
**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, 2016

OR

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

For the transition period from _____ to _____

Commission File Number 001-32686

VIACOM INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

20-3515052

(I.R.S. Employer
Identification Number)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

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

Class of Stock	Shares Outstanding as of January 31, 2017
Class A common stock, par value \$0.001 per share	49,431,379
Class B common stock, par value \$0.001 per share	347,464,803

VIACOM INC.
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PART I – FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements.

VIACOM INC. CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)

(in millions, except per share amounts)	Quarter Ended December 31,	
	2016	2015
Revenues	\$ 3,324	\$ 3,154
Expenses:		
Operating	1,819	1,593
Selling, general and administrative	701	667
Depreciation and amortization	56	55
Restructuring	42	—
Total expenses	2,618	2,315
Operating income	706	839
Interest expense, net	(156)	(155)
Equity in net earnings of investee companies	13	31
Other items, net	3	2
Earnings before provision for income taxes	566	717
Provision for income taxes	(158)	(256)
Net earnings (Viacom and noncontrolling interests)	408	461
Net earnings attributable to noncontrolling interests	(12)	(12)
Net earnings attributable to Viacom	\$ 396	\$ 449
Basic earnings per share attributable to Viacom	\$ 1.00	\$ 1.13
Diluted earnings per share attributable to Viacom	\$ 1.00	\$ 1.13
Weighted average number of common shares outstanding:		
Basic	397.0	396.6
Diluted	397.9	398.4
Dividends declared per share of Class A and Class B common stock	\$ 0.20	\$ 0.40

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(in millions)	Quarter Ended December 31,	
	2016	2015
Net earnings (Viacom and noncontrolling interests)	\$ 408	\$ 461
Other comprehensive income/(loss), net of tax:		
Foreign currency translation adjustments	(138)	(40)
Defined benefit pension plans	2	(5)
Cash flow hedges	—	(1)
Other comprehensive loss (Viacom and noncontrolling interests)	(136)	(46)
Comprehensive income	272	415
Less: Comprehensive income attributable to noncontrolling interest	11	9
Comprehensive income attributable to Viacom	\$ 261	\$ 406

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions, except par value)	December 31, 2016	September 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 443	\$ 379
Receivables, net	3,125	2,712
Inventory, net	908	844
Prepaid and other assets	513	587
Total current assets	4,989	4,522
Property and equipment, net	976	932
Inventory, net	4,159	4,032
Goodwill	11,586	11,400
Intangibles, net	344	315
Other assets	1,258	1,307
Total assets	<u>\$ 23,312</u>	<u>\$ 22,508</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 375	\$ 453
Accrued expenses	754	773
Participants' share and residuals	836	801
Program obligations	728	692
Deferred revenue	361	419
Current portion of debt	517	17
Other liabilities	634	517
Total current liabilities	4,205	3,672
Noncurrent portion of debt	11,783	11,896
Participants' share and residuals	336	358
Program obligations	509	311
Deferred tax liabilities, net	377	381
Other liabilities	1,393	1,349
Redeemable noncontrolling interest	200	211
Commitments and contingencies (Note 7)		
Viacom stockholders' equity:		
Class A common stock, par value \$0.001, 375.0 authorized; 49.4 and 49.4 outstanding, respectively	—	—
Class B common stock, par value \$0.001, 5,000.0 authorized; 347.6 and 347.6 outstanding, respectively	—	—
Additional paid-in capital	10,136	10,139
Treasury stock, 399.1 and 399.4 common shares held in treasury, respectively	(20,796)	(20,798)
Retained earnings	15,945	15,628
Accumulated other comprehensive loss	(827)	(692)
Total Viacom stockholders' equity	4,458	4,277
Noncontrolling interests	51	53
Total equity	4,509	4,330
Total liabilities and equity	<u>\$ 23,312</u>	<u>\$ 22,508</u>

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Quarter Ended December 31,	
	2016	2015
OPERATING ACTIVITIES		
Net earnings (Viacom and noncontrolling interests)	\$ 408	\$ 461
Reconciling items:		
Depreciation and amortization	56	55
Feature film and program amortization	1,089	1,028
Equity-based compensation	23	26
Equity in net earnings and distributions from investee companies	13	(29)
Deferred income taxes	(63)	299
Operating assets and liabilities, net of acquisitions:		
Receivables	(323)	(188)
Production and programming	(1,020)	(1,292)
Accounts payable and other current liabilities	(45)	(481)
Other, net	21	(5)
Net cash provided by/(used in) operating activities	159	(126)
INVESTING ACTIVITIES		
Acquisitions and investments, net	(343)	(30)
Capital expenditures	(52)	(26)
Proceeds received from grantor trusts	46	—
Net cash flow used in investing activities	(349)	(56)
FINANCING ACTIVITIES		
Borrowings	1,285	—
Debt repayments	(900)	—
Commercial paper	—	290
Purchase of treasury stock	—	(100)
Dividends paid	(79)	(159)
Exercise of stock options	—	1
Other, net	(14)	(22)
Net cash flow provided by financing activities	292	10
Effect of exchange rate changes on cash and cash equivalents	(38)	(7)
Net change in cash and cash equivalents	64	(179)
Cash and cash equivalents at beginning of period	379	506
Cash and cash equivalents at end of period	\$ 443	\$ 327

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Viacom is home to premier global media brands that create compelling television programs, motion pictures, short-form content, applications (“apps”), games, consumer products, social media experiences and other entertainment content for audiences in more than 180 countries. Viacom operates through two reporting segments: *Media 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 through three brand groups: the Global Entertainment Group, the Nickelodeon Group and BET Networks. The *Filmed Entertainment* segment produces, finances, acquires and distributes motion pictures, television programming and other entertainment content under the Paramount Pictures, Paramount Animation, Nickelodeon Movies, MTV Films and Paramount Television brands. References in this document to “Viacom,” “Company,” “we,” “us” and “our” mean Viacom Inc. and our consolidated subsidiaries, unless the context requires otherwise.

