or a partnership or other enterprise) in which the Company owns or controls, directly or indirectly, 50% or more of the outstanding shares of stock normally entitled to vote for the election of directors (or comparable equity participation and voting power).

(x) “Target Award” shall mean the number of shares of Class B Common Stock indicated as the “Target Award” on the Participant’s Performance Share Units Certificate.

(y) “TSR” shall mean for the Class B Common Stock and for the common stock of each company in the Reference Group, the percentage change in value (positive or negative) over the Measurement Period as measured by dividing (i) the sum of (A) each company’s cumulative

value of dividends and other distributions in respect of its common stock for the Measurement Period, assuming dividend reinvestment, and (B) the difference (positive or negative) between each company's common stock price on the first and last day of the Measurement Period, calculated based on the closing price on first day of the Measurement Period and the average closing prices over the 20-day trading period immediately prior to the last day of the Measurement Period, in each case, as reported by Bloomberg L.P. (or such other reporting service that the Committee may designate from time to time); by (ii) the common stock price on the first day of the Measurement Period, calculated on the basis described above. Appropriate and equitable adjustments will be made to account for stock splits and reverse stock splits. TSR will be determined by the Committee in a manner consistent with this definition. For purposes of computing TSR, if a company has more than one class of common stock outstanding then only the class that is included in the S&P 500 shall be taken into account, and if there is more than one such class, the company's TSR shall be computed using the aggregate values of and distributions on all such classes.

ARTICLE IV MISCELLANEOUS

Section 4.1 No Rights to Awards or Continued Employment. Neither the Certificate, the Plan nor any action taken in accordance with such documents shall confer upon the Participant any right to be employed by or to continue in the employment of the Company or any Subsidiary, nor to be entitled to any remuneration or benefits not set forth in the Plan or the Certificate, including the right to receive any future awards under the Plan or any other plan of the Company or any Subsidiary or interfere with or limit the right of the Company or any Subsidiary to modify the terms of or terminate the Participant's employment at any time for any reason.

Section 4.2 Restriction on Transfer. The rights of the Participant with respect to the Performance Share Units shall not be transferable by the Participant, except by will, the laws of descent and distribution, or beneficiary designation; provided that the Committee may permit other transferability, subject to any conditions and limitations that it may, in its sole discretion, impose.

Section 4.3 Taxes. The Company or a Subsidiary, as appropriate, shall be entitled to deduct and withhold from any payment made to the Participant, a Participant's estate or any permitted transferee or beneficiary an amount sufficient to satisfy any federal, state, local and/or other tax withholding requirement or satisfy required tax withholding in respect of the delivery of shares of Class B Common Stock upon settlement of Performance Shares Units by having the Company withhold from such delivery shares of Class B Common Stock having a Fair Market Value equal to the amount of such required withholding.

Section 4.4 Stockholder Rights. The grant of Performance Share Units under the Certificate shall not entitle the Participant or a Participant's estate, any permitted transferee or beneficiary to any rights of a holder of shares of Class B Common Stock, unless, and only when, the Participant, the Participant's estate, or the permitted transferee or beneficiary is registered on the books and records of the Company as a stockholder and shares are delivered to such party upon settlement of the Performance Share Units. Unless otherwise determined by the Committee in its discretion or specified herein, no adjustment shall be made for dividends or distributions or other rights in respect of any shares of Class B Common Stock for which the record date is prior to the date on which the Participant, a Participant's estate or any permitted transferee or beneficiary shall become the holder of such shares of Class B Common Stock.

Section 4.5 No Restriction on Right of Company to Effect Corporate Changes. Neither the Plan nor the Certificate shall affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's

capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Class B Common Stock or the rights thereof or which are convertible into or exchangeable for Class B Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

Section 4.6 Section 409A. If any provision of the Certificate contravenes any regulations or Treasury guidance promulgated under Section 409A or could cause the Participant to be required to recognize income for United States federal income tax purposes with respect to any Performance Share Units before such Performance Share Units are settled or to be subject to any additional tax or interest under Section 409A, such provision of the Certificate may be modified to maintain, to the maximum extent practicable, the original intent of the applicable provision without the imposition of any additional tax or interest under Section 409A. Moreover, any discretionary authority that the Board or the Committee may have pursuant to the Certificate shall not be applicable to Performance Share Units that are subject to Section 409A to the extent such discretionary authority will contravene Section 409A.

