
**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 December 31, 2014

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 January 15, 2015
Class A common stock, par value \$0.001 per share	50,607,121
Class B common stock, par value \$0.001 per share	355,154,549

VIACOM INC.
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

VIACOM INC. **CONSOLIDATED STATEMENTS OF EARNINGS** **(Unaudited)**

(in millions, except per share amounts)	Quarter Ended December 31,	
	2014	2013
Revenues	\$ 3,344	\$ 3,197
Expenses:		
Operating	1,623	1,474
Selling, general and administrative	731	704
Depreciation and amortization	55	59
Total expenses	2,409	2,237
Operating income	935	960
Interest expense, net	(160)	(149)
Equity in net earnings of investee companies	33	26
Other items, net	(18)	—
Earnings before provision for income taxes	790	837
Provision for income taxes	(277)	(280)
Net earnings (Viacom and noncontrolling interests)	513	557
Net earnings attributable to noncontrolling interests	(13)	(10)
Net earnings attributable to Viacom	\$ 500	\$ 547
Basic earnings per share attributable to Viacom	\$ 1.22	\$ 1.23
Diluted earnings per share attributable to Viacom	\$ 1.20	\$ 1.20
Weighted average number of common shares outstanding:		
Basic	410.6	444.9
Diluted	416.1	454.0
Dividends declared per share of Class A and Class B common stock	\$ 0.33	\$ 0.30

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(in millions)	Quarter Ended December 31,	
	2014	2013
Net earnings (Viacom and noncontrolling interests)	\$ 513	\$ 557
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(104)	26
Defined benefit pension plans	(20)	—
Other comprehensive income (loss) (Viacom and noncontrolling interests)	(124)	26
Comprehensive income	389	583
Less: Comprehensive income attributable to noncontrolling interest	11	11
Comprehensive income attributable to Viacom	\$ 378	\$ 572

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions, except par value)	December 31, 2014	September 30, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,185	\$ 1,000
Receivables, net	3,024	3,066
Inventory, net	870	846
Prepaid and other assets	391	340
Total current assets	5,470	5,252
Property and equipment, net	976	1,016
Inventory, net	4,100	3,897
Goodwill	11,495	11,535
Intangibles, net	372	399
Other assets	1,003	1,018
Total assets	<u>\$ 23,416</u>	<u>\$ 23,117</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 370	\$ 475
Accrued expenses	710	969
Participants' share and residuals	949	993
Program obligations	673	703
Deferred revenue	252	259
Current portion of debt	617	18
Other liabilities	468	518
Total current liabilities	4,039	3,935
Noncurrent portion of debt	13,146	12,751
Participants' share and residuals	289	403
Program obligations	435	459
Deferred tax liabilities, net	527	266
Other liabilities	1,396	1,340
Redeemable noncontrolling interest	207	216
Commitments and contingencies (Note 6)		
Viacom stockholders' equity:		
Class A common stock, par value \$0.001, 375.0 authorized; 50.6 and 50.9 outstanding, respectively	—	—
Class B common stock, par value \$0.001, 5,000.0 authorized; 356.7 and 363.3 outstanding, respectively	—	—
Additional paid-in capital	9,914	9,772
Treasury stock, 387.1 and 377.0 common shares held in treasury, respectively	(19,975)	(19,225)
Retained earnings	13,828	13,465
Accumulated other comprehensive loss	(415)	(293)
Total Viacom stockholders' equity	3,352	3,719
Noncontrolling interests	25	28
Total equity	3,377	3,747
Total liabilities and equity	<u>\$ 23,416</u>	<u>\$ 23,117</u>

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Quarter Ended December 31,	
	2014	2013
OPERATING ACTIVITIES		
Net earnings (Viacom and noncontrolling interests)	\$ 513	\$ 557
Reconciling items:		
Depreciation and amortization	55	59
Feature film and program amortization	1,027	907
Equity-based compensation	26	32
Equity in net earnings and distributions from investee companies	(29)	(22)
Deferred income taxes	232	(30)
Operating assets and liabilities, net of acquisitions:		
Receivables	42	90
Inventory, program rights and participations	(1,448)	(1,185)
Accounts payable and other current liabilities	(421)	(121)
Other, net	59	6
Cash provided by operations	56	293
INVESTING ACTIVITIES		
Acquisitions and investments, net	(1)	6
Capital expenditures	(34)	(20)
Net cash flow used in investing activities	(35)	(14)
FINANCING ACTIVITIES		
Borrowings	990	—
Purchase of treasury stock	(754)	(970)
Dividends paid	(137)	(271)
Excess tax benefits on equity-based compensation awards	35	5
Exercise of stock options	104	11
Other, net	(45)	(42)
Net cash flow provided by/(used) in financing activities	193	(1,267)
Effect of exchange rate changes on cash and cash equivalents	(29)	2
Net change in cash and cash equivalents	185	(986)
Cash and cash equivalents at beginning of period	1,000	2,403
Cash and cash equivalents at end of period	\$ 1,185	\$ 1,417

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Viacom Inc. is a leading global entertainment content company that connects with audiences in more than 165 countries and territories and creates compelling television programs, motion pictures, short-form videos, apps, games, brands for consumer products, social media and other entertainment content. Viacom operates through two reporting segments: *Media Networks*, which includes Music, Nickelodeon, Entertainment 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, Insurge Pictures, MTV Films, Nickelodeon Movies 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, 2015 (“fiscal 2015”) or any future period. These financial statements should be read in conjunction with our Form 10-K for the year ended September 30, 2014, as filed with the SEC on November 13, 2014 (the “2014 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.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2014-09 - Revenue from Contracts with Customers (“ASU 2014-09”), a comprehensive revenue recognition model that supersedes the current revenue recognition requirements and most industry-specific guidance. The underlying core principle of ASU 2014-09 is that a company should 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. ASU 2014-09 will be effective for the first interim period within annual reporting periods beginning after December 15, 2016, and allows adoption either under a full retrospective or a modified retrospective approach. Early adoption is not permitted. We will adopt ASU 2014-09 during the first quarter of fiscal 2018. We are currently evaluating the impact of the new standard.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 2. INVENTORY

Our total inventory consists of the following:

Inventory (in millions)	December 31, 2014	September 30, 2014
Film inventory:		
Released, net of amortization	\$ 712	\$ 664
Completed, not yet released	28	131
In process and other	673	436
Total film inventory, net of amortization	1,413	1,231
Original programming:		
Released, net of amortization	1,452	1,409
In process and other	605	631
Total original programming, net of amortization	2,057	2,040
Acquired program rights, net of amortization	1,402	1,367
Home entertainment inventory	98	105
Total inventory, net	4,970	4,743
Less: current portion	(870)	(846)
Total inventory-noncurrent, net	\$ 4,100	\$ 3,897

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 3. DEBT

Our total debt consists of the following:

Debt (in millions)	December 31, 2014	September 30, 2014
Senior Notes and Debentures:		
Senior notes due February 2015, 1.250%	\$ 600	\$ 600
Senior notes due September 2015, 4.250%	250	250
Senior notes due April 2016, 6.250%	917	917
Senior notes due December 2016, 2.500%	399	399
Senior notes due April 2017, 3.500%	498	498
Senior notes due October 2017, 6.125%	499	499
Senior notes due September 2018, 2.500%	498	498
Senior notes due April 2019, 2.200%	400	400
Senior notes due September 2019, 5.625%	552	552
Senior notes due December 2019, 2.750%	400	—
Senior notes due March 2021, 4.500%	495	495
Senior notes due December 2021, 3.875%	593	593
Senior notes due June 2022, 3.125%	297	296
Senior notes due March 2023, 3.250%	298	298
Senior notes due September 2023, 4.250%	1,239	1,238
Senior notes due April 2024, 3.875%	546	546
Senior debentures due December 2034, 4.850%	597	—
Senior debentures due April 2036, 6.875%	1,072	1,072
Senior debentures due October 2037, 6.750%	76	76
Senior debentures due February 2042, 4.500%	246	245
Senior debentures due March 2043, 4.375%	1,090	1,089
Senior debentures due June 2043, 4.875%	249	249
Senior debentures due September 2043, 5.850%	1,242	1,242
Senior debentures due April 2044, 5.250%	549	549
Capital lease and other obligations	161	168
Total debt	13,763	12,769
Less: current portion	(617)	(18)
Total noncurrent portion of debt	\$ 13,146	\$ 12,751

Senior Notes and Debentures

In December 2014, we issued a total of \$1.0 billion of senior notes and debentures as follows:

- 2.750% Senior Notes due December 2019 with an aggregate principal amount of \$400 million at a price equal to 99.986% of the principal amount.
- 4.850% Senior Debentures due December 2034 with an aggregate principal amount of \$600 million at a price equal to 99.543% of the principal amount.

The proceeds, net of the discount and other issuance fees and expenses, from the issuance of the senior notes and debentures were \$990 million.

The total unamortized net discount related to our senior notes and debentures was \$418 million as of December 31, 2014. The fair value of our senior notes and debentures was approximately \$14.7 billion as of December 31, 2014. The valuation of our publicly traded debt is based on quoted prices in active markets.

The Senior Notes due in September 2015 are classified as long-term debt as we have the intent and the ability, through utilization of our \$2.5 billion revolving credit facility, to refinance this debt.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Credit Facility

In November 2014, we amended our revolving credit agreement, originally dated as of October 8, 2010, to, among other things, extend the maturity date of the \$2.5 billion revolving credit facility from November 9, 2017 to November 18, 2019. At December 31, 2014, there were no amounts outstanding under the credit facility. 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 December 31, 2014.

NOTE 4. PENSION BENEFITS

We offered certain participants of our funded pension plan the option to receive a one-time lump-sum payment equal to the present value of their respective pension benefit. The settlement triggered a remeasurement of the net pension obligation and settlement accounting. The remeasurement resulted in a \$53 million increase to the net benefit obligation, primarily driven by a decline in the discount rate to 4.0% from 4.5%. The settlement resulted in the recognition of a non-cash settlement loss of \$24 million reclassified from unrecognized actuarial loss included within Accumulated other comprehensive income (loss) in the Consolidated Balance Sheet.

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

Net Periodic Benefit Cost (Income) (in millions)	Quarter Ended December 31,	
	2014	2013
Interest cost	\$ 12	\$ 12
Expected return on plan assets	(13)	(13)
Recognized actuarial loss	1	—
Loss on pension settlement	24	—
Net periodic benefit cost (income)	<u>\$ 24</u>	<u>\$ (1)</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 January 2016 and is classified as *Redeemable noncontrolling interest* in the Consolidated Balance Sheets.

The components of redeemable noncontrolling interest are as follows:

Redeemable Noncontrolling Interest (in millions)	Quarter Ended December 31,	
	2014	2013
Beginning balance	\$ 216	\$ 200
Net earnings	7	6
Distributions	(8)	(8)
Translation adjustment	(9)	6
Redemption value adjustment	1	2
Ending Balance	<u>\$ 207</u>	<u>\$ 206</u>

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 6. COMMITMENTS AND CONTINGENCIES
Commitments

As more fully described in Notes 4 and 11 of the 2014 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 \$348 million as of December 31, 2014. 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 December 31, 2014. 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

Litigation is inherently uncertain and always difficult to predict. However, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the legal matters described below and other litigation to which we are a party are not likely, in the aggregate, to have a material adverse effect on our results of operations, financial position or operating cash flows.

In February 2013, Cablevision Systems Corporation filed a lawsuit in the United States District Court for the Southern District of New York alleging that Viacom’s industry standard practice of offering discounts for additional network distribution constituted a “tying” arrangement in violation of federal and New York state antitrust laws. Similar arrangements have been upheld by numerous federal and state courts, including in a federal case in which Cablevision itself advocated for the legality of such arrangements. We believe the lawsuit is without merit. In July 2014, Viacom answered the amended complaint and asserted counterclaims against Cablevision for having fraudulently induced Viacom to renew their affiliate agreement at the end of 2012 on terms which Cablevision intended to challenge in the courts. Cablevision answered the counterclaims in September 2014. The litigation has now entered the discovery phase.

NOTE 7. STOCKHOLDERS’ EQUITY

The components of stockholders’ equity are as follows:

Stockholders’ Equity (in millions)	Quarter Ended December 31, 2014			Quarter Ended December 31, 2013		
	Total Viacom Stockholders’ Equity	Noncontrolling Interests	Total Equity	Total Viacom Stockholders’ Equity	Noncontrolling Interests	Total Equity
Beginning Balance	\$ 3,719	\$ 28	\$ 3,747	\$ 5,193	\$ (3)	\$ 5,190
Net earnings	500	13	513	547	10	557
Other comprehensive income (loss) ⁽¹⁾	(122)	(2)	(124)	25	1	26
Noncontrolling interests	(1)	(14)	(15)	(2)	(11)	(13)
Dividends declared	(136)	—	(136)	(134)	—	(134)
Purchase of treasury stock	(750)	—	(750)	(850)	—	(850)
Equity-based compensation and other	142	—	142	23	—	23
Ending Balance	<u>\$ 3,352</u>	<u>\$ 25</u>	<u>\$ 3,377</u>	<u>\$ 4,802</u>	<u>\$ (3)</u>	<u>\$ 4,799</u>

(1) The components of other comprehensive income (loss) are net of a tax benefit of \$10 million for the quarter ended December 31, 2014.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 8. 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 (in millions)	Quarter Ended December 31,	
	2014	2013
Weighted average number of common shares outstanding, basic	410.6	444.9
Dilutive effect of equity awards	5.5	9.1
Weighted average number of common shares outstanding, diluted	416.1	454.0
Anti-dilutive common shares	4.1	—

NOTE 9. SUPPLEMENTAL CASH FLOW AND OTHER INFORMATION

Our supplemental cash flow information is as follows:

Supplemental Cash Flow Information (in millions)	Quarter Ended December 31,	
	2014	2013
Cash paid for interest	\$ 156	\$ 122
Cash paid for income taxes	\$ 48	\$ 124

Accounts Receivable

We had \$458 million and \$482 million of noncurrent trade receivables as of December 31, 2014 and September 30, 2014, respectively. The accounts receivable were primarily in the *Filmed Entertainment* segment, included within *Other assets* in our Consolidated Balance Sheets, and principally related to long-term television license arrangements. Such amounts are due in accordance with the underlying terms of the respective agreements and are principally from investment grade companies with which we have historically done business under similar terms, for which credit loss allowances are generally not considered necessary.

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 Viacom 18, a 50% owned joint venture in India with Network 18 Media and Investments Limited that qualifies as a VIE. Our aggregate investment carrying value in Viacom 18 was \$71 million and \$68 million as of December 31, 2014 and September 30, 2014, respectively.

Consolidated Variable Interest Entities: Our Consolidated Balance Sheets include amounts related to consolidated VIEs totaling \$132 million in assets and \$53 million in liabilities as of December 31, 2014, and \$138 million in assets and \$54 million in liabilities as of September 30, 2014. The consolidated VIEs’ revenues, expenses and operating income were not significant for all periods presented.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Income Taxes

We recognized discrete tax expense of \$23 million in the quarter ended December 31, 2014, principally related to a reduction in qualified production activity tax benefits as a result of retroactively reenacted legislation.

NOTE 10. FAIR VALUE MEASUREMENTS

The following table summarizes our financial assets and liabilities measured and recorded at fair value on a recurring basis as of December 31, 2014 and September 30, 2014:

Financial Asset (Liability)		Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
(in millions)	Total	Level 1	Level 2	Level 3
December 31, 2014				
Marketable securities	\$ 106	\$ 106	\$ —	\$ —
Derivatives	(1)	—	(1)	—
Total	<u>\$ 105</u>	<u>\$ 106</u>	<u>\$ (1)</u>	<u>\$ —</u>
September 30, 2014				
Marketable securities	\$ 107	\$ 107	\$ —	\$ —
Derivatives	(8)	—	(8)	—
Total	<u>\$ 99</u>	<u>\$ 107</u>	<u>\$ (8)</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 \$565 million and \$628 million as of December 31, 2014 and September 30, 2014, respectively. At December 31, 2014, \$363 million related to our foreign currency balances, \$147 million related to anticipated investing cash flows and \$55 million related to future production costs. At September 30, 2014, \$390 million related to our foreign currency balances, \$154 million related to anticipated investing cash flows and \$84 million related to future production costs.

NOTE 11. 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 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, when applicable.

Revenues by Segment	Quarter Ended December 31,	
(in millions)	2014	2013
Media Networks	\$ 2,654	\$ 2,541
Filmed Entertainment	720	681
Eliminations	<u>(30)</u>	<u>(25)</u>
Total revenues	<u>\$ 3,344</u>	<u>\$ 3,197</u>

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Adjusted Operating Income (Loss) (in millions)	Quarter Ended December 31,	
	2014	2013
Media Networks	\$ 1,104	\$ 1,114
Filmed Entertainment	(60)	(74)
Corporate expenses	(61)	(51)
Eliminations	2	3
Equity-based compensation	(26)	(32)
Loss on pension settlement	(24)	—
Operating income	935	960
Interest expense, net	(160)	(149)
Equity in net earnings of investee companies	33	26
Other items, net	(18)	—
Earnings before provision for income taxes	\$ 790	\$ 837

Total Assets (in millions)	December 31, 2014		September 30, 2014	
Media Networks	\$ 17,704		\$ 17,647	
Filmed Entertainment	5,719		5,440	
Corporate/Eliminations	(7)		30	
Total assets	\$ 23,416		\$ 23,117	

Revenues by Component (in millions)	Quarter Ended December 31,	
	2014	2013
Advertising	\$ 1,367	\$ 1,325
Feature film	674	639
Affiliate fees	1,132	1,066
Ancillary	201	192
Eliminations	(30)	(25)
Total revenues	\$ 3,344	\$ 3,197

Certain prior year revenues for the Filmed Entertainment segment have been reclassified to conform to the current year presentation.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 12. RELATED PARTY TRANSACTIONS

National Amusements, Inc. (“NAI”), directly and through a wholly-owned subsidiary, is the controlling stockholder of both Viacom and CBS Corporation (“CBS”). Sumner M. Redstone, the controlling shareholder, Chairman and Chief Executive Officer of NAI, serves as our Executive Chairman and Founder and as the Executive Chairman and Founder of CBS. Shari Redstone, who is Sumner Redstone’s daughter, is the President and a director of NAI, and serves as non-executive Vice Chair of the Board of Directors of both Viacom and CBS. George Abrams, one of our directors, serves on the boards of both NAI and Viacom, and Frederic Salerno, another of our directors, serves on the boards of both Viacom and CBS. Philippe Dauman, our President and Chief Executive Officer, also serves on the boards of both NAI and Viacom. Transactions between Viacom and related parties are overseen by our Governance and Nominating Committee.

Viacom and NAI Related Party Transactions

NAI licenses films in the ordinary course of business for its motion picture theaters from all major studios, including Paramount. Paramount earned revenues from NAI in connection with these licenses in the aggregate amount of approximately \$2 million in each of the quarters ended December 31, 2014 and 2013.

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.

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 \$75 million to CBS in the quarter ended December 31, 2014. 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 December 31,	
	2014	2013
Consolidated Statement of Earnings		
Revenue	\$ 59	\$ 73
Operating expenses	\$ 68	\$ 96
	December 31, 2014	September 30, 2014
Consolidated Balance Sheets		
Accounts receivable	\$ 5	\$ 5
Accounts payable	\$ 3	\$ 2
Participants’ share and residuals, current	75	100
Program obligations, current	84	87
Program obligations, noncurrent	86	104
Other liabilities	8	9
Total due to CBS	\$ 256	\$ 302

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 December 31,	
	2014	2013
Consolidated Statement of Earnings		
Revenue	\$ 13	\$ 13
Operating expenses	\$ 2	\$ 2
Selling, general and administrative	\$ (2)	\$ (2)
	December 31, 2014	September 30, 2014
Consolidated Balance Sheets		
Account receivable	\$ 89	\$ 84
Other assets	2	1
Total due from other related parties	<u>\$ 91</u>	<u>\$ 85</u>
Accounts payable	\$ 9	\$ 2
Other liabilities	37	37
Total due to other related parties	<u>\$ 46</u>	<u>\$ 39</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, 2014, as filed with the Securities and Exchange Commission ("SEC") on November 13, 2014 (the "2014 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 ended December 31, 2014, compared to the quarter ended December 31, 2013. 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 quarter ended December 31, 2014, compared to the quarter ended December 31, 2013, and of our outstanding debt, commitments and contingencies existing as of December 31, 2014.

OVERVIEW

Summary

We are a leading global entertainment content company that connects with audiences in more than 165 countries and territories and creates compelling television programs, motion pictures, short-form video, apps, games, brands for consumer products, social media and other entertainment content. With media networks reaching a cumulative 3.2 billion television subscribers worldwide, Viacom's leading brands include MTV[®], VH1[®], CMT[®], Logo[®], BET[®], CENTRIC[®], Nickelodeon[®], Nick Jr.[®], TeenNick[®], Nicktoons[®], Nick at Nite[®], COMEDY CENTRAL[®], TV Land[®], SPIKE[®], Channel 5[®] (UK), Tr3s[®], Paramount Channel[™] and VIVA[™], among others. Paramount Pictures[®], America's oldest film studio, is a major global producer and distributor of filmed entertainment and Paramount Television[™], our television production division, is focused on developing programming for television and digital platforms.

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 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, 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 related to our content, (ii) affiliate fees from multichannel television service providers, including cable television operators, direct-to-home satellite television operators and telecommunications operators, subscription and advertising supported 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 revenues, which include 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 exhibition rights to pay and basic cable television, broadcast television, syndicated television and subscription 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 and theme parks, and distribution of content specifically developed for digital platforms and game distribution.

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.

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

RESULTS OF OPERATIONS

Consolidated Results of Operations

Our summary consolidated results of operations are presented below for the quarters ended December 31, 2014 and 2013.

(in millions, except per share amounts)	Quarter Ended December 31,		Better/(Worse)	
	2014	2013	\$	%
Revenues	\$ 3,344	\$ 3,197	\$ 147	5 %
Operating income	935	960	(25)	(3)
Adjusted operating income	959	960	(1)	—
Net earnings attributable to Viacom	500	547	(47)	(9)
Adjusted net earnings attributable to Viacom	538	547	(9)	(2)
Diluted EPS	1.20	1.20	—	—
Adjusted diluted EPS	\$ 1.29	\$ 1.20	\$ 0.09	8 %

See the section entitled “*Factors Affecting Comparability*” for a reconciliation of our adjusted measures to our reported results.

Revenues

Worldwide revenues increased \$147 million, or 5%, to \$3.344 billion in the quarter ended December 31, 2014. *Media Networks* revenues increased \$113 million, due to higher affiliate fees, as well as an increase in advertising revenues driven by the acquisition of Channel 5 Broadcast Limited (“Channel 5”). *Filmed Entertainment* revenues increased \$39 million primarily driven by higher home entertainment revenues.