Unaudited Interim Financial Statements

The accompanying unaudited consolidated quarterly financial statements have been prepared on a basis consistent with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and pursuant to the rules of the Securities and Exchange Commission (“SEC”). In the opinion of management, the accompanying unaudited financial statements reflect all adjustments, consisting of only normal and recurring adjustments, necessary for a fair presentation of our results of operations, financial position and cash flows for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results expected for the fiscal year ending September 30, 2017 (“fiscal 2017”) or any future period. These financial statements should be read in conjunction with our Form 10-K for the year ended September 30, 2016, as filed with the SEC on November 9, 2016 (the “2016 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*Income Taxes*

In October 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-16 - Income Taxes: Intra-Entity Transfers of Assets Other Than Inventory. ASU 2016-16 will require the tax effects of intercompany transactions, other than sales of inventory, to be recognized currently, eliminating an exception under current GAAP in which the tax effects of intra-entity asset transfers are deferred until the transferred asset is sold to a third party or otherwise recovered through use. The guidance will be effective for the first interim period of our 2019 fiscal year, with early adoption permitted. We are currently evaluating the impact of the new standard.

Statement of Cash Flows

In August 2016, the FASB issued ASU 2016-15 - Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments. ASU 2016-15 addresses how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The guidance will be effective for the first interim period of our 2019 fiscal year, with early adoption permitted. The new standard will impact our statement of cash flows by increasing cash flow from operating activities and decreasing cash flow from financing activities in periods when debt prepayment or debt extinguishment costs are paid.

Financial Instruments

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

- ASU 2016-13 introduces a new impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to use a forward-looking “expected loss” model that will replace the current “incurred loss” model and generally will result in

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

earlier recognition of allowances for losses. The guidance will be effective for the first interim period of our 2021 fiscal year, with early adoption in fiscal year 2020 permitted.

- ASU 2016-01 addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among other provisions, the new guidance requires the fair value measurement of investments in certain equity securities. For investments without readily determinable fair values, entities have the option to either measure these investments at fair value or at cost adjusted for changes in observable prices minus impairment. All changes in measurement will be recognized in net income. The guidance will be effective for the first interim period of our 2019 fiscal year. Early adoption is not permitted, except for certain provisions relating to financial liabilities.

We are currently evaluating the impact of the new standards.

Equity-Based Compensation

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

Leases

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

Revenue Recognition

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

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 2. ACQUISITION

On November 15, 2016, we acquired Televisión Federal S.A. (“Telefe”), one of the main free-to-air channels and biggest content producers in Argentina, for \$336 million, net of cash acquired. Telefe adds to our portfolio of international TV networks and accelerates our growth strategy in Argentina.

The following table summarizes our estimated allocation of the purchase price as of the acquisition date:

Purchase Price Allocation (in millions)		
Current assets	\$	88
Goodwill		250
Intangible assets		49
Property and equipment		76
Other assets		13
Assets acquired		476
Accounts payable and accrued expenses		55
Other liabilities		85
Liabilities assumed		140
	\$	336

The goodwill, which is not deductible for tax purposes, reflects the Company-specific synergies arising from the acquisition. Intangible assets primarily consist of trade names and broadcast licenses with a useful life of 15 years.

The operating results of Telefe in the current and prior year are not material.

NOTE 3. INVENTORY

Our total inventory consists of the following:

Inventory (in millions)	December 31, 2016	September 30, 2016
Film inventory:		
Released, net of amortization	\$ 680	\$ 632
Completed, not yet released	125	128
In process and other	856	993
	1,661	1,753
Television productions:		
Released, net of amortization	30	16
In process and other	84	102
	114	118
Original programming:		
Released, net of amortization	1,155	1,082
In process and other	626	706
	1,781	1,788
Acquired program rights, net of amortization	1,417	1,127
Home entertainment inventory	94	90
Total inventory, net	5,067	4,876
Less current portion	908	844
Noncurrent portion	\$ 4,159	\$ 4,032

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 4. DEBT

Our total debt consists of the following:

Debt (in millions)	December 31, 2016	September 30, 2016
Senior Notes and Debentures:		
Senior notes due December 2016, 2.500%	\$ —	\$ 400
Senior notes due April 2017, 3.500%	—	499
Senior notes due October 2017, 6.125%	500	499
Senior notes due September 2018, 2.500%	498	498
Senior notes due April 2019, 2.200%	399	399
Senior notes due September 2019, 5.625%	550	550
Senior notes due December 2019, 2.750%	399	399
Senior notes due March 2021, 4.500%	495	495
Senior notes due December 2021, 3.875%	593	593
Senior notes due February 2022, 2.250%	396	—
Senior notes due June 2022, 3.125%	297	296
Senior notes due March 2023, 3.250%	297	297
Senior notes due September 2023, 4.250%	1,235	1,235
Senior notes due April 2024, 3.875%	544	544
Senior notes due October 2026, 3.450%	889	—
Senior debentures due December 2034, 4.850%	593	593
Senior debentures due April 2036, 6.875%	1,067	1,066
Senior debentures due October 2037, 6.750%	75	75
Senior debentures due February 2042, 4.500%	244	244
Senior debentures due March 2043, 4.375%	1,091	1,091
Senior debentures due June 2043, 4.875%	247	247
Senior debentures due September 2043, 5.850%	1,229	1,228
Senior debentures due April 2044, 5.250%	545	545
Capital lease and other obligations	117	120
Total debt	12,300	11,913
Less current portion	517	17
Noncurrent portion	\$ 11,783	\$ 11,896

In October 2016, we issued a total of \$1.3 billion of senior notes as follows:

- \$400 million in aggregate principal amount of 2.250% senior notes due 2022 at a price equal to 99.692% of the principal amount (the “2022 Senior Notes”); and
- \$900 million in aggregate principal amount of 3.450% senior notes due 2026 at a price equal to 99.481% of the principal amount (the “2026 Senior Notes” and, together with the 2022 Senior Notes, the “Senior Notes”).