Section 4.7 Amendment. The Committee shall have broad authority to amend the Certificate without approval of the Participant to the extent necessary or desirable (a) to comply with, or take into account changes in, applicable tax laws, securities laws, accounting rules and other applicable laws, rules and regulations or (b) to ensure that the Participant is not required to recognize income for United States federal income tax purposes with respect to any Performance Share Units before such Performance Share Units are settled and is not subject to additional tax or interest under Section 409A with respect to any Performance Share Units. The Committee shall not be obligated to make any such amendment, however, and neither the Committee nor the Company makes any representation or guarantee that the Performance Share Units will not be subject to additional tax or interest under Section 409A.

Section 4.8 Interpretation. In the event of any conflict between the provisions of the Certificate (including the definitions set forth herein) and those of the Plan, the provisions of the Plan will control. Additionally, in the event of a conflict or ambiguity between the provisions of the Certificate or the Plan and the provisions of any employment agreement that is in effect and applicable to the Participant with respect to the Performance Share Units, the provisions of such employment agreement shall be deemed controlling to the extent such provisions are consistent with the provisions of the Plan and are more favorable to the Participant than the provisions of the Certificate.

Section 4.9 Breach of Covenants. In the event that the Committee makes a good faith determination that the Participant committed a material breach of the restrictive covenants relating to non-competition, non-solicitation, confidential information or proprietary property in any employment or other agreement applicable to the Participant during the Participant's employment or the one-year period after termination of the Participant's employment with the Company or a Subsidiary for any reason, (a) the Participant shall be required to return the shares of Class B Common Stock received by him or her in settlement of the Performance Share Units during the one-year period prior to such breach or any time after such breach occurs, or, if the shares of Class B Common Stock received in settlement of the Performance Share Units within the one-year period prior to such breach were sold by the Participant, return any proceeds realized on the sale of such shares of Class B Common Stock prior to such breach or any time after such breach occurs and (b) any Performance Share Units that have not been settled shall be forfeited.

Section 4.10 Repayments. If any shares of Class B Common Stock had been delivered for exceeding the EPS hurdle and Company earnings are restated, the Committee may require the Participant to return any amount he or she received to which he or she would not have been entitled based on such restated earnings.

Section 4.11 Limited Purpose Accounts. If the Participant is a Plan participant in the United States, the Company shall be entitled to access the information contained in the Participant's individual limited purpose account maintained by the applicable plan administrator; provided, however, that the Company may not disclose individual account information to third parties (other than the plan administrator).

Section 4.12 Governmental Regulations. The Performance Share Units shall be subject to all applicable rules and regulations of governmental or other authorities.

Section 4.13 Headings. The headings of articles and sections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Certificate.

Section 4.14 Governing Law. The Certificate and all rights hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

AGREEMENT

This agreement (the "Agreement") is entered into this 13th day of June, 2016, between Viacom Inc. ("Viacom") and George Abrams ("Abrams") in the following context:

Abrams is a Viacom director;

Pursuant to the purported exercise of authority by Sumner M. Redstone ("Mr. Redstone"), notice was given to Abrams and fellow Viacom director, Philippe Dauman ("Dauman"), purporting to remove them as trustees of the Sumner M. Redstone National Amusements Trust (the "Trust"), as directors of National Amusements, Inc. and as managers of certain subsidiaries of NAI (collectively, "NAI") (the "Purported Removal Action"); and representatives of Mr. Redstone stated publicly that these actions were intended to have an impact on Abrams and Dauman in their roles at Viacom and, more broadly, on Viacom generally;

In addition, the threat has been made regarding removal in the future of directors of Viacom also pursuant to the purported exercise of authority by Mr. Redstone;

On May 23, 2016, (a) with the support of the independent members of Viacom's Board of Directors, Abrams and Dauman filed a lawsuit in Massachusetts probate court, challenging the Purported Removal Action and (b) a lawsuit was filed in California Superior Court, purportedly by Mr. Redstone, seeking an order confirming the validity of the removal of Abrams and Dauman as trustees of the Trust (such lawsuits the "Actions");