Operating Income

Adjusted operating income was substantially flat in the quarter ended December 31, 2014. *Filmed Entertainment* operating results improved by \$14 million, while *Media Networks* adjusted operating income declined \$10 million. In addition, corporate expenses increased \$10 million, due to higher employee-related expenses, and equity-based compensation decreased \$6 million. Adjusted results exclude the impact of a \$24 million non-cash pension settlement loss. Including the pension settlement loss, operating income decreased \$25 million, or 3%.

See the section entitled “*Segment Results of Operations*” for a more in-depth discussion of the revenues, expenses and adjusted operating income (loss) for each of the *Media Networks* and *Filmed Entertainment* segments.

Net Earnings Attributable to Viacom

Adjusted net earnings attributable to Viacom decreased \$9 million, or 2%, to \$538 million in the quarter ended December 31, 2014, principally due to foreign currency exchange losses and higher interest expense, reflecting higher levels of debt outstanding, partially offset by a decrease in the effective income tax rate.

Our effective income tax rate was 32.3% in the quarter ended December 31, 2014, compared with 33.5% in the quarter ended December 31, 2013, excluding the impact of discrete tax items. The decrease in the effective income tax rate is principally due to a change in the mix of domestic and international income.

Adjusted diluted EPS increased \$0.09 per diluted share to \$1.29 in the quarter, principally reflecting fewer shares outstanding.

In addition to the pension settlement loss mentioned above, adjusted net earnings attributable to Viacom in the quarter ended December 31, 2014 exclude discrete taxes. Including these items, net earnings attributable to Viacom decreased \$47 million, or 9%, and diluted EPS remained unchanged at \$1.20 per diluted share.

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 exhibition rights by *Media Networks*.

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

Media Networks

(in millions)	Quarter Ended December 31,		Better/(Worse)	
	2014	2013	\$	%
Revenues by Component				
Advertising	\$ 1,367	\$ 1,325	\$ 42	3 %
Affiliate fees	1,132	1,066	66	6
Ancillary	155	150	5	3
Total revenues by component	\$ 2,654	\$ 2,541	\$ 113	4 %
Expenses				
Operating	\$ 987	\$ 868	\$ (119)	(14)%
Selling, general and administrative	522	523	1	—
Depreciation and amortization	41	36	(5)	(14)
Total expenses	\$ 1,550	\$ 1,427	\$ (123)	(9)%
Adjusted Operating Income	\$ 1,104	\$ 1,114	\$ (10)	(1)%

Revenues

Worldwide revenues increased \$113 million, or 4%, to \$2.654 billion in the quarter ended December 31, 2014, driven by higher affiliate fees and advertising revenues. Domestic revenues were up slightly to \$2.124 billion and international revenues grew 25% to \$530 million. The growth in international revenues was due to the acquisition of Channel 5, partially offset by foreign exchange, which had a 6-percentage point unfavorable impact on international revenues.

Advertising

Worldwide advertising revenues increased \$42 million, or 3%, to \$1.367 billion in the quarter. Domestic advertising revenues decreased 6%. While demand remained strong, lower ratings across our channels resulted in a decline in the average price per unit, partially offset by the impact of an increase in units delivered to satisfy our audience deficiency liabilities. International advertising revenues increased 60%, driven by the acquisition of Channel 5, partially offset by the impact of foreign exchange, which had a 7-percentage point unfavorable impact in the quarter.

Affiliate Fees

Worldwide affiliate fee revenues increased \$66 million, or 6%, to \$1.132 billion in the quarter, primarily driven by rate increases. Domestic affiliate revenues increased 8% and international affiliate revenues decreased 2%. Excluding the impact from the timing of product available under certain distribution agreements, domestic affiliate revenues grew high single-digits in the quarter. Foreign exchange had a 7-percentage point unfavorable impact on international revenues.

Expenses

Total expenses increased \$123 million, or 9%, to \$1.550 billion in the quarter, driven by higher operating expenses.

Operating

Operating expenses increased \$119 million, or 14%, to \$987 million in the quarter. Programming costs increased \$111 million, or 15%, with the acquisition of Channel 5 contributing 9 percentage points and the remaining 6 percentage points of growth primarily reflecting our continuing investment in original content. Distribution and other expenses increased \$8 million, or 7%, driven by the acquisition of Channel 5.

Selling, General and Administrative

SG&A expenses were substantially flat at \$522 million in the quarter, with the acquisition of Channel 5 contributing a 2-percentage point increase, offset by a decline in incentive compensation expenses.

Depreciation and Amortization

Depreciation and amortization increased \$5 million, or 14%, to \$41 million in the quarter, driven by the acquisition of Channel 5.

Adjusted Operating Income

Adjusted operating income decreased \$10 million, or 1%, to \$1.104 billion in the quarter, reflecting the operating results discussed above and a 1-percentage point unfavorable foreign exchange impact.

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

Filmed Entertainment

	Quarter Ended December 31,		Better/(Worse)	
(in millions)	2014	2013	\$	%
Revenues by Component				
Theatrical	\$ 169	\$ 159	\$ 10	6 %
Home entertainment	316	272	44	16
License fees	189	208	(19)	(9)
Ancillary	46	42	4	10
Total revenues by component	<u>\$ 720</u>	<u>\$ 681</u>	<u>\$ 39</u>	<u>6 %</u>
Expenses				
Operating	\$ 668	\$ 634	\$ (34)	(5)%
Selling, general & administrative	99	100	1	1
Depreciation & amortization	13	21	8	38
Total expenses	<u>\$ 780</u>	<u>\$ 755</u>	<u>\$ (25)</u>	<u>(3)%</u>
Adjusted Operating Income/(Loss)	<u><u>\$ (60)</u></u>	<u><u>\$ (74)</u></u>	<u><u>\$ 14</u></u>	<u><u>19 %</u></u>

Revenues

Worldwide revenues increased \$39 million, or 6%, to \$720 million in the quarter ended December 31, 2014, primarily driven by higher home entertainment revenues. Domestic revenues were \$372 million, an increase of 22%, and international revenues were \$348 million, a decrease of 8% in the quarter. Foreign exchange had a 5-percentage point unfavorable impact on international revenues in the quarter.

Theatrical

Worldwide theatrical revenues increased \$10 million, or 6%, to \$169 million in the quarter. Carryover revenues were \$48 million higher driven by the prior period release of *Teenage Mutant Ninja Turtles*, while revenues from our current quarter releases were lower by \$38 million due to the mix of releases. We released five titles in the current and prior year quarter, with the current quarter including *Interstellar*, *Top Five* and *The Gambler*, as well as the limited release of *Selma* and the prior year quarter including *Jackass: Bad Grandpa*, *Anchorman 2: The Legend Continues* and *The Wolf of Wall Street*. Domestic theatrical revenues decreased 8%, while international theatrical revenues increased 49%, driven by the release of *Teenage Mutant Ninja Turtles*. Foreign exchange had a 13-percentage point unfavorable impact on international theatrical revenues.

Home Entertainment

Worldwide home entertainment revenues increased \$44 million, or 16%, to \$316 million in the quarter. Revenues from current quarter titles increased \$103 million as we released two titles in the current quarter, *Teenage Mutant Ninja Turtles* and *Hercules*, compared with none in the prior year quarter. Carryover and catalog revenues from prior year releases were lower by \$57 million and digital revenues declined \$2 million. Domestic home entertainment revenues increased 100%, primarily driven by the two releases discussed above, and international home entertainment revenues decreased 23%, primarily from lower catalog revenues. Foreign exchange had a 5-percentage point unfavorable impact on international home entertainment revenues.

License Fees

License fees decreased \$19 million, or 9%, to \$189 million in the quarter, primarily driven by the mix of available titles.

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

Expenses

Total expenses increased \$25 million, or 3%, to \$780 million in the quarter, principally driven by higher operating expenses.

Operating

Operating expenses increased \$34 million, or 5%, to \$668 million in the quarter. Film costs increased \$16 million, or 5%, as a result of the number and mix of films, partially offset by lower participation costs on third-party distribution arrangements. Distribution and other costs, principally print and advertising expenses, increased \$18 million, or 5%, as a result of the number and mix of current year home entertainment titles.

Depreciation and Amortization

Depreciation and amortization decreased \$8 million, or 38%, to \$13 million in the quarter, driven by a decline in amortization expense associated with an intangible asset becoming fully amortized in the prior year.

Adjusted Operating Income/(Loss)

Adjusted operating loss was \$60 million for the quarter ended December 31, 2014 compared with \$74 million for the quarter ended December 31, 2013, an improvement of \$14 million as higher revenues more than offset an increase in expenses as discussed above. The generation of an operating loss reflects 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.

Factors Affecting Comparability

The Consolidated Financial Statements as of and for the quarters ended December 31, 2014 and 2013 reflect our results of operations, financial position and cash flows reported in accordance with GAAP. Results for the aforementioned periods, as discussed in the section entitled "Overview", have been affected by certain items identified as affecting comparability. Accordingly, when applicable, we use adjusted measures to evaluate our actual operating performance.

The following table reconciles our adjusted measures to our reported results for the quarter ended December 31, 2014. The tax impact included in the table has been calculated using the rate applicable to the adjustment presented. There were no adjustments to our results for the quarter ended December 31, 2013.

(in millions, except per share amounts)

	Quarter Ended December 31, 2014			
	Operating Income	Pre-tax Earnings from Operations	Net Earnings Attributable to Viacom	Diluted EPS
Reported results	\$ 935	\$ 790	\$ 500	\$ 1.20
Factors Affecting Comparability:				
Loss on pension settlement	24	24	15	0.04
Discrete tax expense	—	—	23	0.05
Adjusted results	<u>\$ 959</u>	<u>\$ 814</u>	<u>\$ 538</u>	<u>\$ 1.29</u>

Loss on pension settlement: The pre-tax non-cash charge of \$24 million was driven by the settlement of pension benefits of certain participants of our funded pension plan.

Discrete tax expense: The discrete tax expense is principally related to a reduction in qualified production activity tax benefits as a result of retroactively reenacted legislation. Our effective income tax rate was 32.3% in the quarter, excluding the impact of the discrete tax expense. Discrete tax expense of \$23 million, taken together with the impact of the pension settlement loss, contributed 2.8 percentage points of expense to the effective tax rate, which reconciles to the reported effective tax rate of 35.1%.

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

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 discretionary share repurchases under our stock repurchase program, as deemed appropriate, as well as quarterly cash dividends, capital expenditures and acquisitions of businesses.

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.

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.

Cash Flows

Cash and cash equivalents as of December 31, 2014 increased \$185 million compared to September 30, 2014.

Operating Activities

Cash provided by operations was \$56 million for the quarter ended December 31, 2014, a decrease of \$237 million compared with the quarter ended December 31, 2013. The decrease is primarily driven by an increase in production spending.

Investing Activities

Cash used in investing activities was \$35 million in the quarter ended December 31, 2014 and \$14 million in the quarter ended December 31, 2013, reflecting higher capital expenditures in the current year.

Financing Activities

Cash provided by financing activities was \$193 million for the quarter ended December 31, 2014, primarily driven by proceeds of \$990 million from the issuance of senior notes and debentures and proceeds of \$104 million from the exercise of stock options, partially offset by the settlement of share repurchases of \$754 million and dividend payments totaling \$137 million.

Cash used in financing activities was \$1.267 billion in the quarter ended December 31, 2013, primarily driven by the settlement of share repurchases of \$970 million and two dividend payments totaling \$271 million.

Capital Resources

Capital Structure and Debt

Total debt was \$13.763 billion as of December 31, 2014, an increase of \$994 million from \$12.769 billion at September 30, 2014.

In December 2014, we issued a total of \$1.0 billion of senior notes and debentures as follows:

- 2.750% Senior Notes due December 2019 with an aggregate principal amount of \$400 million at a price equal to 99.986% of the principal amount.
- 4.850% Senior Debentures due December 2034 with an aggregate principal amount of \$600 million at a price equal to 99.543% of the principal amount.

The proceeds, net of the discount and other issuance fees and expenses, from the issuance of the senior notes and debentures were \$990 million. We intend to utilize the net proceeds for the repayment of outstanding indebtedness, which includes the repayment of \$600 million aggregate principal amount of our 1.250% senior notes due February 2015 and borrowings under our commercial paper program. To the extent any proceeds remain, they will be used for general corporate purposes, including the repurchase of shares under our stock repurchase program.

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

Credit Facility

In November 2014, we amended our revolving credit agreement, originally dated as of October 8, 2010, to, among other things, extend the maturity date of the \$2.5 billion revolving credit facility from November 9, 2017 to November 18, 2019. At December 31, 2014, there were no amounts outstanding under the credit facility. 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 December 31, 2014.

Stock Repurchase Program

During the quarter ended December 31, 2014, we repurchased 10.2 million shares of Class B common stock for an aggregate purchase price of \$750 million. From January 1, 2015 through January 28, 2015, we repurchased an additional 1.8 million shares for an aggregate purchase price of \$130 million, leaving \$5.620 billion of remaining capacity under our program. Share repurchases under the program are expected to be funded through a combination of debt and cash generated by operations, as deemed appropriate.

Commitments and Contingencies**Legal Matters**

Litigation is inherently uncertain and difficult to predict. However, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the legal matters described in this document and other litigation to which we are a party are not likely, in the aggregate, to have a material adverse effect on our results of operations, financial position or operating cash flows. For additional information, see Note 6 to the Consolidated Financial Statements.

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 12 to the Consolidated Financial Statements.

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 measured audience acceptance of our programs, motion pictures and other entertainment content on the various platforms on which they are distributed; 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 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 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 in our news releases and filings with the Securities and Exchange Commission, including but not limited to our 2014 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 December 31, 2014 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 2014 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 2014 Form 10-K 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.

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

The following table provides information about our purchases of Viacom Class B common stock during the quarter ended December 31, 2014 under our publicly announced stock repurchase program.

	Total Number of Shares Purchased		Average Price Paid per Share		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾		Approximate Dollar Value of Shares that May Yet Be Purchased Under Program
Open Market Purchases	<i>(thousands)</i>		<i>(dollars)</i>		<i>(thousands)</i>		<i>(millions)</i>
Month ended October 31, 2014	3,197	\$	71.93		3,197	\$	6,270
Month ended November 30, 2014	2,866	\$	73.26		2,866	\$	6,060
Month ended December 31, 2014	4,126	\$	75.14		4,126	\$	5,750
Total	<u>10,189</u>				<u>10,189</u>		

(1) There is no expiration date for the program.

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>
4.1	Eighteenth Supplemental Indenture, dated as of December 10, 2014, between Viacom Inc. and The Bank of New York Mellon, as Trustee (including forms of the Securities) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Viacom Inc. filed December 10, 2014) (File No. 001-32686).
10.1*	Third Amendment, dated as of November 18, 2014, to the Credit Agreement, dated as of October 8, 2010, among Viacom Inc., the subsidiaries of Viacom Inc. designated as borrowers from time to time thereunder, the Lenders named therein, JPMorgan Chase Bank, N.A., as Administrative Agent, Citibank, N.A. and Bank of America, N.A., as Syndication Agents, and Deutsche Bank Securities Inc., Morgan Stanley MUFG Loan Partners, LLC, The Royal Bank of Scotland PLC and Wells Fargo Bank, N.A., as Documentation Agents.
10.2*	Employment Agreement between Viacom Inc. and Philippe P. Dauman, effective as of January 15, 2015.
10.3*	Employment Agreement between Viacom Inc. and Wade Davis, effective as of November 27, 2014.
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: January 29, 2015

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

Date: January 29, 2015

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

THIRD AMENDMENT
TO
CREDIT AGREEMENT
Viacom Inc.

THIRD AMENDMENT dated as of November 18, 2014 (this “Amendment”) to the Credit Agreement, entered into as of October 8, 2010, as amended on December 2, 2011, as amended on November 9, 2012 (and as further amended from time to time, the “Credit Agreement”), by and among VIACOM INC., a Delaware corporation, (“Viacom”); each Subsidiary Borrower (as therein defined); the lenders party thereto (the “Lenders”); JPMORGAN CHASE BANK, N.A., a national banking association, as administrative agent for the Lenders (in such capacity, the “Administrative Agent”); CITIBANK, N.A., a national banking association, and BANK OF AMERICA N.A., a national banking association, as syndication agents for the Lenders (in such capacity, the “Syndication Agents”); DEUTSCHE BANK SECURITIES INC., MORGAN STANLEY MUFG LOAN PARTNERS, LLC, THE ROYAL BANK OF SCOTLAND PLC and WELLS FARGO BANK, N.A., as documentation agents for the Lenders (in such capacity, the “Documentation Agents”); and J.P. MORGAN SECURITIES LLC, CITIGROUP GLOBAL MARKETS INC., and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED as joint lead arrangers and joint bookrunners. Capitalized terms used in this Amendment and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

RECITALS

WHEREAS, the Borrowers and the Lenders desire to make certain modifications to the Credit Agreement as provided herein;

NOW THEREFORE, in consideration of the premises and the agreements contained herein, the parties hereto hereby agree as follows:

SECTION 1. Amendments to Credit Agreement.

(a) Section 1.1 of the Credit Agreement is hereby amended by adding the following new definitions in the appropriate alphabetical order:

“*Anti-Corruption Laws*” shall mean the United States Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act of 2010 and all other similar laws, rules, and regulations of any jurisdiction applicable to Viacom or any of its Subsidiaries concerning or relating to bribery or corruption.

“*Sanctions*” shall mean economic sanctions imposed, administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“*OFAC*”) or similar economic sanctions imposed, administered or enforced by (i) the U.S. Department of State pursuant to the International Emergency Economic Powers Act, Trading with the Enemy Act, United Nations Participation Act, Foreign Narcotics Kingpin Designation Act, Comprehensive

Iran Sanctions, Accountability, and Divestment Act, Iran Threat Reduction and Syria Human Rights Act and related executive orders and regulations, (ii) the United Nations Security Council, (iii) the European Union or (iv) Her Majesty's Treasury of the United Kingdom.

"*Sanctioned Person*" shall mean any Person currently named on (a) OFAC's List of Specially Designated Nationals and Blocked Persons or any entity that is 50% or more owned by such Person, (b) the Sanctioned Entities List maintained by the U.S. Department of State, or (c) any similar list maintained by any applicable European Union, United Nations or United Kingdom sanctions authority.

(b) The definition of "*ABR Swingline Exposures*" in Section 1.1 of the Credit Agreement is hereby amended to read as follows:

"*ABR Swingline Exposures*" shall mean at any time the aggregate principal amount at such time of the outstanding ABR Swingline Loans. The ABR Swingline Exposure of any Lender at any time shall mean the sum of (a) its Revolving Credit Percentage of the aggregate ABR Swingline Loans outstanding at such time (excluding, in the case of any Lender that is a Swingline Lender, ABR Swingline Loans made by it and outstanding at such time to the extent that the other Lenders shall not have funded their participations in such ABR Swingline Loans), adjusted to give effect to any reallocation under Section 2.24 of the Swingline Exposure of Defaulting Lenders in effect at such time, and (b) in the case of any Lender that is a Swingline Lender, the aggregate principal amount of all ABR Swingline Loans made by such Lender and outstanding at such time to the extent that the other Lenders shall not have funded their participations in such ABR Swingline Loans.

(c) The definition of "*Administrative Agent Fee Letter*" in Section 1.1 of the Credit Agreement is amended by changing the date referred to therein to "October 17, 2014".

(d) The definition of "*Closing Date*" in Section 1.1 of the Credit Agreement is amended by changing the date referred to therein to "November 18, 2014".

(e) The definition of "*Eurocurrency Rate*" in Section 1.1 of the Credit Agreement is amended by inserting the following sentence at the end thereof:

It is understood and agreed that the Administrative Agent will not disclose to any party hereto (a) the rates quoted by the individual Reference Banks or (b) if one or more of the Reference Banks shall not have quoted a rate, the fact that the Eurocurrency Rate is being determined on the basis of the rate quoted by fewer than all the Reference Banks.

(f) The definition of "*Facility Exposure*" in Section 1.1 of the Credit Agreement is hereby amended to read as follows:

"*Facility Exposure*" shall mean, with respect to any Lender, the sum of (a) the aggregate principal amount of all Revolving Credit Loans made by such Lender then outstanding, (b) such Lender's LC Exposure at such time, (c) such Lender's

Revolving Credit Percentage of the aggregate ABR Swingline Loans outstanding at such time, (d) the aggregate outstanding principal amount of any Competitive Loans made by such Lender and (e) in the case of a Swingline Lender, the aggregate outstanding principal amount of any Quoted Swingline Loans made by such Swingline Lender.

(g) The definition of “*Revolving Credit Maturity Date*” in Section 1.1 of the Credit Agreement is hereby amended to read as follows:

“*Revolving Credit Maturity Date*” shall mean November 18, 2019.

(h) Clause (a) of the definition of “*Subsidiary Borrower*” in Section 1.1 of the Credit Agreement is hereby amended to read as follows:

(a) which is designated as a Subsidiary Borrower by Viacom in accordance with Section 2.25,

(i) The definition of “*Swingline Commitment*” in Section 1.1 of the Credit Agreement is hereby amended to read as follows:

“*Swingline Commitment*” shall mean, (i) with respect to any Swingline Lender, the Commitment of such Lender to make ABR Swingline Loans pursuant to Section 2.6, as designated in accordance with Section 2.6(g) and as set forth on Schedule 1.1 or in the agreement pursuant to which such Lender is designated as, and agrees to become, a Swingline Lender, and (ii) in the aggregate, \$300,000,000.

(j) The definition of “*Swingline Lender*” in Section 1.1 of the Credit Agreement is hereby amended to read as follows:

“*Swingline Lender*” shall mean (i) JPMorgan Chase and (ii) any other Lender designated from time to time by Viacom, and approved by such Lender, as a “*Swingline Lender*” pursuant to Section 2.6(g).

(k) Article I of the Credit Agreement is hereby amended by adding the following new Section 1.3:

Section 1.3. *Currency Equivalents*. For purposes of determining the Facility Exposures and the Outstanding Revolving Extensions of Credit, amounts of Loans and Letters of Credit denominated in currencies other than Dollars will be converted to Dollar amounts as provided in Section 2.22.

(l) Section 2.6 (a) of the Credit Agreement is hereby amended by inserting in the first sentence thereof the letter “(A)” immediately after the words “giving effect to each Swingline Loan,”, and inserting the following at the end of the first sentence thereof:

and (B) the Outstanding Revolving Extensions of Credit of any Lender shall not exceed such Lender’s Commitment unless, in the case of a Swingline Lender, such Swingline Lender shall otherwise consent.

(m) Section 2.7 (a) of the Credit Agreement is hereby amended by inserting in the first sentence thereof the number “(1)” immediately after the words “after giving effect to each issuance of a Letter of Credit,” and inserting the following at the end of the first sentence thereof:

and (2) the Outstanding Revolving Extensions of Credit of any Lender shall not exceed such Lender’s Commitment unless, in the case of a Swingline Lender, such Swingline Lender shall otherwise consent.