The proceeds, net of discount and other issuance fees and expenses, from the issuance of the Senior Notes were \$1.285 billion, a portion of which was used to redeem the senior notes described below.

In November 2016, we redeemed all \$400 million of our outstanding 2.500% senior notes due December 2016 and all \$500 million of our outstanding 3.500% senior notes due April 2017 at a redemption price equal to the sum of the principal amount and a make-whole amount, together totaling \$906 million, and accrued interest of \$6 million. As a result of the redemption, we recognized a pre-tax extinguishment loss of \$6 million, recorded in *Other items, net* in the Consolidated Statement of Earnings.

The total unamortized discount and issuance fees and expenses related to our senior notes and debentures was \$469 million as of December 31, 2016 and \$459 million as of September 30, 2016. The fair value of our senior notes and debentures was approximately \$12.3 billion as of December 31, 2016. The valuation of our publicly traded debt is based on quoted prices in active markets.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Credit Facility

At December 31, 2016, there were no amounts outstanding under our \$2.5 billion revolving credit facility due November 2019. The credit facility is used for general corporate purposes and to support commercial paper outstanding, if any. 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, 2016.

NOTE 5. PENSION BENEFITS

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

Net Periodic Benefit Cost (in millions)	Quarter Ended December 31,	
	2016	2015
Interest cost	\$ 8	\$ 9
Expected return on plan assets	(9)	(10)
Recognized actuarial loss	2	1
Net periodic benefit cost	<u>\$ 1</u>	<u>\$ —</u>

NOTE 6. REDEEMABLE NONCONTROLLING INTEREST

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

The activity reflected within redeemable noncontrolling interest is as follows:

Redeemable Noncontrolling Interest (in millions)	Quarter Ended December 31,	
	2016	2015
Beginning balance	\$ 211	\$ 219
Net earnings	7	7
Distributions	(6)	(7)
Translation adjustment	(12)	(8)
Redemption value adjustment	—	20
Ending Balance	<u>\$ 200</u>	<u>\$ 231</u>

NOTE 7. COMMITMENTS AND CONTINGENCIES

Commitments

As more fully described in Note 11 of the 2016 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 \$214 million as of December 31, 2016. The amount of lease commitments varies over time depending on expiration or termination of individual underlying leases, or of the related indemnification obligation, and foreign exchange rates, among other things. We may also have exposure for certain other expenses related to the leases, such as property taxes and common area maintenance. We have recorded a liability of \$190 million with respect to such obligations as of December 31, 2016. We believe our accrual is sufficient to meet any future obligations based on our consideration of available financial information, the lessees’ historical performance in meeting their lease obligations and the underlying economic factors impacting the lessees’ business models.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

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.

Purported Class and Derivative Actions

Between June 17, 2016 and August 1, 2016, three substantially similar purported class action complaints were filed in the Delaware Chancery Court by purported Viacom stockholders, against Viacom and Viacom's directors at the time, as well as National Amusements, Inc. and NAI Entertainment Holdings LLC (together, "NAI"), and were subsequently consolidated into one action. The action - brought on behalf of the class of all holders of Viacom Class B common stock except the named defendants and any person or entity affiliated with any of the defendants - alleges claims for breaches of fiduciary duty against the incumbent director defendants and NAI, and alleges that the Viacom directors who joined the Board of Directors subsequent to the filing of the actions aided and abetted these breaches. In addition to damages and attorneys' fees, the action seeks "such relief as the Court deems just and proper." All defendants, including Viacom and certain of its directors, have moved to dismiss the action. The plaintiffs filed an amended consolidated complaint in November 2016, and we have again moved to dismiss the action.

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

NOTE 8. STOCKHOLDERS' EQUITY

The components of stockholders' equity are as follows:

Stockholders' Equity (in millions)	Quarter Ended December 31, 2016			Quarter Ended December 31, 2015		
	Total Viacom Stockholders' Equity	Noncontrolling Interests	Total Equity	Total Viacom Stockholders' Equity	Noncontrolling Interests	Total Equity
Beginning Balance	\$ 4,277	\$ 53	\$ 4,330	\$ 3,538	\$ 61	\$ 3,599
Net earnings	396	12	408	449	12	461
Other comprehensive loss ⁽¹⁾	(135)	(1)	(136)	(43)	(3)	(46)
Noncontrolling interests	—	(13)	(13)	(20)	(12)	(32)
Dividends declared	(79)	—	(79)	(159)	—	(159)
Purchase of treasury stock	—	—	—	(100)	—	(100)
Equity-based compensation and other	(1)	—	(1)	33	—	33
Ending Balance	<u>\$ 4,458</u>	<u>\$ 51</u>	<u>\$ 4,509</u>	<u>\$ 3,698</u>	<u>\$ 58</u>	<u>\$ 3,756</u>

(1) The components of other comprehensive loss are net of tax expense of \$1 million and \$3 million for the quarters ended December 31, 2016 and 2015, respectively.

NOTE 9. RESTRUCTURING

During the quarter ended December 31, 2016, we recognized a restructuring charge of \$42 million for severance, including \$7 million of equity-based compensation expense, associated with management changes in connection with ongoing strategic initiatives.