(1) key positions taken by Abrams and Dauman in the Actions are also key positions Viacom and validly elected directors of Viacom would take in challenging any purported removal of them as invalid purported exercises of authority by Mr. Redstone ("Aligned Key Positions"); (2) the outcome of these Actions could have a direct adverse impact on the ability of Viacom and Viacom directors to assert and prevail on the Aligned Key Positions, and, accordingly, on Viacom's chain of corporate control, on Viacom's governance and on its stockholders; (3) neither Viacom nor its directors have standing to participate in the Actions and directly litigate the Aligned Key Positions; and (4) neither Dauman nor Abrams has any financial interest in the Actions, recognizing that Dauman has various rights under his employment agreement;

Abrams and Dauman have incurred and will continue to incur costs and expenses in connection with litigating the Actions;

On May 26, 2016 the Special Litigation Committee of the Board of Directors of Viacom (the "Committee") determined that it was in the best interests of Viacom and its stockholders to support the efforts of Abrams and Dauman in litigating the Aligned Key Positions by authorizing and directing Viacom to pay the reasonable costs and expenses incurred by them in connection with litigating the Actions, subject to certain conditions; and

This Agreement is not intended to replace, override or interfere with any rights to indemnification or advancement that Abrams currently has as a Viacom director, including such rights set forth in Viacom's Certificate of Incorporation or Bylaws, or pursuant to Section 145 of the Delaware General Corporation Law, and all such rights shall remain in full force and effect to the fullest extent permitted under Delaware law.

In consideration of the mutual promises and covenants herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Payment and Reimbursement. Viacom will pay (as incurred) or, if paid by Abrams, promptly reimburse him for costs and expenses (including attorney's fees, expert witness fees and fees of public relations and other consultants) actually and reasonably incurred by Abrams in connection with the Actions ("Payment Amounts").
2. Repayment. Abrams will repay Viacom all Payment Amounts to the extent it is finally determined by a court of competent jurisdiction that, in instituting the Massachusetts lawsuit, Abrams has acted in breach of his fiduciary or other duties to Viacom or that he has not acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of Viacom.
3. Other Sources. Without limiting his rights under this Agreement, Abrams will also take reasonable steps to seek (through advancement, indemnification or other rights he has) to recoup Payment Amounts from NAI and the Trust as authorized under the respective governing documents of those entities and any agreements entered into by Abrams and those entities and promptly upon such recoupment or other economic recovery from NAI and the Trust related in any way to the subject matter of the Actions shall repay such amounts to Viacom.
4. Amendments. No modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto.
5. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason, (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable and to give effect to the terms of this Agreement.
6. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.
7. Governing Law. This Agreement shall be governed by and construed in accordance with

the laws of the State of Delaware without giving effect to principles of conflicts of laws. Any dispute relating to this Agreement shall be subject to the exclusive jurisdiction of the courts of Delaware or the Federal Courts located therein, and the parties agree not to contest the jurisdiction of such courts. The parties hereby waive their respective rights to a trial by jury.

/s/ George Abrams

George Abrams

/s/ Michael D. Fricklas

Michael D. Fricklas, Executive Vice President, General Counsel
and Secretary, Viacom Inc.

AGREEMENT

This agreement (the "Agreement") is entered into this 13th day of June, 2016, between Viacom Inc. ("Viacom") and Philippe Dauman ("Dauman") in the following context:

Dauman is a Viacom director and Viacom's Executive Chairman, President and Chief Executive Officer;

Pursuant to the purported exercise of authority by Sumner M. Redstone ("Mr. Redstone"), notice was given to Dauman and fellow Viacom director, George Abrams ("Abrams"), purporting to remove them as trustees of the Sumner M. Redstone National Amusements Trust (the "Trust"), as directors of National Amusements, Inc. and as managers of certain subsidiaries of NAI (collectively, "NAI") (the "Purported Removal Action"); and representatives of Mr. Redstone stated publicly that these actions were intended to have an impact on Dauman and Abrams in their roles at Viacom and, more broadly, on Viacom generally;

In addition, the threat has been made regarding removal in the future of directors of Viacom also pursuant to the purported exercise of authority by Mr. Redstone;

On May 23, 2016, (a) with the support of the independent members of Viacom's Board of Directors, Dauman and Abrams filed a lawsuit in Massachusetts probate court, challenging the Purported Removal Action and (b) a lawsuit was filed in California Superior Court, purportedly by Mr. Redstone, seeking an order confirming the validity of the removal of Dauman and Abrams as trustees of the Trust (such lawsuits the "Actions");