(n) Clause (x) of Section 2.13(a) of the Credit Agreement is hereby amended to read as follows:

(x) the Outstanding Revolving Extensions of Credit of any Lender would exceed such Lender’s Commitment then in effect unless, in the case of a Swingline Lender, such Swingline Lender shall otherwise consent or

(o) Clause (i) of Section 2.20(f) of the Credit Agreement is hereby amended by inserting “;W-8BEN-E” after “W-8BEN” the first place it appears and by inserting “or Form W-8BEN-E” after “W-8BEN” in each other place it appears.

(p) The first sentence of Section 2.21(b) of the Credit Agreement is hereby amended by replacing the word “or” after clause (iii) thereof with a comma, deleting the comma following the term “Defaulting Lender” at the end of clause (iv) thereof and inserting at the end of such clause (iv) the following:

or (v) any Lender delivers a Notice of Objection pursuant to Section 2.25

(q) Clause (iii) of Section 2.24 of the Credit Agreement is hereby amended to read as follows:

(iii) All or any part of such Defaulting Lender’s ABR Swingline Exposure at such time (other than the portion thereof attributable to ABR Swingline Loans made by such Defaulting Lender in its capacity as a Swingline Lender) and LC Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their pro rata shares of the Total Commitment, but only to the extent such reallocation would not result in the Outstanding Revolving Extensions of Credit of any non-Defaulting Lender (including the portion of the ABR Swingline Exposure of such Defaulting Lender to be reallocated to such non-Defaulting Lender) exceeding such non-Defaulting Lender’s Commitment (unless, in the case of a non-Defaulting Lender that is a Swingline Lender, such non-Defaulting Lender shall otherwise consent).

(r) Clause (v) of Section 2.24 of the Credit Agreement is hereby amended by deleting the words “total of all” therein.

(s) Article II of the Credit Agreement is hereby amended by adding the following new Section 2.25:

Section 2.25. *Designation of Subsidiary Borrowers.* Viacom may at any time and from time to time designate any Subsidiary as a Subsidiary Borrower by delivery to the Administrative Agent of a Subsidiary Borrower Designation executed by such Subsidiary and Viacom. As soon as practicable upon receipt thereof, the Administrative Agent will post a copy of such Subsidiary Borrower Designation to the Lenders on IntraLinks or another website accessible to all Lenders. Each Subsidiary Borrower Designation shall become effective on the date ten Business Days after it has been posted by the Administrative Agent (subject to the receipt by any Lender of any information under the Patriot Act or other “know-your-customer” laws reasonably requested by it not later than the third Business Day after the posting date of such Subsidiary Borrower Designation), unless prior thereto, in the case of a Subsidiary that is organized in a non-U.S. jurisdiction, the Administrative Agent shall have received written notice from any Lender that it is unlawful under Federal or applicable state or foreign law for such Lender to make Loans or otherwise extend credit to or do business with such Subsidiary, directly or through a Lender Affiliate, as provided herein (a “Notice of Objection”), in which case such Subsidiary Borrower Designation shall not become effective until such time as such Lender withdraws such Notice of Objection or ceases to be a Lender hereunder. Upon the effectiveness of a Subsidiary Borrower Designation as provided in the preceding sentence, the applicable Subsidiary shall for all purposes of this Agreement be a Subsidiary Borrower and a party to this Agreement.

(t) Article III of the Credit Agreement is hereby amended (a) by replacing each reference therein to “September 30, 2011” or “June 30, 2012” with a reference to “September 30, 2014”, (b) by deleting the second sentence of Section 3.2 and (c) by replacing the last sentence of Section 3.3 with the following:

The “*Exchange Act Report*” shall mean, collectively, the Annual Report of Viacom on Form 10-K for the year ended September 30, 2014, and Reports on Form 8-K of Viacom filed with or furnished to the SEC and available on the SEC’s website subsequent to September 30, 2014, and prior to the Closing Date, in each case, as amended or supplemented before the Closing Date.

(u) Article III of the Credit Agreement is hereby amended by adding the following new Section 3.12

Section 3.12. *Anti-Corruption Laws and Sanctions.* Viacom has implemented and maintains in effect policies and procedures designed to ensure compliance by Viacom, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions, and to the knowledge of Viacom’s Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Controller, Treasurer and General Counsel, is in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of Viacom, any Subsidiary or, to the knowledge of Viacom’s Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Controller, Treasurer and General Counsel, any director, officer or employee of Viacom or any Subsidiary that will act

in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing will be made or Letter of Credit issued (A) for the purpose of an offer, payment, promise to pay or authorization of the payment or giving of money, or anything else of value, to any Person in violation of applicable Anti-Corruption Laws, or (B) for the purpose of funding, financing or facilitating unauthorized transactions with any Sanctioned Person. No transactions undertaken by Viacom and its Subsidiaries hereunder will be undertaken in violation of Anti-Corruption Laws or applicable Sanctions.

(v) Section 4.2 of the Credit Agreement is hereby amended to read as follows:

Section 4.2. *Initial Loans to Subsidiary Borrowers.* The obligations of the Lenders or Issuing Lenders, as the case may be, to make the initial extension of credit hereunder (whether in the form of a Loan or the issuance of a Letter of Credit) to a particular Subsidiary Borrower, if designated as such on or after the Effective Date, is subject to the satisfaction of the condition that Viacom shall have delivered to the Administrative Agent a Closing Certificate of such Subsidiary Borrower, with appropriate insertions and attachments, and one or more executed legal opinions with respect to such Subsidiary Borrower, in form and substance reasonably satisfactory to the Administrative Agent.

(w) Clause (d) of Section 4.3 of the Credit Agreement is hereby amended by replacing clause (i)(A) therein with the following:

(A) the Outstanding Revolving Extensions of Credit of each Lender shall not exceed such Lender's Commitment then in effect unless, in the case of a Swingline Lender, such Swingline Lender shall otherwise consent and

(x) Section 9.5 of the Credit Agreement is amended by inserting "non-appealable" after "final" and before "decision" in each place they appear.

(y) The second parenthetical in clause (ii) of Section 9.5(b) of the Credit Agreement is amended to read as follows:

(whether commenced by any Borrower or any Indemnified Person and whether or not such Indemnified Person is a party thereto)

(z) Section 9.9 of the Credit Agreement is amended by inserting in the second sentence thereof immediately after the words "subject matter hereof" the following:

(but not any provisions of any commitment letter relating to the credit facilities established hereby that by the terms of such document survive the execution of this Agreement)

(aa) Schedule 1.1 of the Credit Agreement is hereby deleted in its entirety and replaced with Schedule 1.1 hereto.

Upon the effectiveness of this Amendment as provided in Section 4 below, (i) the Commitment of each Lender that is not listed on Schedule 1.1 hereto shall be terminated and each such Lender shall cease to have a Commitment under the Credit Agreement and (ii) each financial institution becoming party hereto as a Lender, to the extent not already a Lender under the Credit Agreement, shall become a party to the Credit Agreement as amended hereby and a Lender thereunder and shall be bound by the provisions of the Credit Agreement as amended hereby and have the rights and obligations of a Lender thereunder.

SECTION 2. Representations and Warranties.

(a) Viacom hereby represents and warrants to the Administrative Agent and the Lenders that (i) this Amendment has been duly executed and delivered by Viacom and constitutes a legal, valid and binding obligation of Viacom, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other laws affecting creditors' rights generally, concepts of reasonableness and general principles of equity, regardless of whether considered in a proceeding in equity or at law, (ii) the representations and warranties of Viacom set forth in the Credit Agreement (as amended by this Amendment) or contained in any certificate furnished by or on behalf of Viacom pursuant to or in connection with the Credit Agreement are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date and (iii) on and as of the Amendment Effective Date (as defined below) no Default or Event of Default has occurred and is continuing.

(b) Each Lender party hereto hereby represents and warrants to Viacom that it is duly authorized to enter into this Amendment and, to the extent not already a Lender under the Credit Agreement, the Credit Agreement.

SECTION 3. Credit Agreement in Full Force and Effect as Amended. Except as specifically stated herein, all of the terms and conditions of the Credit Agreement shall remain in full force and effect and are hereby in all respects ratified and confirmed. All references in the Credit Agreement to "hereunder", "hereof", "herein", or words of like import, and all references to the "Credit Agreement" in any other document or instrument, shall be deemed to mean the Credit Agreement, as amended by this Amendment. This Amendment shall not constitute a novation of the Credit Agreement, but shall constitute an amendment thereto. The parties hereto agree to be bound by the terms and obligations of the Credit Agreement, as amended by this Amendment, as though the terms and obligations of the Credit Agreement were set forth herein. Nothing herein shall be deemed to entitle Viacom to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement as amended hereby in similar or different circumstances.

SECTION 4. Effectiveness. The amendments provided for by this Amendment shall become effective, as of the date first above written, on the date (the "Amendment Effective Date") on which the Administrative Agent shall have received:

(a) duly executed counterparts hereof that, when taken together, bear the authorized signatures of the Administrative Agent, Viacom, each of the Lenders party hereto and each other financial institution becoming a party hereto as a Lender;

(b) a Closing Certificate of Viacom dated the Amendment Effective Date, substantially in the form of Exhibit E to the Credit Agreement with appropriate insertions and attachments; and

(c) an opinion of the general counsel of Viacom, dated the Amendment Effective Date, in form and substance satisfactory to the Administrative Agent.

SECTION 5. Counterparts. This Amendment may be executed in any number of counterparts and by separate parties hereto on separate counterparts, each of which when executed shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic imaging shall be as effective as delivery of an original executed counterpart of this Amendment.

SECTION 6. Tax Matters. For purposes of determining withholding Taxes imposed under FATCA, from and after the Amendment Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Credit Agreement as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

SECTION 7. APPLICABLE LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their duly authorized officers or representatives as of the date first written above.

VIACOM INC.

By: /s/ George S. Nelson

Name: George S. Nelson

Title: Senior Vice President and Treasurer

JPMORGAN CHASE BANK, N.A., as Administrative
Agent for the Lenders and as a Lender

By: /s/ Tina Ruyter

Name: Tina Ruyter

Title: Executive Director

CITIBANK, N.A., as Syndication Agent and as a Lender

By: /s/ Michael Vondriska

Name: Michael Vondriska

Title: Vice President

BANK OF AMERICA, N.A., as Syndication Agent and as
a Lender

By: /s/ Jay D. Marquis

Name: Jay D. Marquis

Title: Director

[Signature Page to the Third Amendment to the Viacom Inc. Credit Agreement]

DEUTSCHE BANK SECURITIES INC., as
Documentation Agent

By: /s/ Virginia Cosenza

Name: Virginia Cosenza

Title: Vice President

By: /s/ Ming K. Chu

Name: Ming K. Chu

Title: Vice President

DEUTSCHE BANK AG NEW YORK BRANCH, as a
Lender

By: /s/ Virginia Cosenza

Name: Virginia Cosenza

Title: Vice President

By: /s/ Ming K. Chu

Name: Ming K. Chu

Title: Vice President

THE ROYAL BANK OF SCOTLAND PLC, as
Documentation Agent and as a Lender

By: /s/ Alex Daw

Name: Alex Daw

Title: Director

WELLS FARGO BANK, N.A., as Documentation Agent
and as a Lender

By: /s/ Eric Frandson

Name: Eric Frandson

Title: Managing Director

[Signature Page to the Third Amendment to the Viacom Inc. Credit Agreement]

Name of Lender: BNP Paribas

by

/s/ Barbara Nash

Name: Barbara Nash

Title: Managing Director

by¹

/s/ Jenny Shum

Name: Jenny Shum

Title: Vice President

¹ For any Lender requiring a second signature line

Name of Lender: MIZUHO BANK, LTD.

by

/s/ Bertram H. Tang

Name: Bertram H. Tang

Title: Authorized Signatory

by¹

Name:

Title:

¹For any Lender requiring a second signature line

SIGNATURE PAGE TO THE
THIRD AMENDMENT
TO THE VIACOM INC.
CREDIT AGREEMENT

Name of Lender: ROYAL BANK OF CANADA

by

/s/ Alfonse Simone

Name: Alfonse Simone

Title: Authorized Signatory

 by^1

Name:

Title:

¹For any Lender requiring a second signature line

SIGNATURE PAGE TO THE
THIRD AMENDMENT
TO THE VIACOM INC.
CREDIT AGREEMENT

Name of Lender: Sumitomo Mitsui Banking Corporation

by

/s/ Shuji Yabe

Name: Shuji Yabe

Title: Managing Director

¹For any Lender requiring a second signature line

Name of Lender: Lloyds Bank plc

by

/s/ Stephen Giacolone

Name: Stephen Giacolone

Title: Assistant Vice President – G011

by

/s/ Daven Popat

Name: Daven Popat

Title: Senior Vice President – P003

Name of Lender: U.S. Bank National Association

by

/s/ Colleen Mcevoy

Name: Colleen Mcevoy
Title: Senior Vice President

by¹

Name:
Title:

¹ For any Lender requiring a second signature line

SIGNATURE PAGE TO THE
THIRD AMENDMENT
TO THE VIACOM INC.
CREDIT AGREEMENT

Name of Lender: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

by

/s/ Ola Anderssen

Name: Ola Anderssen

Title: Director

by¹

Name:

Title:

¹ For any Lender requiring a second signature line

SIGNATURE PAGE TO THE
THIRD AMENDMENT
TO THE VIACOM INC.
CREDIT AGREEMENT

Name of Lender: MORGAN STANLEY BANK, N.A.

by

/s/ Sherrese Clarke

Name: SHERRESE CLARKE

Title: AUTHORIZED SIGNATORY

[Signature Page to the Third Amendment to the Viacom Inc. Credit Agreement]

SIGNATURE PAGE TO THE
THIRD AMENDMENT
TO THE VIACOM INC.
CREDIT AGREEMENT

Name of Lender: THE BANK OF NEW YORK MELLON

by

/s/ Hussam Alsahlani

Name: Hussam Alsahlani

Title: Vice President

by¹

Name:

Title:

¹ For any Lender requiring a second signature line

SIGNATURE PAGE TO THE
THIRD AMENDMENT
TO THE VIACOM INC.
CREDIT AGREEMENT

Name of Lender: Intesa Sanpaolo S.p.A., New York Branch

by

/s/ Katherine Hand

Name: Katherine Hand

Title: Relationship Manager

by¹

/s/ Gianluca Fiore

Name: Gianluca Fiore

Title: Global Relationship Manager

¹ For any Lender requiring a second signature line

Name of Lender: The Northern Trust Company

by

/s/ Daniel J. Boote

Name: Daniel J. Boote

Title: Senior Vice President

SIGNATURE PAGE TO THE
THIRD AMENDMENT
TO THE VIACOM INC.
CREDIT AGREEMENT

Name of Lender: Santander Bank, N.A.

by

/s/ William Maag

Name: William Maag

Title: Managing Director

by¹

Name:

Title:

¹ For any Lender requiring a second signature line

January 15, 2015

Philippe P. Dauman
c/o Viacom Inc.
1515 Broadway
New York, NY 10036

Dear Mr. Dauman:

Viacom Inc. ("**Employer**" and, together with its subsidiaries, the "**Company**"), having an address at 1515 Broadway, New York, New York 10036, agrees to amend and restate your employment agreement, originally dated September 5, 2006 (the "**Original Employment Agreement**") and subsequently amended on March 21, 2007, April 24, 2007, August 28, 2008, April 14, 2010, and to continue to employ you and you agree to continue such employment upon the terms and conditions of this amended and restated agreement (this "**Agreement**"). This Agreement is effective as of January 15, 2015 (the "**Amendment Date**").

1. **Term**. The term of your employment hereunder commenced on September 5, 2006 (the "**Start Date**") and, unless terminated by Employer or you pursuant to paragraph 9 or otherwise terminated pursuant to paragraph 8 or 10, shall continue through and until December 31, 2018. The period from the Start Date through December 31, 2018 shall hereinafter be referred to as the "**Employment Term**" notwithstanding any earlier termination of your employment pursuant to paragraph 8, 9 or 10.

2. **Titles and Authority**.

(a) **Officer Positions and Reporting Lines**. You will have the title of President and Chief Executive Officer of Employer and will have the full powers, responsibilities and authorities customary for the chief executive officer of corporations of the size, type and nature of Employer, including, without limitation, those powers, responsibilities and authorities you had immediately prior to the Amendment Date. You will report solely and directly to the Board of Directors of Employer (the "**Board**") and, for so long as Sumner M. Redstone serves as Executive Chairman and Founder of Employer, to the Executive Chairman and Founder. Other than when Sumner M. Redstone is serving as the Executive Chairman and Founder, you will be the highest ranking executive of the Company.

(b) **Direct Reports**. The heads of the Company's six business units (BET Networks, Entertainment, Music & Logo, Nickelodeon, Paramount Motion Picture Group and Viacom International Media Networks) and of any business units and operating divisions added or existing in the future, and all executive officers of the Company, will report solely and directly to you. Notwithstanding the preceding sentence, you shall have the authority to cause any business unit or operating division

head, and any executive officer of the Company, to report directly to another executive officer of the Company.

(c) Service on the Board and with Subsidiaries. You currently serve as a member of the Board and will continue that service following the Amendment Date. The Board will nominate you for reelection to the Board at the expiration of each term of office, and you agree to serve as a member of the Board for each period for which you are so elected. You shall, subject to your election as such from time to time and without additional compensation, serve during the Employment Term in such additional offices of comparable or greater stature and responsibility in the subsidiaries of Employer and as member of any committee of the Board or of the board of directors of any of Employer's subsidiaries, to which you may be appointed or elected from time to time.

(d) Full-Time Services and Other Activities. During your employment under this Agreement, you agree to devote your entire business time, attention and energies to the business of the Company, except for vacations, illness or incapacity. However, nothing in this Agreement shall preclude you from serving as a member of the board of directors of any charitable, educational, religious, entertainment industry trade, public interest or public service organization, in each instance not inconsistent with the business practices and policies of the Company, or from devoting reasonable periods of time to the activities of the aforementioned organizations or from managing your personal investments, provided that such activities do not materially interfere with the performance of your duties and responsibilities hereunder. Except for your service on (A) the Board, (B) the board of directors of Employer subsidiaries, (C) the board of directors of Lafarge, S.A. or any successor after its combination with Holcim, (D) the board of directors of National Amusements, Inc., the Company's controlling stockholder, or (E) the board of directors or similar governing body of your family foundation and of any other entity all of the beneficial interests of which are owned by you and/or members of your family and/or Thomas E. Dooley and/or members of his family and/or Sumner Redstone and/or members of his family, you shall not serve on the board of directors or similar governing body of any business company or other business entity without the prior consent of the Board. The Board recognizes that you have personal investments directly or indirectly (through commingled investment funds) in media/entertainment companies (i) which are private companies and which are identified on Schedule A hereto and (ii) in which you own not more than two percent (2%) of any of the debt or equity securities (or options or other rights to purchase the debt or equity securities) and which are business organizations that are filing reports with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***") (the "***Public Company Investments***"). In addition to your right to generally manage your personal investments as set forth above, you specifically may retain the investments identified on Schedule A and the Public Company Investments, and make new (X) Public Company Investments, (Y) investments in any company identified on Schedule A, and (Z) investments in commingled investment funds which hold interests in media/entertainment companies. In each of the foregoing cases, you shall retain or make such investments only as a "passive" investor without managerial or supervisory rights. In the event that the Company transacts business with or proposes to enter into any transaction with any company identified on Schedule A, you

will recuse yourself from all decisions relating to such business or transaction (whether on behalf of the Company or such other entity).

(e) Location. You shall render your services under this Agreement from Employer's executive offices in the New York metropolitan area or such other location mutually agreeable to you and Employer (except for services rendered during business trips as may be reasonably necessary), and you shall not be required to relocate outside of the New York metropolitan area.

3. Cash Compensation.

(a) Salary. Pursuant to action taken by Employer prior to the date hereof, for each whole year starting after 2014, Employer shall pay you a base salary at the annual rate of Four Million Dollars (\$4,000,000) per annum. The Compensation Committee of the Board (the "Compensation Committee") will review your salary at least annually and may increase (but not decrease, including as it may be increased from time to time) the same. The result of each such annual review shall be reported to you by the Compensation Committee promptly after it occurs. The amount of annual base salary actually paid to you will be reduced to the extent you elect to defer such salary under the terms of any deferred compensation or savings plan or arrangement maintained or established by the Company. Your annual base salary payable hereunder, without reduction for any amounts deferred as described in the preceding sentence, is referred to herein as the "Salary". Employer shall pay the portion of the Salary not deferred at your election in accordance with its generally applicable payroll practices for senior executives, but not less frequently than in equal monthly installments.

(b) Annual Bonus Compensation. In addition to your Salary, you shall be eligible to earn an annual cash bonus for each whole or partial year during the Employment Term, determined and payable as follows (the "Bonus"):

(i) Your Bonus for each whole year during the Employment Term will be based upon achievement of one or more performance goals established by the Compensation Committee, which may include individualized performance goals applicable uniquely to you, and shall be determined in accordance with the Employer's Senior Executive Short-Term Incentive Plan, as the same may be amended from time to time (together with any successor plan, the "Senior Executive STIP"). Any company-wide financial performance goal(s) applicable to you will, under the Senior Executive STIP, be the same as the performance goal(s) used to determine the amount of bonus payable to any other executive of Employer who participates in the Senior Executive STIP and who has corporate-wide responsibilities; *provided, however*, that, for each shortened performance period described in paragraph 3(b)(iii) below, the applicable performance goal shall be adjusted to reflect budgeted Company performance for such shortened performance period. You shall have the opportunity to make suggestions to the Compensation Committee prior to the determination of the performance goal(s) for the Senior Executive STIP for each performance period, but the Compensation

Committee will have final power and authority concerning the establishment of such goal(s).

(ii) Pursuant to action taken by Employer prior to the date hereof, your target bonus for each whole year during the Employment Term starting after 2013 shall be Twenty Million Dollars (\$20,000,000); provided that the Compensation Committee will review your target bonus at least annually and may increase (but not decrease, including as it may be increased from time to time) the same. The result of each such annual review shall be reported to you by the Compensation Committee promptly after it occurs. Your target bonus, as it may be so increased from time to time, is referred to herein as the “**Target Bonus**”. As the actual amount payable to you as Bonus will be dependent upon the achievement of performance goal(s) referred to in paragraph 3(b)(i), your actual Bonus may be less than, greater than or equal to the Target Bonus. In no event, however, will your Bonus for any full fiscal year be greater than two (2) times the Target Bonus.

(iii) The Employment Term after the Amendment Date will include a partial Company fiscal year for the period of October 1 – December 31, 2018, and annual Target Bonus for that period will be prorated to reflect the shorter performance period.

(iv) Your Bonus for any year shall be payable by the last day of the second month of the following fiscal year. For the avoidance of doubt, it is understood that you will receive the Bonus to which you are entitled for each whole and partial fiscal year in which you were employed, even if you are not employed on the payment date described in the preceding sentence or on the actual date on which bonuses are paid for such year.