Our restructuring liability by reporting segment is as follows:

(in millions)	Media Networks	Filmed Entertainment	Corporate	Total
September 30, 2016	\$ 36	\$ 12	\$ 94	\$ 142
Net accruals	28	1	6	35
Severance payments	(13)	(5)	(49)	(67)
December 31, 2016	<u>\$ 51</u>	<u>\$ 8</u>	<u>\$ 51</u>	<u>\$ 110</u>

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Severance payments include \$46 million paid from proceeds in grantor trusts established to facilitate the administration of payments to certain former senior executives. As of December 31, 2016, of the remaining \$110 million liability, \$67 million is classified as a current liability in the Consolidated Balance Sheets, with the remaining \$43 million classified as a noncurrent liability. Amounts classified as noncurrent are expected to be paid through 2019, in accordance with applicable contractual terms.

NOTE 10. 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,	
	2016	2015
Weighted average number of common shares outstanding, basic	397.0	396.6
Dilutive effect of equity awards	0.9	1.8
Weighted average number of common shares outstanding, diluted	397.9	398.4
Anti-dilutive common shares	15.6	12.7

NOTE 11. SUPPLEMENTAL CASH FLOW AND OTHER INFORMATION

Our supplemental cash flow information is as follows:

Supplemental Cash Flow Information (in millions)	Quarter Ended December 31,	
	2016	2015
Cash paid for interest	\$ 150	\$ 157
Cash paid for income taxes	\$ 38	\$ 65

Accounts Receivable

We had \$506 million and \$547 million of noncurrent trade receivables as of December 31, 2016 and September 30, 2016, respectively. Accounts receivables are principally related to long-term television license arrangements at *Filmed Entertainment* and subscription video-on-demand and other over-the-top arrangements at *Media Networks*. These amounts are included within *Other assets - noncurrent* in our Consolidated Balance Sheets. Such amounts are due in accordance with the underlying terms of the respective agreements with companies that are investment grade or with which we have historically done business under similar terms. We have determined that credit loss allowances are generally not considered necessary for these amounts.

Variable Interest Entities

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

Our Consolidated Balance Sheets include amounts related to consolidated VIEs totaling \$201 million in assets and \$58 million in liabilities as of December 31, 2016, and \$190 million in assets and \$57 million in liabilities as of September 30, 2016. 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

Our effective income tax rate was 27.9% in the quarter ended December 31, 2016, which included a net discrete tax benefit of \$15 million that, when taken together with the tax impact of the restructuring charge and debt extinguishment loss, reduced the effective income tax rate by 2.9 percentage points. The net discrete tax benefit was principally related to the reversal of a valuation allowance on net operating losses upon receipt of a favorable tax authority ruling.

Our effective income tax rate was 35.7% in the quarter ended December 31, 2015, which included a net discrete tax expense of \$21 million that contributed 2.9 percentage points to the effective income tax rate. The net discrete tax expense was principally related to a reduction in qualified production activity tax benefits as a result of retroactively reenacted legislation.

NOTE 12. 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, 2016 and September 30, 2016:

Financial Asset/(Liability) (in millions)	Total	Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
December 31, 2016				
Marketable securities	\$ 118	\$ 118	\$ —	\$ —
Derivatives	(6)	—	(6)	—
Total	\$ 112	\$ 118	\$ (6)	\$ —
September 30, 2016				
Marketable securities	\$ 114	\$ 114	\$ —	\$ —
Derivatives	(13)	—	(13)	—
Total	\$ 101	\$ 114	\$ (13)	\$ —

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 \$932 million and \$1.149 billion as of December 31, 2016 and September 30, 2016, respectively. At December 31, 2016, \$605 million related to our foreign currency balances and \$327 million related to future production costs. At September 30, 2016, \$874 million related to our foreign currency balances and \$275 million related to future production costs.

NOTE 13. REPORTING SEGMENTS

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

Our measure of segment performance is adjusted operating income. Adjusted operating income is defined as operating income, before equity-based compensation and certain other items identified as affecting comparability, when applicable.

Revenues by Segment (in millions)	Quarter Ended December 31,	
	2016	2015
Media Networks	\$ 2,589	\$ 2,565
Filmed Entertainment	758	612
Eliminations	(23)	(23)
Total revenues	\$ 3,324	\$ 3,154

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Adjusted Operating Income/(Loss) (in millions)	Quarter Ended December 31,	
	2016	2015
Media Networks	\$ 987	\$ 1,057
Filmed Entertainment	(180)	(146)
Corporate expenses	(50)	(50)
Eliminations	7	4
Equity-based compensation	(16)	(26)
Restructuring	(42)	—
Operating income	706	839
Interest expense, net	(156)	(155)
Equity in net earnings of investee companies	13	31
Other items, net	3	2
Earnings before provision for income taxes	\$ 566	\$ 717

Total Assets (in millions)	December 31, 2016	September 30, 2016
Media Networks	\$ 17,449	\$ 16,410
Filmed Entertainment	6,435	6,391
Corporate/Eliminations	(572)	(293)
Total assets	\$ 23,312	\$ 22,508

Revenues by Component (in millions)	Quarter Ended December 31,	
	2016	2015
Advertising	\$ 1,294	\$ 1,320
Affiliate	1,144	1,119
Feature film	680	570
Ancillary	229	168
Eliminations	(23)	(23)
Total revenues	\$ 3,324	\$ 3,154