(1) key positions taken by Dauman and Abrams in the Actions are also key positions Viacom and validly elected directors of Viacom would take in challenging any purported removal of them as invalid purported exercises of authority by Mr. Redstone ("Aligned Key Positions"); (2) the outcome of these Actions could have a direct adverse impact on the ability of Viacom and Viacom directors to assert and prevail on the Aligned Key Positions, and, accordingly, on Viacom's chain of corporate control, on Viacom's governance and on its stockholders; (3) neither Viacom nor its directors have standing to participate in the Actions and directly litigate the Aligned Key Positions; and (4) neither Dauman nor Abrams has any financial interest in the Actions, recognizing that Dauman has various rights under his employment agreement;

Dauman and Abrams have incurred and will continue to incur costs and expenses in connection with litigating the Actions;

On May 26, 2016 the Special Litigation Committee of the Board of Directors of Viacom (the "Committee") determined that it was in the best interests of Viacom and its stockholders to support the efforts of Dauman and Abrams in litigating the Aligned Key Positions by authorizing and directing Viacom to pay the reasonable costs and expenses incurred by them in connection with litigating the Actions, subject to certain conditions; and

This Agreement is not intended to replace, override or interfere with any rights to indemnification or advancement that Dauman currently has as a Viacom director or officer, including such rights set forth in his employment agreement, Viacom's Certificate of Incorporation or Bylaws, or pursuant to Section 145 of the Delaware General Corporation Law, and all such rights shall remain in full force and effect to the fullest extent permitted under Delaware law.

In consideration of the mutual promises and covenants herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Payment and Reimbursement. Viacom will pay (as incurred) or, if paid by Dauman, promptly reimburse him for costs and expenses (including attorney's fees, expert witness fees and fees of public relations and other consultants) actually and reasonably incurred by Dauman in connection with the Actions ("Payment Amounts").
2. Repayment. Dauman will repay Viacom all Payment Amounts to the extent it is finally determined by a court of competent jurisdiction that, in instituting the Massachusetts lawsuit, Dauman has acted in breach of his fiduciary or other duties to Viacom or that he has not acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of Viacom.
3. Other Sources. Without limiting his rights under this Agreement, Dauman will also take reasonable steps to seek (through advancement, indemnification or other rights he has) to recoup Payment Amounts from NAI and the Trust as authorized under the respective governing documents of those entities and any agreements entered into by Dauman and those entities and promptly upon such recoupment or other economic recovery from NAI and the Trust related in any way to the subject matter of the Actions shall repay such amounts to Viacom.
4. Amendments. No modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto.
5. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason, (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable and to give effect to the terms of this Agreement.
6. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to principles of conflicts of laws. Any dispute relating to this Agreement shall be subject to the exclusive jurisdiction of the courts of Delaware or the Federal Courts located therein, and the parties agree not to contest the jurisdiction of such courts. The parties hereby waive their respective rights to a trial by jury.

/s/ Philippe P. Dauman

Philippe Dauman

/s/ Michael D. Fricklas

Michael D. Fricklas, Executive Vice President, General Counsel
and Secretary, Viacom Inc.

CERTIFICATION

I, Philippe P. Dauman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viacom 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 the circumstances under which such 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 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.

Date: August 4, 2016

/s/ PHILIPPE P. DAUMAN

Executive Chairman, President and Chief Executive Officer

CERTIFICATION

I, Wade Davis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viacom 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 the circumstances under which such 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 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.

Date: August 4, 2016

/s/ WADE DAVIS

Executive Vice President, Chief Financial Officer

**Certification 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 Viacom Inc. (the "Company") on Form 10-Q for the period ended June 30, 2016 as filed with the Securities and Exchange Commission (the "Report"), I, Philippe P. Dauman, Executive Chairman, President and Chief Executive Officer of the Company, certify that to my knowledge:

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/ PHILIPPE P. DAUMAN

Philippe P. Dauman

August 4, 2016

This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Report. A signed original of this written statement required by Section 906 has been provided to Viacom Inc. and will be retained by Viacom Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification 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 Viacom Inc. (the "Company") on Form 10-Q for the period ended June 30, 2016 as filed with the Securities and Exchange Commission (the "Report"), I, Wade Davis, Executive Vice President, Chief Financial Officer of the Company, certify that to my knowledge:

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/ WADE DAVIS

Wade Davis

August 4, 2016

This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Report. A signed original of this written statement required by Section 906 has been provided to Viacom Inc. and will be retained by Viacom Inc. and furnished to the Securities and Exchange Commission or its staff upon request.