(v) In the event that the current Senior Executive STIP is amended or terminated, you will be given an opportunity under the amended or successor plan to earn bonus compensation equivalent to the amount that you could have earned under this paragraph 3(b) but subject to the same limitations.

4. Long Term Compensation. In addition to your Salary and Bonus, you shall receive the following grants of long-term compensation under the Employer’s 2006 Long-Term Management Incentive Plan (together with any successor plan, the “**LTMIP**”):

(a) Stock Option Grants.

(i) In periods prior to April 14, 2010, you received awards in respect of Employer’s Class B Common Stock (the “**Shares**”), and thereafter, through 2014, an annual bonus award of stock options.

(ii) For periods after 2014 and continuing through 2018, you will receive an annual award of stock options with a value, determined under the Financial Accounting Standards Codification (FASB ASC) Topic 718, employing the same assumptions and methodologies as used for Employer’s financial

statements, of Seven Million Five Hundred Thousand Dollars (\$7,500,000). Each award of stock options will have a per share exercise price equal to the per share closing price of the Shares on the date of grant, a term of eight years and will vest in four equal annual installments on the first four anniversaries of the grant date (or, if earlier, on the last day of the Employment Term) assuming that your employment with Employer continues through the relevant vesting date (but subject to accelerated vesting as provided in this Agreement). Each annual award of stock options pursuant to this paragraph 4(a)(ii) will be made to you at the same time that Employer awards stock options to its other senior executives, but no later than June 30 of each calendar year.

(iii) [reserved]

(iv) Except as otherwise provided herein, your stock options will have exercisability, expiration and other terms and conditions that conform to Employer's standard practices for stock options awarded to senior executives and that are no less favorable to you than the terms applicable to any other senior executive of the Company awarded stock options at the same time. Any Shares delivered upon exercise of any stock options granted pursuant to this Agreement will be fully vested and nonforfeitable and registered on Form S-8 or a different registration statement of similar import.

(v) Following the termination of your employment with Employer for any reason other than a termination of your employment pursuant to paragraph 9(a), any stock options granted to you by the Employer either before, on or after the Amendment Date shall remain outstanding and exercisable until the end of the three (3) year period from the Termination Date (as defined in paragraph 9(d)(i)) or, if earlier, the stock option's normal expiration date; *provided* that, if the applicable option award specifically provides for a longer post-employment period to exercise such option, such longer period shall apply. By executing this Agreement, the parties agree that any stock options granted to you prior to the Amendment Date shall be deemed amended to reflect the provisions of this paragraph 4(a)(v).

(b) Performance Share Units. Beginning with calendar year 2007 and continuing for so long as you remain employed pursuant to this Agreement, you will also receive an annual award of performance share units ("**PSUs**") under the LTMIP. PSUs are notional units of measurement and represent the right to receive a number of Shares determined on the basis of the performance of the Shares in comparison to the performance of the common stock of companies comprising the Standard & Poor's 500 Composite Index (the "**S&P 500**") (as adjusted as described below), on the terms and conditions set forth in this Agreement.

(i) Grants of PSUs. Awards of PSUs will be made to you as of January 1 of each year during the Employment Term (each a "**Grant Date**"), with the first award having been made as of January 1, 2007. For periods after 2013 through 2018, the target amount of Shares for each annual award of PSUs (the

“Target Award”) is determined by dividing Seven Million Five Hundred Thousand Dollars (\$7,500,000), by the average per share closing price of the Shares on the New York Stock Exchange (or other principal stock exchange on which the Shares are then listed) for the 10 trading days prior to the Grant Date, rounded up to the nearest whole Share. The date as of which the number of Shares to be received under each award shall be computed (that award’s **“Determination Date”**) will be the December 31 immediately preceding the third anniversary of the Grant Date (including for awards the third anniversary of whose Grant Date will occur after the end of the Employment Term), *provided, however*, that in the event your employment with Employer terminates in a Qualifying Termination (as defined below) prior to the third anniversary of the Grant Date of an award of PSUs, the Determination Date for such award will be the effective date of your termination of employment. (By way of illustration, except in the case of a Qualifying Termination, the Determination Date for your award of PSUs for 2015 will be December 31, 2017.) Each award of PSUs will be forfeited in full, and no Shares will be delivered to you in connection therewith, if your employment with Employer terminates before the Determination Date for the award for any reason other than a Qualifying Termination.

(ii) **Valuation of PSUs**. As of the Determination Date for an award of PSUs, the TSR (as defined below) of the Shares over the relevant Measurement Period (as defined below) will be measured against the TSR of the common stock of the companies comprising the Reference Group (as defined below) over the same Measurement Period. Subject to paragraph 4(b)(iii), 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 that you will receive, in accordance with the following schedule (the **“Schedule”**).

Schedule
<ul style="list-style-type: none"> • If Employer achieves less than the 25th percentile TSR, the award of PSUs will be forfeited
<ul style="list-style-type: none"> • If Employer achieves the 25th percentile TSR, the number of Shares to be delivered under the award will be 25% of the Target Award
<ul style="list-style-type: none"> • If Employer achieves the 50th percentile TSR, the number of Shares to be delivered under the award will be 100% of the Target Award
<ul style="list-style-type: none"> • If Employer achieves the 100th 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 Employer achievement at any intermediate points between the 25th and 50th percentile, or between the 50th percentile and the 100th percentile, the number of Shares to be delivered will be interpolated between the respective Shares delivered at such percentiles. For example, if Employer were to achieve the 70th percentile TSR, the number of Shares to be delivered would be 180% of the Target Award.

(iii) EPS Valuation Rule. Notwithstanding the valuation principles set forth in paragraph 4(b)(ii), if, for the Measurement Period for any award of PSUs, (x) Employer achieves less than the 50th percentile TSR, and (y) its earnings per share (“**EPS**”) exceed a hurdle specified by the Compensation Committee, then the number of Shares 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. The EPS hurdle in respect of an award of PSUs will be established and approved by the Compensation Committee no later than September 30 of the year in which occurs the Grant Date of such PSUs, and will consider, in a manner determined by the Compensation Committee, earnings throughout the Measurement Period and not just the earnings for a limited part of the Measurement Period (considering, for example and not by way of limitation, trends in the earnings over the Measurement Period, or cumulative earnings during the Measurement Period, rather than, for example, considering only the earnings for a single year of the Measurement Period) and will be consistent with the strategic plan for the Company approved by the Board. You will have the opportunity to make suggestions to the Compensation Committee regarding the establishment of the EPS hurdle, but the Compensation Committee will have final power and authority concerning the establishment of the hurdle.

(iv) Vesting; Delivery; Registration. Shares delivered in settlement of a PSU award will be delivered as follows:

- a. If Employer achieves at least the 50th percentile TSR, Shares will be delivered no later than four (4) weeks following the Determination Date for such award; and
- b. If employer does not achieve at least the 50th percentile TSR, (I) a number of shares determined pursuant to the Schedule will be delivered no later than four (4) weeks following the Determination Date and (II) any incremental Shares to which you are entitled by virtue of paragraph 4(b)(iii) will be delivered on the second business day following the delivery of Employer's audited financial statements in respect of the last year of the applicable Measurement Period (so that it can be determined whether or not Employer attained the EPS hurdle in respect of such award) .

All Shares delivered in settlement of PSUs shall be fully vested and nonforfeitable and registered on Form S-8 or a different registration statement of similar import. You may elect to satisfy required tax withholding in respect of the delivery of such Shares by having Employer withhold from such delivery Shares having a fair market value equal to the amount of such required withholding.

(v) Definitions. For purposes of this paragraph 4(b), the following definitions shall apply:

- a. The **"Measurement Period"** for your awards of PSUs for 2009 and subsequent years will begin on the Grant Date for the Award (which shall always be January 1) and end on the December 31 immediately prior to the third anniversary of the Grant Date; provided, however, that if your employment with Employer terminates in a Qualifying Termination, the Measurement Period for any outstanding PSU award whose Determination Date has not yet occurred shall be the period beginning on the date that is three years before the effective date of your Qualifying Termination and ending on the effective date of your Qualifying Termination.

By way of illustration: If you were to experience a Qualifying Termination on March 1, 2015, you would have outstanding PSU awards for 2013, 2014 and 2015 (your awards for 2011 and 2012 would previously have been valued and settled), and the Measurement Period for each

such award would be the period from March 1, 2012 through March 1, 2015.

- b. Your employment with Employer will be considered to have terminated in a **“Qualifying Termination”** if (I) your employment is terminated by Employer without Cause (as defined in, and subject to the terms and conditions of, paragraph 9(a)); (II) you resign from employment for Good Reason (as defined in, and subject to the terms and conditions of, paragraph 9(b)); (III) your employment terminates by reason of your incapacity as provided in paragraph 8 or as a result of your death; or (IV) your employment terminates for any reason on the last day of the Employment Term.
- c. **“Reference Group”** means, with respect to any award of PSUs, all companies whose common stock is included in the S&P 500 at the start of the Measurement Period for that award (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 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).
- d. **“TSR”** means for the Shares and for the common stock of each company in the Reference Group, the percentage change in value (positive or negative) over the relevant 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 on the basis of the average closing prices over the 20-day trading period immediately prior to the first day of the Measurement Period and the average closing prices over the 20-day trading period immediately prior to the relevant Determination Date, in each case, as reported by Bloomberg L.P. (or such other reporting service that the Compensation 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 Compensation 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.

(c) Performance-Based Restricted Stock Units.

(i) On the Announcement Date, you shall receive an award of 300,000 restricted stock units subject to special vesting conditions (the "**PRSUs**") under the LTMIP, provided that you are employed by Employer on the Announcement Date. For purposes of this Agreement, "**Announcement Date**" means the date on which the Company publicly announces the extension of the Employment Term pursuant to this Agreement. These PRSUs represent a right to receive a number of Shares over three performance periods (the "**Performance Periods**") on the terms and conditions set forth in this Agreement, with a target number of 100,000 Shares to be delivered in respect of each Performance Period (the "**Target PRSU Award**"). The Performance Periods shall be each of the first three full fiscal years starting after the Announcement Date.

(ii) For each Performance Period, a single "**Current Achievement Percentage**" shall be calculated as follows: (x) 75% of the Current Achievement Percentage shall be calculated by comparing the achievement of Operating Income (as defined in the Senior Executive STIP) for the current Performance Period to the Operating Income goals established for the current Performance Period under the Senior Executive STIP; (y) 25% of the Current Achievement Percentage shall be calculated by comparing the achievement of Free Cash Flow (as defined in the Senior Executive STIP) for the current Performance Period to the Free Cash Flow goals for the current Performance Period under the Senior Executive STIP; and (z) the method of determining this single percentage shall correspond to the method used under the Senior Executive STIP as of the Amendment Date to determine STIP payout percentages.

(iii) For each Performance Period, a single "**Cumulative Achievement Percentage**" shall be calculated and shall be the average of the Current Achievement Percentage for the current and any prior Performance Periods. The Cumulative Achievement Percentage shall be used to calculate the number of Shares that you will receive, in accordance with the following schedule:

Schedule
<ul style="list-style-type: none"> • If the Cumulative Achievement Percentage is 75%, the number of Shares to be delivered under the award will be 75% of the Target PRSU Award
<ul style="list-style-type: none"> • If the Cumulative Achievement Percentage is 100%, the number of Shares to be delivered under the award will be 100% of the Target PRSU Award
<ul style="list-style-type: none"> • If the Cumulative Achievement Percentage is 125% or more, the number of Shares to be delivered under the award will be 125% of the Target PRSU Award

For achievement at an intermediate point between 75% and 100%, and between 100% and 125%, the number of Shares to be delivered will be interpolated on a straight-line basis between the respective numbers of shares to be delivered at such percentages. Notwithstanding the foregoing, the minimum number of Shares that shall be delivered to you in respect of any Performance Period shall be 75% of the Target PRSU Award, and the maximum number of Shares that may be delivered to you in respect of any Performance Period shall be 125% of the Target PRSU Awards.

(iv) Provided that you are employed on the last day of the applicable Performance Period, the Compensation Committee shall certify and deliver to you the number of Shares determined pursuant to paragraph 4(c)(iii) of this Agreement promptly after the end of the Performance Period but in no event later than the last day of the second month following the end of such Performance Period. The PRSUs may be subject to accelerated vesting and delivery pursuant to Sections 8, 9 and 10 of this Agreement without regard to the foregoing.

(v) Shares received upon settlement of the PRSUs shall be fully vested and nonforfeitable and registered on Form S-8 or a different registration statement of similar import. You may elect to satisfy required tax withholding in respect of the delivery of such Shares by having Employer withhold from such delivery Shares having a fair market value equal to the amount of such required withholding. An amount equal to any dividends or other distributions paid in respect of Shares while you hold unvested PRSUs shall be credited to an account on Employer's books as if each PRSU were a Share. Such dividend or distribution equivalents will be paid to you when and if the PRSUs to which they relate vest.

(d) No Awards Following Termination of Employment. For the avoidance of doubt, it is noted that you will not be entitled to any annual awards of stock options or of PSUs following termination of your employment with Employer for any reason other than any award that was required to be issued on or prior to such date but was not.

5. Benefits.

(a) You shall be entitled to participate in such life and medical insurance, pension and other employee benefit plans as the Company may have or establish from time to time and in which other Company executives with corporate-wide responsibilities are eligible to participate. The foregoing, however, shall not be construed to require Employer or any of its subsidiaries to establish any such plans or to prevent the modification or termination of such plans once established, and no such action or failure thereof shall affect this Agreement; provided that no such modification or termination shall be applicable to you unless also equally applicable to all other Company executives with corporate-wide responsibilities. All benefits you may be entitled to as an employee of Employer shall be based upon your Salary and not upon any bonus compensation due, payable or paid to you hereunder, except where the benefit plan expressly provides otherwise. You shall be entitled to vacation in accordance with policies applicable to Company executives with corporate-wide responsibilities.

(b) Employer shall provide you with no less than Five Million Dollars (\$5,000,000) of life insurance during the Employment Term at Employer's cost, the beneficiary or beneficiaries of which shall be designated by you or the assignee of such policy in accordance with the following sentence. You shall have the right to assign the policy for such life insurance to your spouse and/or issue or to a trust or trusts primarily for the benefit of your spouse or issue.

(c) Unless your employment is terminated pursuant to paragraph 9(a) of this Agreement, Employer shall provide you the following benefits following any termination of employment:

(i) Employer shall provide you and your spouse, at the Company's sole cost, all medical, dental and hospitalization benefit plans or programs that are from time to time made available to the highest paid group of senior executives of the Company other than to Sumner M. Redstone as Employer's Executive Chairman and Founder for two (2) years following the Termination Date; provided that, if your continued participation in any employee plan or program as provided in this paragraph 5(c)(i) would conflict with any law or regulation, or would result in any adverse tax consequences for you, your spouse, the Company or other participants in such plan or program, you and/or your spouse shall be provided with the economic equivalent of the benefits provided under the plan or program in which you are, and/or your spouse is, unable to participate. In the case of any welfare benefit plan, the economic equivalent of any benefit foregone (x) shall be deemed to be the lowest cost that you and/or your spouse would incur in obtaining such benefit yourself and/or herself on an individual basis (but

including dependent coverage, as applicable) and (y) shall be provided on a “tax grossed-up basis” to the extent the economic equivalent is taxable to you and/or your spouse but the provision of the benefit to you while an employee was not taxable; and

(ii) for the longer of thirty-six (36) months following the Termination Date or until the end of the Employment Term, (a) at your request, suitable and appropriate office facilities in a building selected by Employer on Employer’s property, which is located in the Borough of Manhattan in New York City or such other location as is mutually agreeable to you and Employer, and (b) a personal secretary (who may be your choice of your personal secretary who provided services to you during the Employment Term or a replacement designated by you and whose principal place of employment will be determined by you), to be compensated at the same compensation and benefits cost to Employer in effect immediately prior to the Termination Date, subject to increase at the same rate and with the same frequency as given to similarly situated secretaries at Employer.

6. Business Expenses, Perquisites. During the Employment Term, you shall be reimbursed for such reasonable travel and other expenses incurred in the performance of your duties hereunder on a basis no less favorable than that provided by Employer to any of its senior executives other than to Sumner M. Redstone as Employer’s Executive Chairman and Founder. Employer shall pay the fees and expenses of your counsel and other fees and expenses which you incurred in negotiating the terms of this amendment and restatement of the Original Employment Agreement. While you are actively employed during the Employment Term, you shall be entitled to the use of the Company’s private plane (or equivalent charter aircraft) to travel on Company business (accompanied by your spouse, at your option and, unless your spouse’s presence is required by the Company, at your cost, provided that such cost shall be on a basis consistent with that presently in effect on the Amendment Date or as otherwise required by law). You also shall be entitled to other perquisites (the “Perquisites”) (including use of a car service, office and secretarial services) in accordance with Employer policy on a basis no less favorable than that provided by Employer to any of its senior executives other than to Sumner M. Redstone as Employer’s Executive Chairman and Founder and on a basis consistent with that presently in effect on the Amendment Date.

7. Exclusive Employment, Etc.

(a) Non-Competition. You agree that your employment hereunder is on an exclusive basis, and that during the period (the “Non-Compete Period”) beginning on the Start Date and ending on the first anniversary of the termination of your employment for any reason other than termination of your employment upon expiration of the Employment Term (in which case the Non-Compete Period will end on the last day of the Employment Term), other than as set forth in paragraph 2(d), you will not engage in any other business activity which is in conflict with your duties and obligations (including your commitment of time) hereunder. You agree that during the Non-Compete Period you shall not, directly or indirectly, engage in or participate as an owner,

partner, holder or beneficiary of stock, stock options or other equity interest, officer, employee, director, manager, partner or agent of, or consultant for, any company or business competing with the Company; *provided, however*, that nothing herein shall prevent you from participating in any investment activities specifically allowed under paragraph 2(d); *further provided, however*, that following termination of your employment with Employer you may be actively involved in the management of any company listed on Schedule A.

(b) No Solicitation of Employees. You agree that, during the period of your employment hereunder and for the period provided below after the termination of your employment for any reason, you will not employ any Restricted Employee (as defined below), or in any way induce or attempt to induce any Restricted Employee to leave the employment of Employer or any of its affiliates. You agree that you will not take the actions described in the preceding sentence (i) with respect to any Restricted Employee at the level of Vice President or above for one (1) year after the termination of your employment for any reason, and (ii) with respect to any Restricted Employee at the level of Director for six (6) months after the termination of your employment for any reason. **“Restricted Employee”** refers to any person employed by Employer or any of its affiliates or predecessors or previously employed by Employer or any of its affiliates or predecessors unless at such time such person has not been employed by Employer and/or any of its affiliates or predecessors for at least six (6) months.

(c) Confidential Information. You agree that, during the Employment Term or at any time thereafter, you will not use for your own purposes, or disclose to or for the benefit of any third party, any information relating to Employer, Employer’s clients or other parties with which Employer has a relationship, or that may provide Employer with a competitive advantage (**“Confidential Information”**) (except as may be required by law or in the performance of your duties hereunder consistent with the Company’s policies) and you will comply with any and all confidentiality obligations of the Company to a third party which you know or should know about, whether under agreement or otherwise. Confidential Information shall include, without limitation, trade secrets; inventions (whether or not patentable); technology and business processes; business, product or marketing plans; sales and other forecasts; financial information; client lists or other intellectual property; information relating to compensation and benefits; public information that becomes proprietary as a result of Employer’s compilation of that information for use in its business; documents (including any electronic record, videotapes or audiotapes); and oral communications incorporating Confidential Information. Notwithstanding the foregoing, confidential information shall be deemed not to include information which (i) is or becomes generally available to the public other than as a result of a disclosure by you in violation of this Agreement or by any other person who directly or indirectly receives such information from you or at your direction in violation of this Agreement, or (ii) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

(e) Employer Ownership. The results and proceeds of your services to the Company, whether or not created during the Employment Term, including, without limitation, any works of authorship resulting from your services and any works in

progress resulting from such services, shall be works-made-for-hire and Employer shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, with the right to use, license or dispose of the works in perpetuity in any manner Employer determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered. If, for any reason, any of the results and proceeds of your services to the Company are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to Employer under this paragraph 7(d) then you hereby irrevocably assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, and Employer shall have the sole right to use, license or dispose of the work in perpetuity throughout the universe in any manner Employer determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered. Upon request by Employer, whether or not during the Employment Term, you shall do any and all things which Employer may deem useful or desirable to establish or document Employer's rights in the results and proceeds of your services to the Company, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents. You hereby irrevocably designate the General Counsel, Secretary or any Assistant Secretary of Employer as your attorney-in-fact with the power to take such action and execute such documents on your behalf. To the extent you have any rights in such results and proceeds that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 7(d) is subject to, and does not limit, restrict, or constitute any waiver by Employer of any rights of ownership to which Employer may be entitled by operation of law by virtue of Employer or any of its affiliates or predecessors being your employer.

(e) Litigation. You agree that, during the period of your employment hereunder, for one (1) year thereafter and, if longer, during the pendency of any litigation or other proceeding, (i) you shall not communicate with anyone (other than your attorneys and tax advisors and except to the extent required by law or necessary in the performance of your duties hereunder) with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving Employer or any of its affiliates or predecessors, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to Employer or Employer's counsel, and (ii) in the event that any other party attempts to obtain information or documents from you with respect to matters possibly related to such litigation or other proceeding, you shall promptly so notify Employer's counsel unless you are prohibited from doing so under applicable law. You agree to cooperate, in a reasonable and appropriate manner, with Employer and its attorneys, both during and after the termination of your employment, in connection with any litigation or other proceeding arising out of or relating to matters in which you were involved prior to the termination of your employment to the extent Employer pays all reasonable expenses you incur in connection with such cooperation (including, without limitation, the fees and expenses of your counsel and providing use of the Company's private plane (or equivalent charter aircraft) for all travel required in connection with such cooperation at

the Company's expense) and to the extent such cooperation does not unreasonably interfere with your personal or professional schedule.

(f) No Right to Write Books, Articles, Etc. During the period of your employment hereunder and for two (2) years thereafter but not beyond the end of the Employment Term, except in the course of the performance of your duties and responsibilities or otherwise as authorized by the Board, you shall not prepare or assist any person or entity in the preparation of any books, articles, radio broadcasts, electronic communications, television or motion picture productions or other creations, concerning Employer or any of its affiliates or predecessors or any of their officers, directors, agents, employees, suppliers or customers.

(g) Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with Employer shall remain the exclusive property of Employer and shall remain in Employer's exclusive possession at the conclusion of your employment. In the event of the termination of your employment for any reason, Employer reserves the right, to the extent permitted by law and in addition to any other remedy Employer may have, to deduct from any monies otherwise payable to you the following: (i) all amounts you may owe, pursuant to a legally enforceable agreement, to Employer or any of its affiliates or predecessors at the time of or subsequent to the termination of your employment with Employer; and (ii) the value of the Employer property which you retain in your possession after the termination of your employment with Employer following Employer's written request for same and your failure to return same. In the event that the law of any state or other jurisdiction requires the consent of any employee for such deductions, this Agreement shall serve as such consent.