NOTE 14. RELATED PARTY TRANSACTIONS

National Amusements, directly and indirectly, is the controlling stockholder of both Viacom and CBS Corporation (“CBS”). National Amusements owns shares in Viacom representing approximately 79.8% of the voting interest in Viacom and approximately 10% of Viacom’s combined common stock. National Amusements is controlled by Sumner M. Redstone, our Chairman Emeritus, who is the Chairman and Chief Executive Officer of National Amusements, through the Sumner M. Redstone National Amusements Trust (the “SMR Trust”), which owns shares in National Amusements representing 80% of the voting interest of National Amusements. The shares representing the other 20% of the voting interest of National Amusements are held through a trust controlled by Shari E. Redstone, who is Mr. Redstone’s daughter and the non-executive Vice Chair of Viacom’s Board of Directors and the President and a member of the Board of Directors of National Amusements. The shares of National Amusements held by the SMR Trust are voted solely by Mr. Redstone until such time as his incapacity or death. Upon Mr. Redstone’s incapacity or death, (1) Ms. Redstone will also become a trustee of the SMR Trust and (2) the shares of National Amusements held by the SMR Trust will be voted by the trustees of the SMR Trust. The current trustees include Mr. Redstone and David R. Andelman, a member of the boards of directors of National Amusements and CBS. The current Board of Directors of National Amusements includes Mr. Redstone, Ms. Redstone and Mr. Andelman. In addition, Mr. Redstone serves as Chairman Emeritus of CBS and Ms. Redstone serves as non-executive Vice Chair of CBS.

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

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

On December 12, 2016, our Board of Directors announced that it had discontinued the exploration of a potential combination of Viacom and CBS following receipt of a related letter and request from National Amusements, and that it had dissolved the Special Committee that was formed to evaluate a potential transaction.

Viacom and National Amusements Related Party Transactions

National Amusements licenses films in the ordinary course of business for its motion picture theaters from all major studios, including Paramount. During the quarters ended December 31, 2016 and 2015, Paramount earned revenues from National Amusements in connection with these licenses in the aggregate amounts of approximately \$2 million and \$1 million, respectively.

Viacom and CBS Corporation Related Party Transactions

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

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 prior to any participation amounts paid. 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,	
	2016	2015
Consolidated Statements of Earnings		
Revenues	\$ 44	\$ 43
Operating expenses	\$ 50	\$ 59
	December 31, 2016	September 30, 2016
Consolidated Balance Sheets		
Accounts receivable	\$ 3	\$ 3
Participants' share and residuals, current	\$ 76	\$ 66
Program obligations, current	61	61
Program obligations, noncurrent	27	32
Other liabilities	2	2
Total due to CBS	\$ 166	\$ 161

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,	
	2016	2015
Consolidated Statements of Earnings		
Revenues	\$ 51	\$ 5
Operating expenses	\$ 32	\$ 2
Selling, general and administrative	\$ (3)	\$ (2)
	December 31, 2016	September 30, 2016
Consolidated Balance Sheets		
Accounts receivable	\$ 80	\$ 67
Other assets	2	1
Total due from other related parties	<u>\$ 82</u>	<u>\$ 68</u>
Accounts payable	\$ 7	\$ 8
Other liabilities	43	69
Total due to other related parties	<u>\$ 50</u>	<u>\$ 77</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, 2016, as filed with the Securities and Exchange Commission ("SEC") on November 9, 2016 (the "2016 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, 2016, compared with the quarter ended December 31, 2015. In addition, we provide a discussion of items that affect the comparability of our results of operations.

Liquidity and Capital Resources: The liquidity and capital resources section provides a discussion of our cash flows for the quarter ended December 31, 2016, compared with the quarter ended December 31, 2015, and of our outstanding debt, commitments and contingencies existing as of December 31, 2016.

OVERVIEW

Summary

We are home to premier global media brands that create compelling television programs, motion pictures, short-form content, applications ("apps"), games, consumer products, social media experiences and other entertainment content for audiences in more than 180 countries. Our media networks, including Nickelodeon®, COMEDY CENTRAL®, MTV®, VH1®, SPIKE®, BET®, CMT®, TV Land®, Nick at Nite®, Nick Jr.®, Logo®, Nicktoons®, TeenNick®, Channel 5® (United Kingdom), Telefe™ (Argentina) and Paramount Channel™, reach 510 million households worldwide. Viacom Media Networks also operates branded experiences including channels on streaming services and social media platforms such as DIRECTV NOW and Snapchat Discover. Paramount Pictures® is a major global producer and distributor of filmed entertainment. Paramount Television™ develops, finances and produces programming for television and other platforms.

We operate through two reporting segments: *Media Networks* and *Filmed Entertainment*. Our measure of segment performance is adjusted operating income. We define adjusted operating income for our segments as operating income, 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.

Media Networks

Our *Media Networks* segment generates revenues in three categories: (i) the sale of advertising and marketing services, (ii) affiliate fees from distributors of our programming and program services, such as cable television operators, direct-to-home satellite television operators, Internet distributors, mobile networks and subscription video-on-demand ("SVOD") and other over-the-top ("OTT") services, and (iii) ancillary revenues. Ancillary revenues are principally derived from consumer products, which includes licensing our brands and intellectual property, creation and publishing of interactive games across various platforms (including mobile, PC, and console) and recreation experiences, viewing of our programming through download-to-own and download-to-rent services and the sale of DVDs and Blu-ray discs, and television syndication.

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, participations and residuals, 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 principally from: (i) the worldwide theatrical release and/or distribution of motion pictures, (ii) home entertainment, which includes the worldwide sales and distribution of DVDs and Blu-ray discs relating to the motion pictures released theatrically by Paramount and programming of other Viacom brands such as

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

Nickelodeon, MTV, Comedy Central and BET, as well as certain acquired films and content distributed on behalf of third parties such as CBS, the viewing of our films through transactional video-on-demand and download-to-own services, for a fee and/or on a revenue sharing basis, (iii) licensing of film and television programs produced, acquired and/or distributed by Paramount that are licensed on a territory by territory basis, for a fee or on a revenue sharing basis, to SVOD, pay and basic cable television, free television and free video-on-demand services and (iv) ancillary revenues from providing production and facilities services to third parties, primarily at Paramount's studio lot, licensing its brands for consumer products, themed restaurants, hotels and resorts, live stage plays, film clips and theme parks, and sale of film rights.