(h) Non-Disparagement. You and, to the extent set forth in the next sentence, Employer agree that each party shall not, during the period of your employment hereunder and for one (1) year thereafter, criticize, ridicule or make any statement which disparages or is derogatory of the other party in any non-public communication with any customer, client or member of the investment community or media or in any public communication. Employer's obligations under the preceding sentence shall be limited to communications by its senior corporate executives having the rank of Senior Vice President or above ("Specified Executives") and, with respect to communications that ridicule, disparage or are derogatory, members of the Board, and it is agreed and understood that any such communication by any Specified Executive or any member of the Board (or by any executive at the behest of a Specified Executive or member of the Board) shall be deemed to be a breach of this paragraph 7(h) by Employer. Notwithstanding the foregoing, (i) neither you nor Employer shall be prohibited from making statements in response to statements by the other party that criticize or ridicule or are disparaging or derogatory provided that the responsive statements do not criticize or ridicule and are not disparaging or derogatory and (ii) nothing in this paragraph 7(h) shall prevent you, the Specified Executives or members of the Board from making any statement in good faith in connection with a proceeding to resolve a dispute in accordance with paragraph 19.

(i) Injunctive Relief, Etc. Employer has entered into this Agreement in order to obtain the benefit of your unique skills, talent and experience. You acknowledge and agree that any violation of paragraphs 7(a) through 7(h) will result in irreparable damage to Employer, and, accordingly, Employer may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to Employer. Employer acknowledges and agrees that any violation of paragraph 7(h) will result in irreparable damage to you, and, accordingly, you may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraph, in addition to any other remedies available to you. You and Employer agree that the restrictions and remedies contained in paragraphs 7(a) through 7(h) are reasonable and that it is your intention and the intention of Employer that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If it shall be found by a court of competent jurisdiction that any such restriction or remedy is unenforceable but would be enforceable if some part thereof were deleted or the period or area of application reduced, then such restriction or remedy shall apply with such modification as shall be necessary to make it enforceable.

(j) Survival. Your obligations under paragraphs 7(a) through 7(h) and Employer's obligations under paragraph 7(h) shall remain in full force and effect for the entire period provided therein (and only for such period) notwithstanding the termination of your employment pursuant to paragraph 9 hereof or otherwise or the expiration of the Employment Term.

8. Incapacity. In the event you become totally medically disabled and you will not be able to substantially perform your duties for at least six (6) consecutive months or a total of 180 days during any 270 day period, the Board, at any time after such disability has continued for 60 consecutive days, may determine that Employer requires such duties and responsibilities be performed by another executive. In the event that you become "disabled" within the meaning of such term under Employer's Short-Term Disability (STD) and its Long-Term Disability (LTD) program, you will first receive benefits under the STD program for the first 26 weeks of consecutive absence, which will be equal to your Salary, and the amount of such benefits will offset any Salary that otherwise would be paid to you pursuant to this Agreement. Thereafter, you will be eligible to receive benefits under the LTD program in accordance with its terms. For purposes of this Agreement, you will be considered to have experienced a termination of employment with Employer as of the date you first become eligible to receive benefits under the LTD program, and until that time you shall be treated for all purposes of this Agreement as an active employee of Employer. Upon receipt of benefits under the LTD program, you will also be entitled to receive the following:

(i) Employer will pay your Accrued Compensation and Benefits (as defined below in paragraph 9(d)(i));

(ii) Employer will pay you a prorated Bonus for the year of your termination of employment based on your Target Bonus and the number of calendar days of such year elapsed through the date of your termination of employment;

(iii) all of your outstanding unvested Employer stock options will vest, and all such options and all of your outstanding options that have previously vested will remain exercisable until the applicable date set forth in paragraph 4(a) (v);

(iv) the number of Shares to which you are entitled in respect of your outstanding awards of PSUs will be determined as provided in paragraph 4(b) for Qualifying Terminations, and all Shares delivered upon settlement of PSUs will be considered vested;

(v) all of your unvested PRSUs will vest at the target level and be settled as promptly as administratively practicable after your termination date; and

(vi) Employer will continue to provide you with life insurance coverage as set forth in paragraph 5(b) until the end of the Employment Term or, if earlier, the date on which you become eligible for at least as much insurance coverage from a third party employer at the employer's expense; provided, however, that Employer may decrease the amount of life insurance coverage it provides you so long as the amount of such coverage that it continues to provide, and the amount of such coverage provided to you from a third party employer at the employer's expense, aggregates at least the amount set forth in paragraph 5(b).

9. Termination.

(a) Termination for Cause; Resignation without Good Reason. Employer may, at its option, terminate your employment for Cause (as defined below). You may, at your option, terminate your employment without Good Reason (as defined below). For purposes of this Agreement, termination of your employment for "Cause" shall mean termination of your employment due to any of the following:

(i) your engaging or participating in intentional acts of material fraud against the Company;

(ii) your willful misfeasance having a material adverse effect on the Company (except in the event of your incapacity as set forth in paragraph 8);

(iii) your substantial and continual refusal to perform your duties, responsibilities or obligations provided for in this Agreement (provided that such duties, responsibilities or obligations are not inconsistent with your position as President and Chief Executive Officer and are otherwise lawful);

(iv) your conviction of a felony or entering a plea of nolo contendere to a felony charge;

(v) your willful violation of any policy of the Company that is generally applicable to all employees or all officers of the Company including, but not limited to, policies concerning insider trading or sexual harassment, or the Company's code of conduct, that you knew or reasonably should have known

could reasonably be expected to result in a material adverse effect on the Company;

(vi) your willful unauthorized disclosure of a trade secret or other confidential material information of the Company, that you knew or reasonably should have known could reasonably be expected to result in a material adverse effect on the Company;

(vii) your willful failure to cooperate fully with a bona fide Company internal investigation or an investigation of the Company by regulatory or law enforcement authorities whether or not related to your employment with the Company (an “**Investigation**”), after being instructed by the Board to cooperate;

(viii) your willful destruction of or knowing and intentional failure to preserve documents or other material known by you to be relevant to any Investigation; or

(ix) your willful inducement of others to fail to cooperate in any Investigation or to produce documents or other material.

For purposes of the foregoing definition, an act or omission shall be considered “willful” if it is done, or omitted to be done, by you with knowledge and intent. Anything herein to the contrary notwithstanding, the Board will give you written notice (a “**Cause Notice**”), not more than thirty (30) calendar days after the occurrence of the event constituting Cause comes to the attention of an “executive officer” of Employer (as defined by the rules and regulations of the Securities Exchange Commission for purposes of the Exchange Act), prior to terminating your employment for Cause. A Cause Notice will set forth in reasonable detail the circumstances constituting Cause and, if applicable, the conduct required to cure the same. Except for actions, malfeasance or circumstances which by their nature cannot be cured, you shall have thirty (30) calendar days from your receipt of such notice within which to cure. Without prejudice to whether any other action, malfeasance or circumstance is capable of cure, it shall be a rebuttable presumption that any purported refusal to perform your duties, responsibilities or obligations as described in clause (iii) above, and any failure to cooperate with an Investigation as described in clause (vii) above, is capable of cure. Notwithstanding the above, any violation of Company policy or failure to cooperate with an Investigation which is in connection with the exercise of your constitutional right against self-incrimination shall not be considered an event described in clause (v) or (vii) above. For purposes of this Agreement, no termination of your employment purportedly for Cause shall be treated as a termination for Cause without your receipt of a Cause Notice, nor shall any termination of your employment during the 30-day cure period provided for in the preceding sentence, if applicable, or after your satisfactory cure of the breach, malfeasance or circumstances that the Company asserted as constituting Cause, be considered a termination for Cause for such stated reasons. The date of a termination of your employment for Cause shall be the date after the cure period provided for above, if any, expires without your having cured the actions, malfeasance or circumstances constituting Cause to the reasonable satisfaction of the Board (or, if no cure period is

applicable, the date of termination specified in the written notice given to you by the Board).

(b) Good Reason Termination. Upon written notice to Employer, you may resign from your employment hereunder for “Good Reason” at any time during the Employment Term not more than thirty (30) calendar days after you become aware of the occurrence of the event constituting Good Reason. Such notice shall state an effective date no earlier than thirty (30) calendar days after the date it is given, and Employer shall have thirty (30) calendar days from the giving of such notice within which to cure and within which period you cannot terminate your employment under this Agreement for the stated reasons and, if so cured, after which you cannot terminate your employment under this Agreement for the stated reasons; provided, however, that this sentence shall not apply with respect to events which by their nature cannot be cured. “**Good Reason**” shall mean, without your prior written consent, other than in connection with the termination of your employment for Cause (as defined above) or incapacity (as set forth in paragraph 8) or as a result of your death:

(i) (A) the assignment to you of duties substantially inconsistent with your positions, duties or responsibilities as President and Chief Executive Officer or any change in reporting such that you do not report solely and directly to Sumner M. Redstone in his capacity as Employer’s Executive Chairman and Founder and the Board (or, if Sumner M. Redstone ceases to hold such position of Employer’s Executive Chairman and Founder, solely to the Board), (B) the appointment as Executive Chairman of the Board (or Co-Executive Chairman) of a person other than Sumner M. Redstone or yourself, (C) the appointment and/or continuing tenure of a non-executive Chairman of Employer of a person other than Sumner M. Redstone or yourself, unless you are then serving as Executive Chairman or Co-Executive Chairman with Sumner M. Redstone, with such authority and responsibilities in such capacity as shall be determined by the Board or any duly authorized committee thereof (it being understood that you shall not be entitled to or receive any additional compensation, benefits or perquisites for serving in any such capacity), provided, that this clause (C) shall not apply if (I) you shall have been offered but declined to accept the position of sole Executive Chairman of the Board or Co-Executive Chairman with Sumner M. Redstone, (II) having accepted such position, you subsequently resign from it or (III) your employment shall have been terminated for Cause in accordance with paragraph 9(a) (after taking into account the notice and cure periods set forth therein) or (D) after the appointment of a non-executive Chairman of Employer other than Sumner M. Redstone or yourself, the occurrence of conduct by such non-executive Chairman which materially interferes with your ability to perform your CEO duties effectively and which is inconsistent with the customary role of a non-executive chairman; provided, however, that you shall provide written notice to the Chair of the Compensation Committee not later than the date you provide written notice of termination, explaining the rationale for why such conduct adversely affects your ability to perform your CEO duties effectively; and, provided, further, that Employer shall be deemed to have satisfactorily cured such event if (i) the Board takes reasonable steps to cause the cessation of the

interfering conduct and takes reasonable steps to prevent the further occurrence thereof, including by directing the non-executive Chairman to cease and desist from such interfering conduct, and, (ii) if such direction by the Board does not in fact cause such conduct to cease, subject to written notice of the re-occurrence of such conduct in accordance with the procedures set forth in this paragraph 9(b), the Board removes the director from the non-executive Chairman position within thirty (30) calendar days from the giving of such notice;

(ii) (A) your removal from or any failure to re-elect you as Chief Executive Officer of Employer, or, (B) in the event you are, while serving as Chief Executive Officer of Employer, appointed as Executive Chairman of the Board, your removal from, or any failure to reappoint you to the position of Executive Chairman of the Board; provided that the foregoing clause (B) shall not apply if your employment shall have been terminated for Cause in accordance with paragraph 9(a) (after taking into account the notice and cure periods set forth therein);

(iii) your removal from or failure to be elected or reelected to the Board at any annual meeting of shareholders of the Company at which your term as director is scheduled to expire;

(iv) a reduction in your Salary, Target Bonus or other compensation levels as the same may be increased from time to time during the Employment Term;

(v) Employer's requiring you to be based anywhere other than the New York metropolitan area or another location mutually agreeable to you and Employer, except for required travel on the Company's business; or

(vi) any other breach by Employer of its obligations hereunder.

(c) Termination Without Cause. Employer may terminate your employment hereunder without Cause at any time during the Employment Term by written notice to you.

(d) Termination Payments, Etc.

(i) Termination for Cause or Resignation without Good Reason. In the event that Employer terminates your employment for Cause, or if you resign your employment without Good Reason, Employer shall promptly pay and provide you with Accrued Compensation and Benefits. For purposes of this Agreement, "**Accrued Compensation and Benefits**" shall consist of: (w) reimbursement of any unpaid business expenses to which you are entitled to reimbursement pursuant to paragraph 6 that were incurred prior to the effective date of your termination or resignation (the "**Termination Date**"); (x) your Salary through the Termination Date determined in accordance with paragraph 9(a) or 9(b), as applicable; (y) any earned but unpaid Bonus with respect to any completed year; and (z) all other vested compensation benefits to which you are

entitled as of the Termination Date under the terms and conditions applicable to such compensation and benefits which, for purposes of clarity and without limitation, shall include the benefits listed in paragraph 5(c) if your employment is terminated for any reason other than pursuant to paragraph 9(a).

(ii) Termination without Cause or Resignation with Good Reason. In the event that Employer terminates your employment without Cause, or if you resign your employment for Good Reason, you shall be entitled to receive the following:

- a. Employer will pay and provide your Accrued Compensation and Benefits;
- b. Employer will pay you a prorated Bonus for the fiscal year of your termination of employment based on your Target Bonus and the number of calendar days of such year elapsed through the Termination Date, such amount, before the daily pro ration, to be multiplied by the performance multiplier approved by the Compensation Committee in respect of Company financial and quantitative goals for such year under the Senior Executive STIP (with the method for determining such performance multiplier to correspond to the method used under the Senior Executive STIP as of the Amendment Date to adjust target STIP payout amounts based on Company performance), with such prorated Bonus to be paid in accordance with paragraph 3(b)(iv) of this Agreement;
- c. Employer will pay you a severance payment (the “**Severance Payment**”) equal in amount to the sum of:
 - i three (3) times your Salary in effect at the time of termination (or, if your Salary has been reduced in violation of this Agreement, your highest Salary during the Employment Term); and
 - ii three (3) times the higher of (X) the average of the annual cash Bonuses payable to you (whether or not actually paid) with respect to the last three completed fiscal years prior to the Termination Date and (Y) the Target Bonus at the Termination Date (or, if your Target Bonus has been reduced in violation of this Agreement, your highest Target Bonus during the Employment Term) (the “**Applicable Bonus Amount**”)

(such sum being the “**Severance Amount**”); *provided, however*, that if fewer than 36 months remain in the Employment Term at the Termination Date, the amount of the Severance Payment will equal the Severance Amount multiplied by a fraction the numerator of which is the number of months (including partial months) remaining in the Employment Term (but in no event will the numerator be less than 12) and the denominator of which is 36.

- d. all of your outstanding unvested Employer stock options will vest, and all such options and all of your outstanding Employer stock options that have previously vested will remain exercisable until the applicable date set forth in paragraph 4(a)(v);
- e. the number of Shares to which you are entitled in respect of your outstanding awards of PSUs will be determined as provided in paragraph 4(b) for Qualifying Terminations, and all Shares delivered upon settlement of PSUs will be considered vested;
- f. all of your unvested PRSUs will vest at the target level and be settled as promptly as administratively practicable after your Termination Date; and
- g. Employer will continue to provide you with life insurance coverage as set forth in paragraph 5(b) until the end of the Employment Term or, if earlier, the date on which you become eligible for at least as much insurance coverage from a third party employer at the employer’s expense; *provided, however*, that Employer may decrease the amount of life insurance coverage it provides you so long as the amount of such coverage that it continues to provide, and the amount of such coverage provided to you from a third party employer at the employer’s expense, aggregates at least the amount set forth in paragraph 5(b).

(iii) **Timing of Payments and Settlement.** The cash portion of your Accrued Compensation and Benefits and 80% of the Severance Payment will be paid in a lump sum within five (5) days after the Termination Date, and the remaining 20% of the Severance Payment will be paid in accordance with the Company’s regular payroll practices over the number of months (up to 36) on which the Severance Payment was calculated, beginning with the first payroll period following the Termination Date. Notwithstanding the foregoing, your entitlement to any portion of the Severance Payment that has not yet been made will cease if you materially breach either the non-compete covenant set forth in paragraph 7(a) (the “**Non-Compete Covenant**”) or the no-solicitation covenant

set forth in paragraph 7(b), after notice to you of such breach by Employer and your failure to cure such breach within thirty (30) days following your receipt of such notice, assuming such breach is capable of cure. You may request from Employer at any time its view on whether a proposed activity or investment by you will breach the Non-Compete Covenant by giving Employer written notice of the details of such activity or investment, and Employer will respond to your inquiry within five (5) business days of its receipt of such notice. Employer's view as conveyed to you that the proposed activity or investment will not breach the Non-Compete Covenant shall be binding on it to the extent that the activity or investment does not exceed what was described in the notice. Your giving notice shall not be deemed an admission by you that the proposed activity or investment would violate the Non-Compete Covenant. Employer's failure to respond with its view within five (5) business days of its receipt of notice shall not constitute or be construed as an acknowledgment by Employer that the proposed activity or investment will not breach the Non-Compete Covenant, but such failure shall create an irrebuttable presumption that any breach arising from such activity or investment is capable of cure.

(iv) Full Discharge of Company Obligations; Release. The payments and other benefits provided for in paragraph 9(d)(ii) are in lieu of any severance or income continuation or protection under any plan Employer or any of its subsidiaries that may now or hereafter exist. The payments and benefits to be provided pursuant to paragraph 9(d)(ii) shall constitute liquidated damages, and shall be deemed to satisfy and be in full and final settlement of all obligations of Employer to you under this Agreement. You acknowledge and agree that such amounts are fair and reasonable, and your sole and exclusive remedy, in lieu of all other remedies at law or in equity, with respect to the termination of your employment hereunder. Employer's obligation to make the Severance Payment and provide the other benefits provided for in paragraph 9(d)(ii) other than the Accrued Compensation and Benefits shall be conditioned on your execution and non-revocation of a release in form and substance substantially identical to that set forth in Schedule B.

10. Death. If you die prior to the termination of your employment under this Agreement, your beneficiary or estate shall be entitled to receive the following:

- (i) Employer will pay your Accrued Compensation and Benefits up to the date on which the death occurs;
- (ii) Employer will pay a prorated Bonus for the year of your death based on your Target Bonus and the number of calendar days elapsed during the year through the date of your death;
- (iii) all of your outstanding unvested Employer stock options will vest, and all such options and all of your outstanding options that have previously vested will remain exercisable until the applicable date set forth in paragraph 4(a)(v);

(iv) the number of Shares to which you are entitled in respect of your outstanding awards of PSUs will be determined as provided in paragraph 4(b) for Qualifying Terminations, and all Shares delivered upon settlement of PSUs will be considered vested; and

(v) all of your unvested PRSUs will vest at the target level and be settled as promptly as administratively practicable after your Termination Date.

11. Pension Benefits. You will be credited with your previous service with Employer and its predecessors (including without limitation your service with the company that was formerly named Employer Inc. and is now known as CBS Corporation ("**Former Employer**")) for all purposes under any Company benefit plan, including without limitation the Employer Pension Plan and the Employer Excess Pension Plan. Pursuant to an Agreement, dated as of September 6, 1999, between you and Former Employer, you have previously been credited with such additional service credit as was necessary to provide you with 20 years of service credit under any Former Employer benefit plan in which 20 years of service credit would result in (i) any right to an unreduced pension, (ii) eligibility for any additional form of benefit or (iii) any other material additional benefit, which additional years of imputed service will also be credited under any Company benefit plan for similar purposes. You will accrue additional service under all Company benefit plans beginning on the Start Date, except that to the extent that you have been credited with additional service as described in the preceding sentence, you will not be credited with additional service until the sum of your service with Former Employer and your service with Employer pursuant to this Agreement equals 20 years. Notwithstanding any other provision of this Agreement, to the extent that you are entitled to receive benefits under the Former Employer pension plan or excess pension plan, such benefits shall offset any benefits to which you are entitled under the Employer Pension Plan and the Employer Excess Pension Plan.

12. No Mitigation; No Offset. You shall not be required to mitigate the amount of any payment or benefit provided for in this Agreement by seeking other employment or otherwise, nor shall any reduction be made for any other compensation that you earn from a subsequent employer (including self-employment).

13. Section 317 and 507 of the Federal Communications Act. You represent that you have not accepted or given, nor will you accept or give, directly or indirectly, any money, services or other valuable consideration from or to anyone other than Employer for the inclusion of any matter as part of any film, television program or other production produced, distributed and/or developed by Employer and/or any of Employer's affiliates.

14. Equal Opportunity Employer; Employer Business Conduct Statement. You acknowledge that Employer is an equal opportunity employer. You agree that you will comply with Employer policies regarding employment practices and with applicable federal, state and local laws prohibiting discrimination on the basis of race, color, creed, national origin, age, sex or disability. In addition, you agree that you will comply with the Employer Business Conduct Statement.

15. Indemnification.

(a) If you are made a party, are threatened to be made a party to, or otherwise receive any other legal process in, any action, suit or proceeding, whether civil, criminal, administrative or investigative (a “***Proceeding***”), by reason (in whole or in part) of the fact that you are or were a director, officer or employee of Employer or are or were serving at the request of Employer as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether or not the basis of such Proceeding is your alleged action in an official capacity while serving as director, officer, member, employee or agent, Employer shall indemnify you and hold you harmless to the fullest extent permitted or authorized by Employer’s certificate of incorporation and bylaws or, if greater, by the laws of the State of Delaware, against all cost, expense, liability and loss (including without limitation, attorney’s fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement and any cost and fees incurred in enforcing your rights to indemnification or contribution) reasonably incurred or suffered by you in connection therewith, and such indemnification shall continue even though you have ceased to be a director, member, employee or agent of Employer or other entity and shall inure to the benefit of your heirs, executors and administrators. Employer shall advance to you all reasonable costs and expenses that you incur in connection with a Proceeding within 20 days after its receipt of a written request for such advance. Such request shall include an undertaking by you to repay the amount of such advance if it shall ultimately be determined that you are not entitled to be indemnified against such costs and expenses.

(b) Neither the failure of Employer (including its board of directors, independent legal counsel or stockholders) to have made a determination that indemnification of you is proper because you have met the applicable standard of conduct, nor a determination by Employer (including its board of directors, independent legal counsel or stockholders) that you have not met such applicable standard of conduct, shall create a presumption or inference that you have not met the applicable standard of conduct.

(c) To the extent that Employer maintains officers’ and directors’ liability insurance, you will be covered under such policy subject to the exclusions and limitations set forth therein.

16. Notices. All notices required to be given hereunder shall be given in writing, by personal delivery or by mail at the respective addresses of the parties hereto set forth above, or at such other address as may be designated in writing by either party, and in the case of Employer, to the attention of the General Counsel of Employer. Any notice given by mail shall be deemed to have been given three days following such mailing. Copies of all notices to you shall be given to Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019-6064, Attention: Robert B. Schumer, Esq. and Robert C. Fleder, Esq.