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

RESULTS OF OPERATIONS

Consolidated Results of Operations

Our summary consolidated results of operations are presented below for the quarters ended December 31, 2016 and 2015.

(in millions, except per share amounts)	Quarter Ended December 31,		Better/(Worse)	
	2016	2015	\$	%
GAAP				
Revenues	\$ 3,324	\$ 3,154	\$ 170	5 %
Operating income	706	839	(133)	(16)
Net earnings attributable to Viacom	396	449	(53)	(12)
Diluted earnings per share	1.00	1.13	(0.13)	(12)
Non-GAAP*				
Adjusted operating income	\$ 748	\$ 839	\$ (91)	(11)%
Adjusted net earnings attributable to Viacom	413	470	(57)	(12)
Adjusted diluted earnings per share	1.04	1.18	(0.14)	(12)

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

Factors Affecting Comparability

The Consolidated Financial Statements reflect our results of operations, financial position and cash flows reported in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Our results have been affected by certain items identified as affecting comparability. Accordingly, when applicable, we use non-GAAP measures such as consolidated adjusted operating income, adjusted earnings before provision for income taxes, adjusted provision for income taxes, adjusted net earnings attributable to Viacom and adjusted diluted earnings per share ("EPS"), among other measures, to evaluate our actual operating performance and for planning and forecasting of future periods. We believe that the adjusted results provide relevant and useful information for investors because they clarify our actual operating performance, make it easier to compare our results with those of other companies and allow investors to review performance in the same way as our management. Since these are not measures of performance calculated in accordance with GAAP, they should not be considered in isolation of, or as a substitute for, operating income, earnings before provision for income taxes, provision for income taxes, net earnings attributable to Viacom and diluted EPS as indicators of operating performance and they may not be comparable to similarly titled measures employed by other companies.

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

The following tables reconcile our reported results (GAAP) to our adjusted results (non-GAAP) for the quarters ended December 31, 2016 and 2015. The tax impacts included in the tables below have been calculated using the rates applicable to the adjustments presented.

(in millions, except per share amounts)

	Quarter Ended December 31, 2016				
	Operating Income	Earnings Before Provision for Income Taxes	Provision for Income Taxes	Net Earnings Attributable to Viacom	Diluted EPS
Reported results (GAAP)	\$ 706	\$ 566	\$ 158	\$ 396	\$ 1.00
Factors Affecting Comparability:					
Restructuring	42	42	14	28	0.07
Loss on extinguishment of debt	—	6	2	4	0.01
Discrete tax benefit	—	—	15	(15)	(0.04)
Adjusted results (Non-GAAP)	\$ 748	\$ 614	\$ 189	\$ 413	\$ 1.04

(in millions, except per share amounts)

	Quarter Ended December 31, 2015				
	Operating Income	Earnings Before Provision for Income Taxes	Provision for Income Taxes	Net Earnings Attributable to Viacom	Diluted EPS
Reported results (GAAP)	\$ 839	\$ 717	\$ 256	\$ 449	\$ 1.13
Factors Affecting Comparability:					
Discrete tax expense	—	—	(21)	21	0.05
Adjusted results (Non-GAAP)	\$ 839	\$ 717	\$ 235	\$ 470	\$ 1.18

Restructuring charge: We recognized a pre-tax restructuring charge of \$42 million for severance associated with management changes in connection with ongoing strategic initiatives. As we continue to evaluate our strategic initiatives, we may incur additional restructuring charges in the second fiscal quarter.

Loss on extinguishment of debt: In November 2016, we redeemed all \$400 million of our outstanding 2.500% senior notes due December 2016 and all \$500 million of our outstanding 3.500% senior notes due April 2017 at a redemption price equal to the sum of the principal amount and a make-whole amount, together totaling \$906 million, and accrued interest of \$6 million. As a result, we recognized a pre-tax extinguishment loss of \$6 million.

Discrete taxes: The net discrete tax benefit in the quarter ended December 31, 2016 was principally related to the reversal of a valuation allowance on net operating losses upon receipt of a favorable tax authority ruling. The net discrete tax expense in the quarter ended December 31, 2015 was principally related to a reduction in qualified production activity tax benefits as a result of retroactively reenacted legislation.

Revenues

Worldwide revenues increased \$170 million, or 5%, to \$3.324 billion in the quarter ended December 31, 2016. *Filmed Entertainment* revenues increased \$146 million, or 24%, primarily reflecting higher theatrical and ancillary revenues. *Media Networks* revenues increased \$24 million, or 1%, principally reflecting higher affiliate and ancillary revenues, partially offset by lower advertising revenues.

Expenses

Total expenses increased \$303 million, or 13%, to \$2.618 billion in the quarter ended December 31, 2016, reflecting higher segment expenses and the \$42 million restructuring charge. *Filmed Entertainment* expenses increased \$180 million, or 24%, driven by higher operating expenses and *Media Networks* expenses increased \$94 million, or 6%, driven by higher SG&A and operating expenses.

Operating

Operating expenses increased \$226 million, or 14%, to \$1.819 billion in the quarter. *Filmed Entertainment* operating expenses increased \$184 million, or 28%, and *Media Networks* operating expenses increased \$45 million, or 5%.

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

Selling, General and Administrative

SG&A expenses increased \$34 million, or 5%, to \$701 million in the quarter, primarily driven by an increase in *Media Networks* SG&A expenses of \$47 million, or 9%.

Operating Income

Operating income decreased \$133 million, or 16%, to \$706 million in the quarter ended December 31, 2016, reflecting the operating results discussed above. Excluding the items discussed in “*Factors Affecting Comparability*”, adjusted operating income decreased \$91 million, or 11%, to \$748 million. *Media Networks* adjusted operating income decreased \$70 million, or 7%, reflecting higher expenses that more than offset revenue gains. *Filmed Entertainment* adjusted operating results decreased \$34 million, or 23%, principally reflecting higher print and advertising expenses associated with our fiscal 2017 theatrical releases.

Income Taxes

Our effective income tax rate was 27.9% in the quarter ended December 31, 2016. The net discrete tax benefit of \$15 million, taken together with the impact of the other factors affecting comparability discussed above, reduced the effective income tax rate by 2.9 percentage points. Excluding the impact of these items, our adjusted effective income tax rate was 30.8%, a decline of 2 percentage points from the prior year quarter primarily driven by the change in the mix of domestic and international income.

Our effective income tax rate was 35.7% in the quarter ended December 31, 2015. The net discrete tax expense of \$21 million contributed 2.9 percentage points to the effective income tax rate in the quarter. Excluding the impact of the net discrete tax expense, our adjusted effective income tax rate was 32.8%.

Net Earnings Attributable to Viacom

Net earnings attributable to Viacom decreased \$53 million, or 12%, to \$396 million in the quarter, principally due to the decline in tax-effected operating income described above and a decline in equity in net earnings of investee companies. Excluding the items discussed in “*Factors Affecting Comparability*”, adjusted net earnings attributable to Viacom decreased \$57 million, or 12%, to \$413 million.

Diluted Earnings Per Share

Diluted EPS decreased \$0.13 per diluted share to \$1.00 in the quarter, reflecting the impact of net earnings. Excluding the items discussed in “*Factors Affecting Comparability*”, adjusted diluted EPS decreased \$0.14 per diluted share to \$1.04.

Segment Results of Operations

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

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

Media Networks

(in millions)	Quarter Ended December 31,		Better/(Worse)	
	2016	2015	\$	%
Revenues by Component				
Advertising	\$ 1,294	\$ 1,320	\$ (26)	(2)%
Affiliate	1,144	1,119	25	2
Ancillary	151	126	25	20
Total revenues by component	\$ 2,589	\$ 2,565	\$ 24	1 %
Expenses				
Operating	\$ 1,002	\$ 957	\$ (45)	(5)%
Selling, general and administrative	557	510	(47)	(9)
Depreciation and amortization	43	41	(2)	(5)
Total expenses	\$ 1,602	\$ 1,508	\$ (94)	(6)%
Adjusted Operating Income	\$ 987	\$ 1,057	\$ (70)	(7)%

Revenues

Worldwide revenues increased \$24 million, or 1%, to \$2.589 billion in the quarter ended December 31, 2016. Excluding foreign exchange, which had a 2-percentage point unfavorable impact, worldwide revenues increased 3%, including a 1-percentage point favorable impact from the acquisition of Televisión Federal S.A. ("Telefe"). Domestic revenues were substantially flat at \$2.055 billion and international revenues increased \$26 million, or 5%, to \$534 million. Excluding foreign exchange, which had a 13-percentage point unfavorable impact, international revenues increased 18%, driven by growth in Europe and the acquisition of Telefe, which had an 8-percentage point favorable impact on international revenues.

Advertising

Worldwide advertising revenues decreased \$26 million, or 2%, to \$1.294 billion in the quarter. Excluding foreign exchange, which had a 3-percentage point unfavorable impact, worldwide advertising revenues increased 1%, including a 2-percentage point favorable impact from the acquisition of Telefe. Domestic advertising revenues decreased \$30 million, or 3%, to \$991 million. While pricing increased, softer ratings at certain of our networks contributed to lower audience delivery, reducing impressions and associated revenue. International advertising revenues increased \$4 million, or 1%, to \$303 million. Excluding foreign exchange, which had a 15-percentage point unfavorable impact, international advertising revenues increased 16%, driven by the acquisition of Telefe, which had a 10-percentage point favorable impact on international revenues, and growth in Europe.

Affiliate

Worldwide affiliate revenues increased \$25 million, or 2%, to \$1.144 billion in the quarter. Excluding foreign exchange, which had a 2-percentage point unfavorable impact, worldwide affiliate revenues increased 4%. Domestic affiliate revenues increased \$21 million, or 2%, to \$985 million, principally reflecting rate increases and the impact of SVOD and other OTT agreements, partially offset by a modest decline in subscribers and the impact of rate equalization due to the consolidation of a major distribution agreement. Excluding the impact from the timing of product available under SVOD and other OTT agreements, domestic affiliate revenues were substantially flat. International affiliate revenues increased \$4 million, or 3%, to \$159 million. Excluding foreign exchange, which had a 9-percentage point unfavorable impact, international affiliate revenues increased 12%, which reflects the impact of rate increases, subscriber growth and new channel launches, as well as higher revenues from SVOD and other OTT agreements.

Ancillary

Worldwide ancillary revenue increased \$25 million, or 20%, to \$151 million in the quarter. Excluding foreign exchange, which had a 4-percentage point unfavorable impact, worldwide ancillary revenues increased 24%, including a 4-percentage point favorable impact from the acquisition of Telefe. Domestic ancillary revenues increased \$7 million, or 10%, to \$79 million, principally driven by higher home video sales. International ancillary revenues increased \$18 million, or 33%, to \$72 million. Excluding foreign exchange, which had a 10-percentage point unfavorable impact, international ancillary revenues increased 43%, principally driven by higher consumer product revenue and the acquisition of Telefe, which had a 10-percentage point favorable impact on international ancillary revenues.