17. Assignment and Successors. This is an Agreement for the performance of personal services by you and may not be assigned by you or Employer except that Employer may assign this Agreement to any successor in interest to Employer, provided that such assignee assumes all of the obligations of Employer hereunder. Employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business and/or assets to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Employer would be required to perform it if no such succession had taken place. As used in this Agreement, “*Employer*” shall mean Employer as defined above and any successor to its business and/or assets which by reason hereof assumes and agrees to perform this Agreement by operation of law, or otherwise.

18. New York Law. This Agreement and all matters or issues collateral thereto shall be governed by the laws of the State of New York, without giving effect to the conflicts of laws principles thereof or to those of any other jurisdiction which, in either case, could cause the application of the laws of any jurisdiction other than the State of New York.

19. Disputes. Any disputes between the parties to this Agreement shall be settled by arbitration in New York, New York under the auspices of the American Arbitration Association, before a panel of three (3) arbitrators, in accordance with the National Rules for the Resolution of Employment Disputes promulgated by the Association. Each party shall select an arbitrator and the two (2) arbitrators shall select a third and these three arbitrators shall form the panel. The decision in such arbitration shall be final and conclusive on the parties and judgment upon such decision may be entered into in any court having jurisdiction thereof. Costs of the arbitration or litigation, including, without limitation, reasonable attorneys’ fees and expenses of both parties, shall be borne by Employer if you prevail on at least one of the issues that is the subject of the arbitration. If you do not so prevail, you and Employer shall equally share costs of the arbitration or litigation other than attorneys’ fees, and each of you and Employer shall bear its own attorneys’ fees and expenses. Pending the resolution of any arbitration or court proceeding, Employer shall continue payment of all amounts due you under this Agreement and all benefits to which you are entitled at the time the dispute arises. Nothing herein shall prevent Employer or you from seeking equitable relief in court as provided for in paragraph 7(i) or shall prevent either party from seeking equitable relief in court in aid of arbitration under applicable law.

20. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on Employer to renew this Agreement or any portion thereof. The parties intend to be bound only upon execution of a written agreement and no negotiation, exchange of draft or partial performance shall be deemed to imply an agreement. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of this Agreement.

21. Entire Understanding; Amendments; Proper Authorization. This Agreement contains the entire understanding of the parties hereto relating to the subject matter herein contained, and can be amended only by a writing signed by both parties

hereto. This Agreement supersedes the terms of the Original Employment Agreement and all prior amendments to the Original Employment Agreement other than the "Section 409A Amendment" (as defined in paragraph 25). For purposes of clarity, the Section 409A Amendment remains in full force and effect following the execution of this Agreement and is incorporated by reference herein pursuant to paragraph 25 of this Agreement. The Employer hereby represents that it has full power and authority to enter into this Agreement on behalf of itself and the Company and that all required approvals, authorizations and consents to enter into and perform this Agreement have been obtained on or prior to the date hereof.

22. Waivers. Waiver by either you or by Employer of any breach or default by the other party of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by either party hereto to assert its or his rights hereunder on any occasion or series of occasions.

23. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be adjudged by a court to be void or unenforceable, the same shall be deemed stricken from this Agreement and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

24. Deductions and Withholdings, Payment of Deferred Compensation. All amounts payable under this Agreement shall be paid less deductions and income and payroll tax withholdings as may be required under applicable law and any benefits and perquisites provided to you under this Agreement shall be taxable to you as may be required under applicable law.

25. Section 409A. On August 28, 2008, you executed a Form Employment Agreement Amendment, attached hereto as Schedule C, to amend your Original Employment Agreement to comply with Section 409A of the Internal Revenue Code and the rules, regulations and guidance thereunder (such section, "Section 409A") (such amendment, the "Section 409A Amendment"). The Section 409A Amendment shall continue in full force and effect following the Amendment Date and is hereby incorporated by reference into and made part of this Agreement. Following any delay of payments or benefits pursuant to the Section 409A Amendment: (i) all such delayed payments will be paid in a single lump sum on the date permitted under paragraph 10 of the Section 409A Amendment (the "Permissible Payment Date") plus accrued interest on such delayed payments during the period of such delay at the Company's highest borrowing rate in effect on the Termination Date, and (ii) Employer shall reimburse you for the reasonable after-tax cost of any benefits, contemplated by paragraphs 8 and 9 hereof incurred by you in independently obtaining any benefits delayed pursuant to the Section 409A Amendment during the period in which such benefits are delayed, with such reimbursement to be paid to you by Employer on the Permissible Payment Date.

26. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

27. Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless otherwise expressly provided for in this Agreement, the word “including” or any variation thereof means “including, without limitation” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

If the foregoing correctly sets forth our understanding, please sign, date and return all four (4) copies of this Agreement and return it to the undersigned for execution on behalf of Employer; after this Agreement has been executed by Employer and a fully executed copy returned to you, it shall constitute a binding agreement between us.

Very truly yours,

VIACOM INC.

/s/ Frederic V. Salerno

Name: Frederic V. Salerno

Title: Chairman, Compensation Committee of the Board of Directors

/s/ Michael D. Fricklas

Name: Michael D. Fricklas

Title: Corporate Secretary

ACCEPTED AND AGREED:

/s/ Philippe P. Dauman

Name: Philippe P. Dauman

Dated: January 15, 2015

Investments

As of the Amendment Date, you have investments in the following private media or entertainment businesses:

DND Capital Partners LLC, including its investments in:

The Tennis Channel, Inc

Nuvo Tv (formerly known as Si TV)

This Schedule A shall also be deemed to include any successor by merger, assets sale or similar transaction to any of the businesses listed above.

Form of Release**GENERAL RELEASE**

WHEREAS, Philippe P. Dauman (hereinafter referred to as the “**Executive**”) and Viacom Inc. (hereinafter referred to as “**Employer**”) are parties to an Employment Agreement, amended and restated as of January 15, 2015 (the “**Employment Agreement**”), which provided for the Executive’s employment with Employer on the terms and conditions specified therein; and

WHEREAS, pursuant to paragraph 9(d) of the Employment Agreement, the Executive has agreed to execute a release of the type and nature set forth herein as a condition to his entitlement to certain payments and benefits upon his termination of employment with Employer; and

NOW, THEREFORE, in consideration of the premises and mutual promises herein contained and for other good and valuable consideration received or to be received by the Executive in accordance with the terms of the Employment Agreement, it is agreed as follows:

1. Excluding enforcement of the covenants, promises and/or rights reserved herein, the Executive hereby irrevocably and unconditionally releases, acquits and forever discharges Employer and each of Employer’s owners, stockholders, predecessors, successors, assigns, directors, officers, employees, divisions, subsidiaries, affiliates (and directors, officers and employees of such companies, divisions, subsidiaries and affiliates) and all persons acting by, through, under or in concert with any of them (collectively “**Releasees**”), or any of them, from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys’ fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, including, but not limited to, rights arising out of alleged violations of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, or any tort or any legal restrictions on Employer’s right to terminate employees, or any Federal, state or other governmental statute, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended, the Federal Age Discrimination In Employment Act of 1967 (“ADEA”), as amended, the Employee Retirement Income Security Act (“ERISA”), as amended, the Civil Rights Act of 1991, as amended, the Rehabilitation Act of 1973, as amended, the Older Workers Benefit Protection Act (“OWBPA”), as amended, the Worker Adjustment Retraining and Notification Act (“WARN”), as amended, the Fair Labor Standards Act (“FLSA”), as amended, the Occupational Safety and Health Act of 1970 (“OSHA”), the New York State Human Rights Law, as amended, the New York Labor Act, as amended, the New York Equal Pay Law, as amended, the New York Civil Rights Law, as amended,

the New York Rights of Persons With Disabilities Law, as amended, and the New York Equal Rights Law, as amended, that the Executive now has, or has ever had, or ever will have, against each or any of the Releasees, by reason of any and all acts, omissions, events, circumstances or facts existing or occurring up through the date of the Executive's execution hereof that directly or indirectly arise out of, relate to, or are connected with, the Executive's services to, or employment by Employer (any of the foregoing being a "**Claim**" or, collectively, the "**Claims**"); *provided, however*, that this release shall not apply to any of the obligations of Employer or any other Releasee under the Employment Agreement, or under any agreements, plans, contracts, documents or programs described or referenced in the Employment Agreement; and *provided, further*, that this release shall not apply to any rights the Executive may have to obtain contribution or indemnity against Employer or any other Releasee pursuant to contract, Employer's certificate of incorporation and by-laws or otherwise.

2. The Executive expressly waives and relinquishes all rights and benefits afforded by California Civil Code Section 1542 and does so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 states as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Thus, notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of the Releasees, the Executive expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all Claims that the Executive does not know or suspect to exist in the Executive's favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such Claim or Claims.

3. The Executive understands that he has been given a period of 21 days to review and consider this General Release before signing it pursuant to the Age Discrimination In Employment Act of 1967, as amended. The Executive further understands that he may use as much of this 21-day period as the Executive wishes prior to signing.

4. The Executive acknowledges and represents that he understands that he may revoke the waiver of his rights under the Age Discrimination In Employment Act of 1967, as amended, effectuated in this Agreement within 7 days of signing this Agreement. Revocation can be made by delivering a written notice of revocation to General Counsel, Employer Inc., 1515 Broadway, New York, New York 10036. For this revocation to be effective, written notice must be received by the General Counsel no later than the close of business on the seventh day after the Executive signs this Agreement. If the Executive revokes the waiver of his rights under the Age

Discrimination In Employment Act of 1967, as amended, Employer shall have no obligations to the Executive under paragraph 10(d) of the Employment Agreement.

5. The Executive and Employer respectively represent and acknowledge that in executing this Agreement neither of them is relying upon, and has not relied upon, any representation or statement not set forth herein made by any of the agents, representatives or attorneys of the Releasees with regard to the subject matter, basis or effect of this Agreement or otherwise.

6. This Agreement shall not in any way be construed as an admission by any of the Releasees that any Releasee has acted wrongfully or that the Executive has any rights whatsoever against any of the Releasees except as specifically set forth herein, and each of the Releasees specifically disclaims any liability to any party for any wrongful acts.

7. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under law. Should there be any conflict between any provision hereof and any present or future law, such law will prevail, but the provisions affected thereby will be curtailed and limited only to the extent necessary to bring them within the requirements of law, and the remaining provisions of this Agreement will remain in full force and effect and be fully valid and enforceable.

8. The Executive represents and agrees (a) that the Executive has to the extent he desires discussed all aspects of this Agreement with his attorney, (b) that the Executive has carefully read and fully understands all of the provisions of this Agreement, and (c) that the Executive is voluntarily entering into this Agreement.

9. This General Release shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the conflicts of laws principles thereof or to those of any other jurisdiction which, in either case, could cause the application of the laws of any jurisdiction other than the State of New York. This General Release is binding on the successors and assigns of, and sets forth the entire agreement between, the parties hereto; fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof; and may not be changed except by explicit written agreement to that effect subscribed by the parties hereto.

PLEASE READ CAREFULLY. THIS GENERAL RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

This General Release is executed by the Executive and Employer as of the ____ day of _____, 20__.

Philippe P. Dauman

VIACOM INC.

By:

Title:

B-4

The Section 409A Amendment

FORM EMPLOYMENT AGREEMENT AMENDMENT (I.R.C. §409A)

This Amendment Agreement modifies certain terms and conditions of your employment agreement with Viacom Inc. or one of its subsidiaries (your "Employment Agreement"). In this Amendment Agreement, we refer to the corporation or other entity that employs you as the "Company", and we refer to Viacom Inc. and its subsidiaries, collectively, as "Viacom".

1. Timing of Payments. If your Employment Agreement does not already provide a schedule for the payment of your salary that is in compliance with Section 409A of the Internal Revenue Code and the rules, regulations and guidance thereunder ("Section 409A"), your Employment Agreement is modified to provide that payments of salary, less deductions and income and payroll tax withholding as may be required or authorized under applicable law, shall be payable in accordance with the Company's normal payroll procedures for employees generally, but no less frequently than monthly. If your Employment Agreement provides for a payment to be made promptly or as soon as administratively practicable after or following the occurrence of a date or an event specified in the Employment Agreement, then the payment will be made not later than 90 days following the occurrence of the date or event.

2. Performance Shares Units. Shares delivered in settlement of the PSUs awarded to you pursuant to your Employment Agreement will be delivered not later than March 15 following the last year of the Measurement Period for the relevant PSU. No new terms and conditions that are approved by the Compensation Committee, in addition to those set forth in your Employment Agreement, will apply to PSUs awarded to you pursuant to your Employment Agreement to the extent they would affect the time or form of payment in respect of your PSUs in violation of any requirements of Section 409A that may be applicable thereto.

3. "Termination of Employment". To the extent that your Employment Agreement provides for any severance or other termination payment or any other benefits to be made or provided to you or your beneficiaries upon or as a result of your termination of employment, you will be considered to have experienced a termination of employment as of the date that the level of bona fide services that you are expected to perform permanently decreases to no more than 20% of the average level of bona fide services that you performed over the immediately preceding 36-month period (or the full period of services if you have been providing services less than 36 months).

For these purposes, your "services" include services that you provide as an employee or as an independent contractor. In addition, in determining whether you have experienced a termination of employment, the Company is obligated to take into account services you provide both for it and for any other corporation that is a member of the same "controlled group" of corporations as the Company under Section 414(b) of the Internal Revenue Code or any other trade or business (such as a partnership) which is under

common control with the Company as determined under Section 414(c) of the Internal Revenue Code, in each case as modified by Section 409A. In general, this means that the Company will consider services you provide to any corporation or other entity in which Viacom Inc., directly or indirectly, possesses at least 50% of the total voting power or at least 50% of the total value of the equity interests.

For the avoidance of doubt, nothing provided in this paragraph 3 shall supercede or otherwise modify the definition of "good reason" contained in your Employment Agreement.

4. Timing of post-termination payments and benefits. Unless otherwise specified herein, to the extent that your Employment Agreement does not already provide a schedule for the payments that is in compliance with Section 409A, any payments that are required to be made under your Employment Agreement following your termination of employment will be made at the same time and in the same manner as if you had not terminated employment. For example, any salary continuation will be paid on the schedule described in paragraph 1 of this Amendment Agreement, and any annual bonus or pro-rated annual bonus to which you are entitled under your Employment Agreement (whether for the year in which your termination of employment occurs or any subsequent year) will be paid in the year following the year in which the bonus is earned prior to March 15 or, if different, at the same time, or pursuant to the same schedule, as annual bonuses that the Company pays to continuing employees under the applicable annual bonus program. Please note that these timing rules apply following any termination of employment, including termination of employment incident to non-renewal of the Employment Agreement.

5. Release. This paragraph 5 applies if your Employment Agreement conditions payment of severance or any other payments, or provision of any benefits, following your termination of employment on your execution of a Release. For purposes of this paragraph 5, the "Release" refers to a release in a form attached to your Employment Agreement, or if no such release is so attached, to any other form of release in use by the Company at the time of your termination of employment. If your Employment Agreement contains such terms, then the Company shall not be required to continue making severance or other payments or providing benefits, unless, (i) if your Employment Agreement does not specify a deadline by which you must have executed the Release and it must have become irrevocable, by 60 days following your termination of employment or (ii) if your Employment Agreement specifies a deadline by which you must have executed the Release and it must have become irrevocable, by such deadline, you have executed the Release and delivered it to the Company, and the Release has become effective and irrevocable in its entirety. If the Company has ceased making severance or other payments or providing benefits pursuant to the preceding sentence and you subsequently execute the Release, and it becomes effective and irrevocable in its entirety, the Company may resume

making or providing such payments or benefits, but it will have no obligation to do so.

6. **Good Reason.** This paragraph 6 applies if your Employment Agreement contains a definition of "good reason," and is intended to ensure that "good reason" is triggered only upon a material negative change in your employment relationship with the Company. Accordingly, in order to terminate your employment with "good reason," you must provide the Company with a notice of termination specifying (x) the effective date of your termination and (y) the particular condition(s) that constitute "good reason" for such termination. The notice must be provided within thirty (30) calendar days of the initial existence of the condition(s) that are purported to constitute "good reason," or, if later, within thirty (30) calendar days after you become aware, or with reasonable diligence should have become aware, of the condition(s) that are purported to constitute "good reason," and must give the Company at least thirty (30) days prior written notice of your intent to terminate with "good reason," during which time the Company shall be given the opportunity to cure any basis for such "good reason"; provided, however, that there shall be no cure period with respect to events which by their nature cannot be cured. If no cure is timely effected (or if there is no cure period due to the nature of the event), then your termination with "good reason" shall be effective as of the date of termination you specified in the notice of termination. If a cure is timely effected, your resignation for "good reason" shall not be effective at that time. The foregoing notice and cure provision shall supersede the notice and cure provision in your Employment Agreement, if any.

7. **Death.** To the extent that your Employment Agreement provides for a lump-sum severance payment or other lump-sum payment to be made as a result of your death, such lump sum payment will be made no later than the 60th day following your death. This provision applies only to amounts which, under your Employment Agreement, are to be paid in a lump sum. Any payment or benefit which, under the terms of your Employment Agreement, is to be made following your death as a continuing stream of payments (such as salary continuation), and any payments of annual bonus or other incentive compensation to which your estate or beneficiary is entitled following your death and which are not included in any lump sum payment, shall be made to your estate or beneficiary at the same time and in the same manner as if you were still actively employed with the Company.

8. **Severance Plan Adjustment.** In the event that you are entitled to any election between severance options (e.g., a choice between amounts available under a severance plan and your severance entitlement under the Employment Agreement), then the amounts, but not the time or form of payment, of your severance entitlement under the Employment Agreement shall automatically be adjusted to equal whichever is the greater amount in the aggregate of such severance options. The time and form of payment shall continue as specified in the terms of your Employment Agreement. In no event, however, will any such adjustment alter the time or form of the payments to which you are entitled.

9. **No Offsets.** If your Employment Agreement gives the Company the right to reduce or otherwise offset against

amounts owed to you in order to satisfy any obligations you owe the Company, such provision is modified to provide that the Company shall not make any deductions for money or property that you owe to the Company from amounts that constitute deferred compensation for purposes of Section 409A, except for applicable withholding taxes on such amounts and otherwise only to the extent that such deduction would not cause any person to incur any tax, interest or penalties under Section 409A.

10. **Required Delay in Payment for Viacom's "Specified Employees".** In the event that, at the time of your termination of employment, you are a "specified employee," as determined by Viacom Inc., then to the extent that any amount or benefit owed to you under your Employment Agreement (x) constitutes an amount of deferred compensation for purposes of Section 409A and (y) is considered for purposes of Section 409A to be owed to you by virtue of your termination of employment, then such amount or benefit shall not be paid or provided during the six-month period following the date of your termination of employment and instead shall be paid or provided on the first day of the seventh month following your date of termination of employment, except to the extent that, in Viacom's reasonable judgment, payment during such six-month period would not cause any person to incur additional tax, interest or penalties under Section 409A. Delay in payment or provision of benefits during the six months following your termination of employment is referred to as the "Six-Month Delay".

It is noted that to the extent that your Employment Agreement provides for payments or benefits to be provided solely upon your "involuntary" termination of employment (as determined under Section 409A), the Six-Month Delay will not apply to the extent that such payments and benefits, in the aggregate, do not exceed an amount equal to the lesser of:

(x) two times your "annualized compensation" as determined in accordance with Section 409A (in general, this amount is your annual rate of pay for the year preceding the year in which your employment terminates, adjusted for any increases during the year your employment terminates that were expected to continue indefinitely); and

(y) two times the applicable annual compensation limit under Section 401(a)(17) of the Internal Revenue Code for the year in which your termination occurs (for 2008, this amount is two times \$230,000, or \$460,000).

To minimize the risk that the Six-Month Delay will disrupt your coverage under any medical, dental and life insurance coverage to which you are entitled following your termination of employment, payments described in the preceding sentence that are made during the six months following your termination of employment shall first be applied to cover any costs relating to such continued medical, dental and life insurance coverage that otherwise would constitute deferred compensation for purposes of Section 409A, and thereafter shall be made in respect of other amounts or benefits owed to you.

11. Designation of Separate Payments. If, under any provision of your Employment Agreement, you become entitled to be paid salary continuation, then each payment of salary during the relevant continuation period shall be considered, and is hereby designated as, a separate payment for purposes of Section 409A (and consequently your entitlement to such salary continuation shall not be considered an entitlement to a single payment of the aggregate amount to be paid during the relevant salary continuation period).

12. Reimbursements. If your Employment Agreement provides for reimbursements that constitute deferred compensation for purposes of Section 409A, in no event shall the reimbursements be paid later than the last day of the calendar year following the year in which the related expense was incurred. Reimbursements of attorneys' fees and other costs and expenses of disputes under your Employment Agreement that are deferred compensation for purposes of Section 409A must be paid no later than the last day of the year following the year in which there is a settlement or other final and nonappealable resolution of the dispute.

13. Excise Taxes. Any payment to reimburse you for excise taxes required to be paid by Viacom pursuant to your Employment Agreement and any "gross-up" for the payment of the excise taxes shall be paid no later than the end of the calendar year following the year in which the taxes are paid. Any reimbursement of expenses incurred due to a tax audit or litigation asserting liability for such excise taxes shall be made no later than the end of the year following the year in which the disputed taxes are paid or in which there is a final and non-

appealable resolution as a result of which no taxes are paid. Any reduction of the payments and benefits under your Employment Agreement to avoid imposition of such excise taxes shall be applied first to the severance and bonus payments and next the other payments and benefits (other than medical, dental or life insurance coverage and reimbursements of expenses) under your Employment Agreement and, in each case, shall be applied *pro rata* across such payments and benefits in proportion to the amounts on which such excise taxes would otherwise be imposed.

14. Further Amendments. The Company may, without your consent, amend any provision of your Employment Agreement to the extent that, in the reasonable judgment of the Company, such amendment is necessary or advisable to avoid your becoming subject to federal income tax on any amount or benefit under your Employment Agreement before such amount is actually paid or such benefit is actually provided, to avoid the imposition on any person of any additional tax, interest or penalties pursuant to Section 409A. Any such amendment shall maintain and protect, to the maximum extent practicable, the original intent and economic benefit to you of the applicable provision. Except in the case of any amendment made without your written consent, Viacom shall not have any obligation to indemnify you or hold you (or any beneficiary) harmless from any or all of such taxes or penalties.

Except as otherwise provided herein, your Employment Agreement shall continue in full force and effect in accordance with its terms.

As of November 27, 2014

Wade Davis
c/o Viacom Inc.
1515 Broadway
New York, NY 10036

Dear Mr. Davis:

Viacom Inc. (the "Company") agrees to employ you, and you accept such employment, on the terms and conditions set forth in this letter agreement ("Agreement"). For purposes of this Agreement, "Viacom" shall mean Viacom Inc. and its subsidiaries.

1. Contract Period. The term of your employment under this Agreement shall be effective as of November 27, 2014 (the "Effective Date") and, unless terminated earlier as set forth herein, shall continue through and including November 26, 2018. The period from the Effective Date through November 26, 2018 is referred to as the "Contract Period", even if your employment terminates earlier for any reason.

2. Duties. You shall be Executive Vice President, Chief Financial Officer of the Company, and you shall perform all duties reasonable and consistent with such office as may be assigned to you from time to time by the Company's Chief Operating Officer ("COO"), or other individual designated by the Company's Chief Executive Officer ("CEO"); provided, however, that, without your consent, you shall not be required to report directly to any employee other than the COO or CEO. You shall devote your entire business time, attention and energies to the business of the Company during your employment with the Company, except with the Company's prior written consent. You shall be responsible for all financial affairs of the Company, including accounting, treasury and tax matters, as well as media technology services and corporate development and strategy.

3. Compensation.

(a) Salary. The Company shall pay you base salary (as may be increased, "Salary") at a rate of One Million Three Hundred Fifty Thousand Dollars (\$1,350,000) per year for all of your services as an employee. Your Salary shall be subject to merit reviews, on or about an annual basis, while actively employed during the Contract Period and may, at that time, be increased but not decreased. Your Salary, less deductions and income and payroll tax withholding as may be required under applicable law, shall be payable in accordance with the Company's ordinary payroll policy, but no less frequently than monthly.

(b) Bonus. You also shall be eligible to earn a bonus ("Bonus") or a Pro-Rated Bonus (as defined in paragraph 19(e)(ii)), as applicable, determined as set forth below and in paragraph 19(e)(ii).

- (i) Your Bonus for each Company fiscal year, regardless of whether such fiscal year is a 12-month period or a shorter period of time, shall be determined in accordance with the Viacom Inc. Senior Executive Short-Term Incentive Plan, as applicable, as it may be amended from time to time (the "STIP").
- (ii) Your target Bonus for each Company fiscal year during the Contract Period shall be Two Million Dollars (\$2,000,000) (your "Target Bonus") and shall be adjusted based on the Company's performance (the "Company Performance Factor") and your individual performance (the "Individual Performance Factor"), in each case as determined by the Company and as further provided in the STIP.

(c) Long-Term Incentive Compensation. During your employment under this Agreement, you shall be eligible to participate in the Viacom Inc. 2006 Long-Term Management Incentive Plan, or any successor plan, at a level appropriate to your position and individual performance as determined by the Viacom Inc. Board of Directors (the "Board") or a committee of the Board, in its discretion based on a target value of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000).

(d) Compensation During Short-Term Disability. Your compensation for any period that you are absent due to a short-term disability ("STD") and are receiving compensation under a Viacom STD plan shall be determined in accordance with the terms of such STD plan. The compensation provided to you under the applicable STD plan shall be in lieu of the Salary provided under this Agreement. Your participation in any other Viacom benefit plans or programs shall be governed by the terms of the applicable plan or program documents, award agreements and certificates.

4. Benefits.

(a) General Benefits. During your employment under this Agreement, you shall be eligible to participate in any vacation programs, medical and dental plans and life insurance plans, STD and long-term disability ("LTD") plans, retirement and other employee benefit plans the Company may have, establish or maintain from time to time and for which you qualify pursuant to the terms of the applicable plan.

(b) Life Insurance. The Company shall provide you with no less than Five Million Dollars (\$5,000,000) of life insurance coverage during the Contract Period.

5. Business Expenses. During your employment under this Agreement, the Company shall reimburse you for such reasonable travel and other expenses, incurred in the performance of your duties in accordance with the Company's policies, as are customarily reimbursed to Company executives at comparable levels.

6. Non-Competition and Non-Solicitation.

(a) Non-Competition.

- (i) Your employment with the Company is on an exclusive and full-time basis, and while you are employed by the Company, you shall not engage in any other business activity which is in conflict with your duties and obligations (including your commitment of time) to the Company. During the Non-Competition Period, you shall not directly or indirectly engage in or participate as an owner, partner, holder or beneficiary of stock, stock options or other equity interest, officer, employee, director, manager, partner or agent of, or consultant for, any business competitive with any business of Viacom without the prior written consent of the Company. This provision shall not limit your right to own and have options or other rights to purchase not more than one percent (1%) of any of the debt or equity securities of any business organization that is then filing reports with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, unless such ownership constitutes a significant portion of your net worth.

- (ii) The “Non-Competition Period” begins on the Effective Date and ends on the last day of the Contract Period, provided that:
 - 1. If the Company terminates your employment without Cause or if you validly resign for Good Reason before the end of the Contract Period, then the Non-Competition Period shall end on the earlier of (i) the end of the period in which you are receiving payments pursuant to paragraph 11(c)(i) or (ii) the effective date of your waiver in writing of any right to receive or continue to receive compensation and benefits under paragraph 11. You shall be deemed to have irrevocably provided such waiver if you accept competing employment.
 - 2. If the Company terminates your employment for Cause or you resign other than for Good Reason, the Non-Competition Period shall end on the earlier of (i) the last day of the Contract Period or (ii) eighteen (18) months after such termination or resignation.

(b) Non-Solicitation.

- (i) During the Non-Solicitation Period, you shall not directly or indirectly engage or attempt to engage in any of the following acts:
 - 1. Employ or solicit the employment of any person who is then, or has been within six (6) months prior thereto, an employee of Viacom; or
 - 2. Interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of Viacom with any customer, supplier, independent contractor, consultant, joint venture or other business partner (to the extent each of the limitations in this paragraph 6(b)(i)(2) is permitted by applicable law).
- (ii) The “Non-Solicitation Period” begins on the Effective Date and ends on the last day of the Contract Period, or, if longer, eighteen (18) months after the Company terminates your employment for Cause or you resign other than for Good Reason.

(c) Severability. If any court determines that any portion of this Section 6 is invalid or unenforceable, the remainder of this Section 6 shall not thereby be affected and shall be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 6, or any part thereof, to be unreasonable because of the duration or scope of such provision, such court shall have the power to reduce the duration or scope of such provision and to enforce such provision as so reduced.

7. Confidentiality and Other Obligations.

(a) Confidential Information. You shall not use for any purpose or disclose to any third party any information relating to Viacom, Viacom’s clients or other parties with which Viacom has a relationship, or that may provide Viacom with a competitive advantage (“Confidential Information”), other than (i) in the performance of your duties under this Agreement consistent with the Company’s or Viacom’s policies or (ii) as may otherwise be required by law or legal process. Confidential Information

shall include, without limitation, trade secrets; inventions (whether or not patentable); technology and business processes; business, product or marketing plans; negotiating strategies; sales and other forecasts; financial information; client lists or other intellectual property; information relating to compensation and benefits; public information that becomes proprietary as a result of Viacom's compilation of that information for use in its business; documents (including any electronic record, videotapes or audiotapes) and oral communications incorporating Confidential Information. You shall also comply with any and all confidentiality obligations of Viacom to a third party of which you are aware, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information if it is or becomes generally available to the public other than as a result of an unauthorized disclosure or action by you or at your direction.

(b) Interviews, Speeches or Writings About Viacom. Except in the performance of your duties under this Agreement consistent with Viacom's policies, you shall obtain the express authorization of the Company before (i) giving any speeches or interviews or (ii) preparing or assisting any person or entity in the preparation of any books, articles, radio broadcasts, electronic communications, television or motion picture productions or other creations, in either case concerning Viacom or any of its respective businesses, officers, directors, agents, employees, suppliers or customers.

(c) Non-Disparagement. You shall not, directly or indirectly, in any communications with any reporter, author, producer or any similar person or entity, the press or other media, or any customer, client or supplier of Viacom, criticize, ridicule or make any statement which is negative, disparages or is derogatory of Viacom or any of its directors or senior officers.

(d) Scope and Duration. The provisions of paragraph 7(a) shall be in effect during the Contract Period and at all times thereafter. The provisions of paragraphs 7(b) and 7(c) shall be in effect during the Contract Period and for one (1) year thereafter and such provisions shall apply to all formats and platforms now known or hereafter developed, whether written, printed, oral or electronic, including, without limitation, e-mails, "blogs", internet sites, chat or news rooms, podcasts or any online forum.

8. Viacom Property.

(a) Viacom Ownership.

- (i) The results and proceeds of your services to the Company, whether or not created during the Contract Period, including, without limitation, any works of authorship resulting from your services and any works in progress resulting from such services, shall be works-made-for-hire and Viacom shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, with the right to use, license or dispose of the works in perpetuity in any manner Viacom determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered.
- (ii) If, for any reason, any of the results and proceeds of your services to the Company are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to Viacom under this paragraph 8(a), then you hereby irrevocably assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, and Viacom shall have the sole right to use, license or dispose of the work in

perpetuity throughout the universe in any manner Viacom determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered.

- (iii) Upon request by the Company, whether or not during the Contract Period, you shall do any and all things which the Company may deem useful or desirable to establish or document Viacom's rights in the results and proceeds of your services to the Company, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents. You hereby irrevocably designate the General Counsel, Secretary or any Assistant Secretary of Viacom Inc. as your attorney-in-fact with the power to take such action and execute such documents on your behalf. To the extent you have any rights in such results and proceeds that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights.
- (iv) The provisions of this paragraph 8(a) do not limit, restrict, or constitute a waiver by Viacom of any ownership rights to which Viacom may be entitled by operation of law by virtue of being your employer.
- (v) You and the Company acknowledge and understand that the provisions of this paragraph 8 requiring assignment of inventions to Viacom do not apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870, to the extent that such provision applies to you. You agree to advise the Company promptly in writing of any inventions that you believe meet the criteria in California Labor Code Section 2870.

(b) Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with the Company shall remain the exclusive property of Viacom and shall remain in Viacom's exclusive possession at the conclusion of your employment.

9. Legal Matters.

(a) Communication. Except as required by law or legal process or at the request of the Company, you shall not communicate with anyone (other than your attorneys who agree to keep such matters confidential), except to the extent necessary in the performance of your duties under this Agreement in accordance with Viacom Inc.'s policies, with respect to the facts or subject matter of any claim, litigation, regulatory or administrative proceeding directly or indirectly involving Viacom ("Viacom Legal Matter") without obtaining the prior consent of Viacom Inc. or its counsel.

(b) Cooperation. You agree to cooperate with Viacom and its attorneys in connection with any Viacom Legal Matter. Your cooperation shall include, without limitation, providing assistance to and meeting with Viacom's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is requested after the termination of your employment, Viacom shall (i) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (ii) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.

(c) Testimony. Except as required by law or legal process or at the request of Viacom Inc., you shall not testify in any lawsuit or other proceeding which directly or indirectly involves Viacom, or which is reasonably likely to create the impression that such testimony is endorsed or approved by Viacom.

(d) Notice to Viacom. If you are requested or if you receive legal process requiring you to provide testimony, information or documents (including electronic documents) in any Viacom Legal Matter or that otherwise relates, directly or indirectly, to Viacom or any of its officers, directors, employees or affiliates, you shall give prompt notice of such event to Viacom Inc.'s General Counsel and you shall follow any lawful direction of Viacom Inc.'s General Counsel or his/her designee with respect to your response to such request or legal process.

(e) Adverse Party. The provisions of this paragraph 9 shall not apply to any litigation or other proceeding in which you are a party adverse to Viacom; provided, however, that Viacom expressly reserves its rights under paragraph 7 and its attorney-client and other privileges and immunities, including, without limitation, with respect to its documents and Confidential Information, except if expressly waived in writing by Viacom Inc.'s General Counsel or his/her designee.

(f) Duration. The provisions of this paragraph 9 shall apply during the Contract Period and at all times thereafter, and shall survive the termination of your employment with the Company, with respect to any Viacom Legal Matter arising out of or relating to the business in which you were engaged during your employment with the Company. As to all other Viacom Legal Matters, the provisions of this paragraph 9 shall apply during the Contract Period and for one year thereafter or, if longer, during the pendency of any Viacom Legal Matter which was commenced, or which Viacom received notice of, during such period.

10. Termination for Cause.

(a) Termination Payments. The Company may terminate your employment under this Agreement for Cause and thereafter shall have no further obligations to you under this Agreement or otherwise, except for any earned but unpaid Salary through and including the date of termination of employment and any other amounts or benefits required to be paid or provided by law or under any plan of the Company (the "Accrued Compensation and Benefits"). Without limiting the generality of the preceding sentence, upon termination of your employment for Cause, you shall have no further right to any Bonus or to exercise or redeem any stock options or other equity compensation.

(b) Cause Definition. "Cause" shall mean: (i) conduct constituting embezzlement, material misappropriation or fraud, whether or not related to your employment with the Company; (ii) conduct constituting a felony, whether or not related to your employment with the Company; (iii) conduct constituting a financial crime, material act of dishonesty or material unethical business conduct, involving Viacom; (iv) willful unauthorized disclosure or use of Confidential Information; (v) the failure to substantially obey a material lawful directive that is appropriate to your position from a superior in your reporting line or the Board; (vi) your material breach of any material obligation under this Agreement; (vii) the failure or refusal to substantially perform your material obligations under this Agreement (other than any such failure or refusal resulting from your STD or LTD); (viii) 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, after being instructed by Viacom to cooperate; (ix) the willful destruction of or willful failure to preserve documents or other material known to be relevant to any investigation referred to in subparagraph (viii) above; or (x) the willful inducement

of others to engage in the conduct described in subparagraphs (i) through (ix), including, without limitation, with regard to subparagraph (vi), obligations of others to Viacom.

(c) Notice/Cure. The Company shall give you written notice prior to terminating your employment for Cause or, if no cure period is applicable, contemporaneous with termination of your employment for Cause, setting forth in reasonable detail the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure such breach, failure or refusal. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have ten (10) business days from the giving of such notice within which to cure; provided, however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of your employment without notice and with immediate effect.

11. Resignation for Good Reason and Termination Without Cause.

(a) Resignation for Good Reason.

- (i) You may resign for Good Reason at any time that you are actively employed during the Contract Period by written notice to the Company no more than thirty (30) days after the occurrence of the event constituting Good Reason. Such notice shall state the grounds for such Good Reason resignation and an effective date no earlier than thirty (30) business days after the date it is given. The Company shall have thirty (30) business days from the giving of such notice within which to cure and, in the event of such cure, your notice shall be of no further force or effect.
- (ii) “Good Reason” shall mean without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with your death or LTD): (i) the assignment to you of duties or responsibilities substantially inconsistent with your position(s) or duties; (ii) the withdrawal of material portions of your duties; or (iii) the material breach by the Company of any material obligation under this Agreement.

(b) Termination Without Cause. The Company may terminate your employment under this Agreement without Cause at any time during the Contract Period by written notice to you.

(c) Termination Payments/Benefits. In the event that your employment terminates under paragraph 11(a) or (b), you shall thereafter receive the compensation and benefits described below and the following shall apply:

- (i) The Company shall continue to pay your Salary (at the rate in effect on the date of termination) at the same time and in the same manner as if you had not terminated employment for the longer of one (1) year or until the end of the Contract Period;
- (ii) You shall be eligible to receive a Bonus or Pro-Rated Bonus, as applicable, for each Company fiscal year or portion thereof during the Contract Period, calculated as provided in paragraph 19(e)(iii), provided that the total severance payment you receive pursuant to paragraphs 11(c)(i) and (ii) shall in no event

exceed two times the sum of your Salary and Target Bonus in the year in which such termination occurs;

- (iii) Provided you validly elect continuation of your medical and dental coverage under Section 4980B(f) of the Internal Revenue Code of 1986 (the "Code") (relating to coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA")), your coverage and participation under the Company's medical and dental benefit plans and programs in which you were participating immediately prior to your termination of employment pursuant to this paragraph 11, shall continue at no cost to you (except as set forth below) until the earlier of (i) the end of the Contract Period, but in no event less than twelve (12) months after the termination of your employment, or (ii) the date on which you become eligible for medical and/or dental coverage from another employer; provided, that, during the period that the Company provides you with this coverage, an amount equal to the total applicable COBRA cost (or such other amounts as may be required by law) will be included in your income for tax purposes and the Company may withhold taxes from your termination payments for this purpose; and provided, further, that you may elect to continue your medical and dental coverage under COBRA at your own expense for the balance, if any, of the period required by law;
- (iv) The Company shall continue to provide you with \$5 million life insurance coverage, at no premium cost to you (unless you had no coverage at the time of termination), until the end of the Contract Period or, if longer, the end of the period in which you are receiving payments pursuant to paragraph 11(c)(i), in accordance with the Company's then-current policy, as may be amended from time to time. Such coverage shall end in the event you are eligible to obtain life insurance coverage from another employer;
- (v) All stock options granted to you under any Viacom Inc. long-term incentive plan that have not vested as of the date of your termination of employment, but that would have vested on or before the end of the Contract Period, shall become fully vested on the date of termination;
- (vi) All restricted share units granted to you under any Viacom Inc. long-term incentive plan that have not vested as of the date of your termination of employment, but that would have vested on or before the end of the Contract Period, shall become fully vested on the date of termination;
- (vii) There shall be no acceleration of the vesting of any equity or long-term incentive awards granted to you under any Viacom Inc. long-term incentive plan, unless otherwise provided herein or under the terms of the applicable long-term incentive plan; and
- (viii) The Company shall pay or continue to provide, as applicable, the Accrued Compensation and Benefits.

(d) Release. Your entitlement to the payments and benefits described in this paragraph 11 is conditioned on your execution and delivery to the Company, within sixty (60) days after your termination of employment (the "Release Deadline"), of a release in substantially the form appended hereto as

Appendix A that remains in effect and becomes irrevocable after the expiration of any statutory period in which you are permitted to revoke a release (the "Release"). If you fail to execute and deliver the Release by the Release Deadline, or if you thereafter effectively revoke the Release, the Company shall be under no obligation to make any further payments or provide any further benefits to you and any payments and benefits previously provided to you pursuant to this paragraph 11 shall not have been earned. In such event, you shall promptly repay the Company any payments made and the Company's direct cost for any benefits provided to you pursuant to this paragraph 11. The limitations of this paragraph shall not apply to the Accrued Compensation and Benefits.

(e) Offset. The amount of payments provided in paragraph 11 in respect of the period that begins twelve (12) months after the termination of your employment shall be reduced by any compensation for services earned by you (including as an independent consultant or independent contractor) from any source in respect of the period that begins twelve (12) months after the termination of your employment and ends when the Company is no longer required to make payments pursuant to paragraph 11 (the "Offset Period"), including, without limitation, salary, sign-on or annual bonus, consulting fees, commission payments and any amounts the payment of which is deferred at your election, or with your consent, until after the expiration of the Offset Period; provided that, if the Company in its reasonable discretion determines that any grant of long-term compensation is made in substitution of the aforementioned payments, such payments shall be further reduced by the value on the date of grant, as reasonably determined by the Company, of such long-term compensation you receive. You agree to promptly notify the Company of any arrangements during the Offset Period in which you earn compensation for services and to cooperate fully with the Company in determining the amount of any such reduction.

12. Resignation in Breach of the Agreement. If you resign prior to the expiration of the Contract Period other than for Good Reason, such resignation is a material breach of this Agreement and, without limitation of other rights or remedies available to the Company, the Company shall have no further obligations to you under this Agreement or otherwise, except to make termination payments provided in paragraph 10(a).

13. Termination Due to Death.

(a) Death While Employed. In the event of your death prior to the end of the Contract Period while actively employed with the Company, this Agreement shall automatically terminate. Thereafter, your designated beneficiary (or, if there is no such beneficiary, your estate) shall receive (i) any Accrued Compensation and Benefits as of the date of your death and (ii) for the year in which death occurs, any Bonus or Pro-Rated Bonus, as applicable, which you would have been eligible to receive, calculated in accordance with paragraph 19(e)(iii). In no event shall a distribution be made pursuant to clause (i) in the preceding sentence later than the 60th day following your death and a distribution pursuant to clause (ii) in the preceding sentence shall be made at the same time and in the same manner as if you were still actively employed with the Company.

(b) Death After the End of Employment. In the event of your death while you are entitled to receive compensation or benefits under paragraphs 11 or 15, in lieu of such payments your designated beneficiary (or, if there is no such beneficiary, your estate) shall receive, to the extent not previously paid to you, (i) continuation of Salary pursuant to the applicable paragraph through the date of death; (ii) if you were entitled to receive compensation or benefits under paragraph 11, for the year in which death occurs, any Bonus or Pro-Rated Bonus, as applicable, for the year in which death occurs, payable under such paragraph, calculated in accordance with paragraph 19(e)(iii); and (iii) any Accrued Compensation and Benefits. In no event shall a distribution be made pursuant to clauses (i) and (iii) in the preceding

sentence later than the 60th day following your death and a distribution pursuant to clause (ii) in the preceding sentence shall be made at the same time and in the same manner as if you were still actively employed with the Company.

14. Long-Term Disability. In the event you are absent due to a LTD and you are receiving compensation under a Viacom LTD plan, then, effective on the date you begin receiving compensation under such plan, (i) this Agreement shall terminate without any further action required by the Company, (ii) you shall be considered an “at-will” employee of the Company, and (iii) you shall have no guarantee of specific future employment nor continuing employment generally when your receipt of compensation under a Viacom LTD plan ends, except as required by applicable law. In the event of such termination of this Agreement, you shall receive (i) any Accrued Compensation and Benefits and (ii) for the year in which such termination occurs, any Bonus or Pro-Rated Bonus, as applicable, which you would have been entitled to receive, calculated in accordance with paragraph 19(e)(iii). Except as set forth in the previous sentence, the compensation provided to you under the applicable LTD plan shall be in lieu of any compensation from the Company (including, but not limited to, the Salary provided under this Agreement or otherwise). Your participation in any other Viacom benefit plans or programs shall be governed by the terms of the applicable plan or program documents, award agreements and certificates.

15. Non-Renewal. If the Company does not extend or renew this Agreement at the end of the Contract Period and you have not entered into a new contractual relationship with the Company or Viacom, your continuing employment, if any, with the Company or Viacom shall be “at-will” and may be terminated at any time by either party. If the Company or Viacom terminates your employment during the twelve (12) month period commencing with the last day of the Contract Period while you are an employee at-will, the Company shall continue to pay your Salary (at the rate in effect on the date of termination) at the same time and in the same manner as if you had not terminated employment for the balance, if any, of such twelve (12) month period; provided, however, that (i) you shall not be entitled to such Salary continuation if the Company terminates your employment for reasons constituting Cause and (ii) any such Salary continuation shall be subject to offset as set forth in paragraph 11(e) above, without giving effect to the twelve (12) month period referenced therein.

16. Severance Plan Adjustment. In the event that your employment with the Company terminates pursuant to paragraph 11 or 15, and, at the time of your termination of employment there is in effect a Viacom severance plan (a “Severance Plan”) for which you would have been eligible to participate but for your having entered into this Agreement or being a Specified Employee and which provides for severance compensation that is greater than the amounts to which you are entitled under paragraphs 11(c)(i) and 11(c)(ii) or paragraph 15, then the amounts, but not the time or form of payment, of your severance compensation under this Agreement shall automatically be increased to equal those that would have been provided to you under the Severance Plan. For the avoidance of doubt, any payment entitlement pursuant to this paragraph 16 is in lieu of, and not in addition to, any severance compensation to which you may otherwise be entitled under this Agreement. Notwithstanding any adjustment to the amount of your entitlements pursuant to this paragraph 16, all other provisions of this Agreement shall remain in effect, including, without limitation, paragraphs 6, 7, 8 and 9.

17. Further Events on Termination of Employment.

(a) Termination of Benefits. Except as otherwise expressly provided in this Agreement, your participation in all Viacom benefit plans and programs (including, without limitation, medical and dental coverage, life insurance coverage, vacation accrual, all retirement and the related excess plans, STD and LTD plans and accidental death and dismemberment and business travel and accident insurance and your

rights with respect to any outstanding equity compensation awards) shall be governed by the terms of the applicable plan and program documents, award agreements and certificates.

(b) Resignation from Official Positions. If your employment with the Company terminates for any reason, you shall be deemed to have resigned at that time from any and all officer or director positions that you may have held with the Company or Viacom and all board seats or other positions in other entities to which you have been designated by the Company or Viacom or which you have held on behalf of the Company or Viacom. If, for any reason, this paragraph 17(b) is deemed insufficient to effectuate such resignation, you hereby authorize the Secretary and any Assistant Secretary of Viacom Inc. to execute any documents or instruments which Viacom Inc. may deem necessary or desirable to effectuate such resignation or resignations, and to act as your attorney-in fact.

18. Survival; Remedies.

(a) Survival. Your obligations under paragraphs 6, 7, 8 and 9 shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment for any reason or the expiration of the Contract Period.

(b) Modification of Terms. You and the Company acknowledge and agree that the restrictions and remedies contained in paragraphs 6, 7, 8 and 9 are reasonable and that it is your intention and the intention of the Company that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable, but would be enforceable if some part were deleted or modified, then such restriction or remedy shall apply with the deletion or modification necessary to make it enforceable and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

(c) Injunctive Relief. The Company has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You acknowledge and agree that any violation of paragraphs 6, 7, 8 and 9 shall result in irreparable damage to the Company, and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company. To the extent permitted by applicable law, you hereby waive any right to the posting of a bond in connection with any injunction or other equitable relief sought by the Company and you agree not to seek such relief in your opposition to any application for relief the Company shall make.

(d) Other Remedies. In the event that you materially violate the provisions of paragraphs 6, 7, 8 or 9 at any time during the Non-Competition Period or any period in which the Company is making payments to you pursuant to this Agreement, (i) any outstanding stock options or other undistributed equity awards granted to you by the Company shall immediately be forfeited, whether vested or unvested; and (ii) the Company's obligation to make any further payments or to provide benefits (other than Accrued Compensation and Benefits) to you pursuant to this Agreement shall terminate. The Company shall give you written notice prior to commencing any remedy under this paragraph 18(d) or, if no cure period is applicable, contemporaneous with such commencement, setting forth the nature of any alleged violation in reasonable detail and the conduct required to cure such violation. Except for a violation which, by its nature, cannot reasonably be expected to be cured, you shall have ten (10) business days from the giving of such notice within which to cure; provided, however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances, which may include commencement of a remedy without notice and with immediate effect. The remedies under this

paragraph 18 are in addition to any other remedies the Company may have against you, including under this Agreement or any other agreement, under any equity or other incentive or compensation plan or under applicable law.

19. General Provisions.

(a) Deductions and Withholdings. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy the Company may have, to deduct from any monies that are otherwise payable to you and that do not constitute deferred compensation within the meaning of Section 409A of the Code, the regulations promulgated thereunder or any related guidance issued by the U.S. Treasury Department (“Section 409A”) all monies and the replacement value of any property you may owe to the Company at the time of or subsequent to the termination of your employment with the Company. The Company shall not make any such deduction from any amount that constitutes deferred compensation for purposes of Section 409A. To the extent any law requires an employee’s consent to the offset provided in this paragraph and permits such consent to be obtained in advance, this Agreement shall be deemed to provide the required consent. Except as otherwise expressly provided in this Agreement or in any Company benefit plan, all amounts payable under this Agreement shall be paid in accordance with the Company’s ordinary payroll practices less deductions and income and payroll tax withholding as may be required under applicable law. Any property (including shares of Viacom Inc. Class B Common Stock), benefits and perquisites provided to you under this Agreement, including, without limitation, COBRA payments made on your behalf, shall be taxable to you as provided by law.

(b) Cash and Equity Awards Modifications. Notwithstanding any other provisions of this Agreement to the contrary, the Company reserves the right to modify or amend unilaterally the terms and conditions of your cash compensation, stock option awards or other equity awards, without first asking your consent, to the extent that the Company considers such modification or amendment necessary or advisable to comply with any law, regulation, ruling, judicial decision, accounting standard, regulatory guidance or other legal requirement (the “Legal Requirement”) applicable to such cash compensation, stock option awards or other equity awards, provided that, except where necessary to comply with law, such amendment does not have a material adverse effect on the value of such compensation award to you. In addition, the Company may, without your consent, amend or modify your cash compensation, stock option awards or other equity awards in any manner that the Company considers necessary or advisable to ensure that such cash compensation, stock option awards or other equity awards are not subject to United States federal income tax, state or local income tax or any equivalent taxes in territories outside the United States prior to payment, exercise, vesting or settlement, as applicable, or any tax, interest or penalties pursuant to Section 409A.

(c) Section 409A Provisions.

- (i) The Company may, without your consent, amend any provision of this Agreement to the extent that, in the reasonable judgment of the Company, such amendment is necessary or advisable to avoid the imposition on you of any tax, interest or penalties pursuant to Section 409A or otherwise to make this Agreement enforceable. Any such amendment shall maintain, to the maximum extent practicable, the original intent and economic benefit to you of the applicable provision.
- (ii) It is the intention and understanding of the parties that all amounts and benefits to which you become entitled under this Agreement will be paid or provided to you

pursuant to a fixed schedule within the meaning of Section 409A. Notwithstanding such intention and understanding, in the event that you are a specified employee as determined by Viacom Inc. (a "Specified Employee") at the time of your Separation from Service (as defined below), then to the extent that any amount or benefit owed to you under this Agreement (x) constitutes an amount of deferred compensation for purposes of Section 409A and (y) is considered for purposes of Section 409A to be owed to you by virtue of your Separation from Service, then such amount or benefit shall not be paid or provided during the six (6) month period following the date of your Separation from Service and instead shall be paid or provided on the first day of the seventh month following your date of Separation from Service; *provided, however*, that such delay shall apply only to the extent that such payments and benefits, in the aggregate, exceed the lesser of an amount equal to (x) two (2) times your annualized compensation (as determined under the Code Section 409A regulations) and (y) two (2) times the applicable Code Section 401(a)(17) annual compensation limit for the year in which your termination occurs; *provided, further*, that any payments made during such six (6) month period shall first be made to cover all costs relating to medical, dental and life insurance coverage to which you are entitled under this Agreement and thereafter shall be made in respect of other amounts or benefits owed to you.

- (iii) As used herein, "Separation from Service" shall mean either (i) the termination of your employment with the Company and its affiliates, provided that such termination of employment meets the requirements of a separation of service determined using the default provisions set forth in Treasury Regulation §1.409A-(1)(h) or the successor provision thereto or (ii) such other date that constitutes a separation from service with the Company and its affiliates meeting the requirements of the default provisions set forth in Treasury Regulation §1.409A-(1)(h) or the successor provision thereto. For purposes of this definition, "affiliate" means any corporation that is in the same controlled group of corporations (within the meaning of Code Section 414(b)) as the Company and any trade or business that is under common control with the Company (within the meaning of Code Section 414(c)), determined in accordance with the default provision set forth in Treasury Regulation §1.409A-(1)(h)(3).
- (iv) If under any provision of this Agreement you become entitled to be paid Salary continuation, then each payment of Salary during the relevant continuation period shall be considered, and is hereby designated as, a separate payment for purposes of Section 409A (and consequently your entitlement to such Salary continuation shall not be considered an entitlement to a single payment of the aggregate amount to be paid during the relevant continuation period).

(d) No Duplicative Payments. The payments and benefits provided in this Agreement in respect to the termination of employment and non-renewal of this Agreement are in lieu of any other salary, bonus or benefits payable by the Company, including, without limitation, any severance or income continuation or protection under any Viacom plan that may now or hereafter exist. All such payments and benefits shall constitute liquidated damages, paid in full and final settlement of all obligations of Viacom to you under this Agreement.

(e) Payment of Bonus Compensation.

- (i) The Bonus for any Company fiscal year under this Agreement shall be paid by March 15th of the following year.
- (ii) Except as otherwise expressly provided in this Agreement, your Bonus shall be prorated (A) to apply only to that part of the Company's fiscal year which falls within the Contract Period and (B) to the extent the Company's fiscal year is less than a 12-month fiscal year (a "Pro-Rated Bonus"). Following expiration of the Contract Period, you shall receive a Pro-Rated Bonus for the period of the Company's fiscal year which falls within the Contract Period only (A) in the event that the Company terminates your employment without Cause prior to the date on which employees of the Company become entitled to Bonus under the STIP, (B) as provided in paragraph 11(c)(ii) or (C) as provided in the STIP.
- (iii) Any Bonus or Pro-Rated Bonus payable pursuant to paragraphs 11, 13 or 14 shall be paid at the lesser of (X) your Target Bonus amount or (Y) your Target Bonus amount, adjusted based on the Company Performance Factor for the relevant year.

(f) Parachute Payment Adjustments. Notwithstanding anything herein to the contrary, in the event that you receive any payments or distributions, whether payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that constitute "parachute payments" within the meaning of Section 280G of the Code, and the net after-tax amount of the parachute payment is less than the net after-tax amount if the aggregate payment to be made to you were three times your "base amount" (as defined in Section 280G(b)(3) of the Code) less \$1.00, then the aggregate of the amounts constituting the parachute payment shall be reduced to an amount that shall equal three times your base amount, less \$1.00. The determinations to be made with respect to this paragraph 19(f) shall be made by a certified public accounting firm designated by the Company and reasonably acceptable to you.

(g) Adjustments to Bonuses and Long-Term Incentive Compensation. Notwithstanding anything herein to the contrary, the Company shall be entitled to adjust the amount of any Bonus or any award of long-term incentive compensation if the financial statements of Viacom or the business unit on which the calculation or determination of the Bonus or award of long-term incentive compensation were based are subsequently restated and, in the judgment of the Company, the financial statements as so restated would have resulted in a smaller Bonus or long-term incentive compensation award if such information had been known at the time the Bonus or award had originally been calculated or determined. In addition, in the event of such a restatement: (i) the Company may require you, and you agree, to repay to the Company the amount by which the Bonus as originally calculated or determined exceeds the Bonus as adjusted pursuant to the preceding sentence; and (ii) the Company may cancel, without any payment therefor, the portion of any award of long-term incentive compensation that exceeds the award adjusted pursuant to the preceding sentence (or, if such portion of an award cannot be canceled because (x) in the case of stock options or other similar awards, you have previously exercised it, the Company may require you, and you agree, to repay to the Company the amount, net of any exercise price, that you realized upon exercise or (y) in the case of restricted share units or other similar awards, shares of Class B Common Stock were delivered to you in settlement of such award, the Company may require you, and you agree to return the shares of Class B Common Stock, or if such shares were sold by you, return any proceeds realized on the sale of such shares).

(h) Mediation. Prior to the commencement of any legal proceeding relating to your employment, you and the Company agree to attempt to mediate the dispute using a professional mediator from JAMS, The Resolution Experts ("JAMS") or the International Institute for Conflict Prevention and Resolution ("CPR"). Within a period of 30 days after a written request for mediation by either you or the Company, the parties agree to convene with the mediator, for at least one session to attempt to resolve the matter. In no event will mediation delay commencement of any legal proceeding for more than 30 days absent agreement of the parties or prevent a bona fide application by either party to a court of competent jurisdiction for emergency relief. The fees of the mediator and of the JAMS or CPR, as the case may be, shall be borne by the Company.

20. Additional Representations and Acknowledgments.

(a) No Acceptance of Payments. You represent that you have not accepted or given nor shall you accept or give, directly or indirectly, any money, services or other valuable consideration from or to anyone other than the Company or Viacom for the inclusion of any matter as part of any film, television, internet or other programming produced, distributed and/or developed by Viacom.

(b) Viacom Policies. You recognize that the Company is an equal opportunity employer. You agree that you shall comply with the Company's employment practices and policies, as they may be amended from time to time, and with all applicable federal, state and local laws prohibiting discrimination on any basis. In addition, you agree that you shall comply with the Viacom Business Practices Statement and Viacom's other policies and procedures, as they may be amended from time to time, and provide the certifications and conflict of interest disclosures required by the Viacom Business Practices Statement.

21. Notices. Notices under this Agreement must be given in writing, by personal delivery, regular mail or receipted email, at the parties' respective addresses shown on this Agreement (or any other address designated in writing by either party), with a copy, in the case of the Company, to the attention of Viacom Inc.'s General Counsel. Any notice given by regular mail shall be deemed to have been given three (3) days following such mailing.

22. Binding Effect; Assignment. This Agreement and rights and obligations of the Company hereunder shall not be assigned by the Company, provided that the Company may assign this Agreement to any subsidiary or affiliated company of or any successor in interest to the Company provided that such assignee assumes all of the obligations of the Company and Viacom hereunder. This Agreement is for the performance of personal services by you and may not be assigned by you, except that the rights specified in Section 13 shall pass upon your death to your designated beneficiary (or, if there is no such beneficiary, your estate).

23. **GOVERNING LAW AND FORUM**. You acknowledge that this agreement has been executed, in whole or in part, in New York. Accordingly, you agree that this Agreement and all matters or issues arising out of or relating to your employment with the Company shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely therein. Any action to enforce this Agreement shall be brought solely in the state or federal courts located in the City of New York, Borough of Manhattan.

24. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on the Company or you to renew this Agreement or any portion hereof or on the Company to establish or maintain any benefit, welfare or compensation plan or program or to prevent the modification or termination of any benefit, welfare or compensation plan or program or any action or inaction with respect to any such benefit, welfare or compensation plan or program. The parties intend to

be bound only upon full execution of a written agreement by both parties and no negotiation, exchange of draft, partial performance or tender of an agreement (including any extension or renewal of this Agreement) executed by one party shall be deemed to imply an agreement or the renewal or extension of any agreement relating to your employment with the Company. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Contract Period.

25. Severability. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, shall be inoperative.

26. Entire Understanding. This Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and, except as otherwise provided herein, can be **modified** only by a writing signed by both parties.

27. Supersedes Prior Agreements. With respect to the period covered by the Contract Period, this Agreement supersedes and cancels all prior agreements relating to your employment with Viacom.

Please confirm your understanding of the Agreement by signing and returning all four (4) copies of this Agreement. This document shall constitute a binding agreement between us only after it also has been executed by the Company and a fully executed copy has been returned to you.

Very truly yours,

VIACOM INC.

By: /s/ Thomas E. Dooley

Thomas E. Dooley
Chief Operating Officer

ACCEPTED AND AGREED:

/s/ Wade Davis

Wade Davis

Dated: 12/12/14

Wade Davis
Viacom Inc.
1515 Broadway
New York, NY 10036

This General Release of all Claims (this “Agreement”) is entered into by Wade Davis (the “Executive”) and Viacom Inc. (the “Company”), effective as of _____.

In consideration of the promises set forth in the letter agreement between the Executive and the Company, effective as of November 27, 2014 (the “Employment Agreement”), the Executive and the Company agree as follows:

1. Return of Property. All Company files, access keys and codes, desk keys, ID badges, computers, records, manuals, electronic devices, computer programs, papers, electronically stored information or documents, telephones and credit cards, and any other property of the Company in the Executive’s possession must be returned no later than the date of the Executive’s termination from the Company.

2. General Release and Waiver of Claims.

(a) Release. In consideration of the payments and benefits provided to the Executive under the Employment Agreement and after consultation with counsel, the Executive and each of the Executive’s respective heirs, executors, administrators, representatives, agents, insurers, successors and assigns (collectively, the “Releasors”) hereby irrevocably and unconditionally release and forever discharge the Company, its subsidiaries and affiliates and each of their respective officers, employees, directors, shareholders and agents (“Releasees”) from any and all claims, actions, causes of action, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind or character (collectively, “Claims”), including, without limitation, any Claims under any federal, state, local or foreign law, that the Releasors may have, or in the future may possess, arising out of (i) the Executive’s employment relationship with and service as an employee, officer or director of the Company, Viacom (as defined in the Employment Agreement) or any subsidiaries or affiliated companies and the termination of such relationship or service, and (ii) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof and relates to your employment with Viacom; provided, however, that the Executive does not release, discharge or waive any rights to (i) payments and benefits provided under the Employment Agreement that are contingent upon the execution by the Executive of this Agreement or otherwise expressly survive termination thereof and (ii) any indemnification rights the Executive may have in accordance with the Company’s governance instruments or under any director and officer liability insurance maintained by the Company with respect to liabilities arising as a result of the Executive’s service as an officer and employee of the Company.

(b) Specific Release of ADEA Claims. In further consideration of the payments and benefits provided to the Executive under the Employment Agreement, the Releasors hereby unconditionally release and forever discharge the Releasees from any and all Claims that the Releasors may have as of the date the Executive signs this Agreement arising under the Federal Age Discrimination in Employment Act of 1967, as amended, including the Older Workers Benefit Protection Act of 1990 (“OWBPA”), and the applicable rules and regulations promulgated thereunder (“ADEA”). By signing this Agreement, the Executive hereby acknowledges and confirms the following: (i) the Executive was advised by the Company in connection with his termination to consult with an attorney of his choice prior

to signing this Agreement and to have such attorney explain to the Executive the terms of this Agreement, including, without limitation, the terms relating to the Executive's release of claims arising under ADEA, and the Executive has in fact consulted with an attorney; (ii) the Executive was given a period of not fewer than 21 days to consider the terms of this Agreement and to consult with an attorney of his choosing with respect thereto; (iii) the Executive knowingly and voluntarily accepts the terms of this Agreement; and (iv) the Executive is providing this release and discharge only in exchange for consideration in addition to anything of value to which the Executive is already entitled. The Executive also understands that he has seven (7) days following the date on which he signs this Agreement within which to revoke the release contained in this paragraph 2(b), by providing the Company a written notice of his revocation of the release and waiver contained in this paragraph 2(b); provided, however, that if the Executive exercises his right to revoke the release contained in this paragraph 2(b), the Executive shall not be entitled to any amounts paid to him under the termination provisions of the Employment Agreement and the Company may reclaim any such amounts paid to him and may terminate any benefits and payments that are subsequently due under the Employment Agreement, except as prohibited by the ADEA and OWBPA.

(c) No Assignment. The Executive represents and warrants that he has not assigned any of the Claims being released under this Agreement. The Company may assign this Agreement, in whole or in part, to any affiliated company or subsidiary of, or any successor in interest to, the Company.

3. Proceedings. The Executive has not filed, and agrees not to initiate or cause to be initiated on his behalf, any complaint, charge, claim or proceeding against the Releasees before any local, state or federal agency, court or other body relating to his employment or the termination of his employment, other than with respect to the obligations of the Company to the Executive under the Employment Agreement (each, individually, a "Proceeding"), and agrees not to participate voluntarily in any Proceeding. Notwithstanding the foregoing, the prohibitions in this paragraph 3 shall not apply to the Executive's right to file a charge with the Equal Employment Opportunity Commission ("EEOC") or similar local or state agency, or participate in an investigation conducted by such agency. The Executive waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) (i) arising out of any Proceeding and/or (ii) in connection with any claim pursued by any administrative agency, including but not limited to the EEOC, on the Executive's behalf and, in the event the Executive is awarded money, compensation or benefits, the Executive shall immediately remit such award to the Company.

4. Remedies. In the event the Executive initiates or voluntarily participates in any Proceeding in violation of this Agreement, or if he fails to abide by any of the terms of this Agreement or his post-termination obligations contained in the Employment Agreement, the Company may, in addition to any other remedies it may have, reclaim any amounts paid to him under the termination provisions of the Employment Agreement and terminate any benefits or payments that are subsequently due under the Employment Agreement, except as prohibited by the ADEA and OWBPA, without waiving the release granted herein. The Executive acknowledges and agrees that the remedy at law available to the Company for breach of any of his post-termination obligations under the Employment Agreement or his obligations under paragraphs 2 and 3 herein would be inadequate and that damages flowing from such a breach may not readily be susceptible to being measured in monetary terms. Accordingly, the Executive acknowledges, consents and agrees that, in addition to any other rights or remedies that the Company may have at law or in equity or as may otherwise be set forth in the Employment Agreement, the Company shall be entitled to seek a temporary restraining order or a preliminary or permanent injunction, or both, without bond or other security, restraining the Executive from breaching his post-termination obligations under the Employment Agreement or his obligations under paragraphs 2 and 3 herein. Such injunctive relief in any court shall be available to the Company, in lieu of, or prior to or pending determination in, any arbitration proceeding.

The Executive understands that by entering into this Agreement he shall be limiting the availability of certain remedies that he may have against the Company and limiting also his ability to pursue certain claims against the Company.

5. Severability Clause. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, shall be inoperative.

6. Nonadmission. Nothing contained in this Agreement shall be deemed or construed as an admission of wrongdoing or liability on the part of the Company.

7. GOVERNING LAW AND FORUM. The Executive acknowledges that this Agreement has been executed, in whole or in part, in New York. Accordingly, the Executive agrees that this Agreement and all matters or issues arising out of or relating to the Executive's employment with the Company shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely therein. Any action to enforce this Agreement shall be brought solely in the state or federal courts located in the City of New York, Borough of Manhattan.

8. Notices. Notices under this Agreement must be given in writing, by personal delivery, regular mail or receipted email, at the parties' respective addresses shown on this Agreement (or any other address designated in writing by either party), with a copy, in the case of the Company, to the attention of Viacom Inc.'s General Counsel. Any notice given by regular mail shall be deemed to have been given three (3) days following such mailing.

THE EXECUTIVE ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT AND THAT HE FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT HE HEREBY EXECUTES THE SAME AND MAKES THIS AGREEMENT AND THE RELEASE AND AGREEMENTS PROVIDED FOR HEREIN VOLUNTARILY AND OF HIS OWN FREE WILL.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

VIACOM INC.

By: _____
Thomas E. Dooley
Chief Operating Officer

THE EXECUTIVE

Wade Davis
Dated: _____

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: January 29, 2015

/s/ PHILIPPE P. DAUMAN

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: January 29, 2015

/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 December 31, 2014 as filed with the Securities and Exchange Commission (the "Report"), I, Philippe P. Dauman, 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

January 29, 2015

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 December 31, 2014 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

January 29, 2015

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.