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

Expenses

Media Networks segment expenses increased \$94 million, or 6%, to \$1.602 billion in the quarter. Excluding foreign exchange, which had a 3-percentage point favorable impact, worldwide expenses increased 9%, including an unfavorable 2-percentage point impact from the acquisition of Telefe.

Operating

Operating expenses increased \$45 million, or 5%, to \$1.002 billion in the quarter, driven by higher programming costs of \$48 million, or 6%, primarily reflecting our continuing investment in original content. Distribution and other expenses declined \$3 million, or 3%.

Selling, General and Administrative

SG&A expenses increased \$47 million, or 9%, to \$557 million in the quarter, principally driven by an increase in incentive compensation costs. We anticipate SG&A expenses will be higher in the second quarter due to costs associated with the integration of Telefe.

Adjusted Operating Income

Adjusted operating income decreased \$70 million, or 7%, to \$987 million in the quarter, reflecting the operating results discussed above and foreign exchange, which had a 2-percentage point unfavorable impact.

Filmed Entertainment

(in millions)	Quarter Ended December 31,		Better/(Worse)	
	2016	2015	\$	%
Revenues by Component				
Theatrical	\$ 192	\$ 94	\$ 98	104 %
Home entertainment	243	239	4	2
Licensing	245	237	8	3
Ancillary	78	42	36	86
Total revenues by component	<u>\$ 758</u>	<u>\$ 612</u>	<u>\$ 146</u>	<u>24 %</u>
Expenses				
Operating	\$ 847	\$ 663	\$ (184)	(28)%
Selling, general and administrative	79	82	3	4
Depreciation and amortization	12	13	1	8
Total expenses	<u>\$ 938</u>	<u>\$ 758</u>	<u>\$ (180)</u>	<u>(24)%</u>
Adjusted Operating Loss	<u><u>\$ (180)</u></u>	<u><u>\$ (146)</u></u>	<u><u>\$ (34)</u></u>	<u><u>(23)%</u></u>

Revenues

Worldwide revenues increased \$146 million, or 24%, to \$758 million in the quarter ended December 31, 2016. Domestic revenues increased 50% to \$465 million. International revenues decreased 3% to \$293 million, driven by the unfavorable impact of foreign exchange.

Theatrical

Worldwide theatrical revenues increased \$98 million, or 104%, to \$192 million in the quarter due to higher revenues from our current year releases. Significant current quarter releases were *Jack Reacher: Never Go Back*, *Arrival*, *Allied*, *Office Christmas Party* and *Fences*, compared with *Daddy's Home*, *Paranormal Activity: The Ghost Dimension* and *The Big Short* in the prior year quarter. Domestic theatrical revenues increased 128% and international theatrical revenues increased 73%. Foreign exchange had a 3-percentage point unfavorable impact on international theatrical revenues.

Home Entertainment

Worldwide home entertainment revenues increased \$4 million, or 2%, to \$243 million in the quarter. Significant current quarter releases were *Star Trek Beyond*, *Ben-Hur* and *Florence Foster Jenkins*, while the prior year quarter included *Mission: Impossible - Rogue Nation* and *Terminator: Genisys*. Domestic home entertainment revenues increased 12% on strong holiday sales, while international home entertainment revenues decreased 14%. Foreign exchange had a 6-percentage point unfavorable impact on international home entertainment revenues.

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

Licensing

Licensing revenues increased \$8 million, or 3%, to \$245 million in the quarter. Domestic licensing revenues increased 41%, primarily driven by the release of television product, while international licensing revenues decreased 17%.

Ancillary

Ancillary revenues increased \$36 million, or 86%, to \$78 million in the quarter. Domestic ancillary revenues increased 109%, driven by the sale of a partial copyright interest in certain films released in the quarter in connection with a slate financing arrangement. International ancillary revenues increased 10%.

Expenses

Total expenses increased \$180 million, or 24%, to \$938 million in the quarter, driven by higher operating expenses.

Operating

Operating expenses increased \$184 million, or 28%, to \$847 million in the quarter. Distribution and other costs, principally print and advertising expenses, increased \$151 million, or 47%, primarily driven by higher marketing costs for our current year slate. Film costs increased \$33 million, or 10%, driven by higher television production costs.

Selling, General and Administrative

SG&A expenses decreased \$3 million, or 4%, to \$79 million in the quarter.

Adjusted Operating Loss

Adjusted operating loss was \$180 million in the quarter compared with \$146 million for the prior year quarter. The decline of \$34 million in operating results principally reflects higher print and advertising expenses associated with our fiscal 2017 theatrical releases. Operating losses reflect the recognition of print and advertising expenses incurred in the period, generally before and throughout the theatrical release of a film, while revenues for the respective films are recognized as earned through its theatrical exhibition and subsequent distribution windows.

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

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

We believe that our cash flows from operating activities together with our credit facility provide us with adequate resources to fund our anticipated ongoing cash requirements. We anticipate that future debt maturities will be funded with cash and cash equivalents, cash flows from operating activities and future access to capital markets, including our credit facility.

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

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

In December 2016, we entered into a three-year strategic agreement with Shanghai Film Group and Huahua Media. As part of the agreement, Shanghai Film Group and Huahua Media will co-finance approximately twenty-five percent of Paramount's slate of films for a three-year period, with an option for an additional year.

Cash Flows

Cash and cash equivalents were \$443 million as of December 31, 2016, an increase of \$64 million compared with September 30, 2016.

The following tables include information driving the change in cash and cash equivalents and a reconciliation of net cash provided by/(used in) operating activities (GAAP) to free cash flow and operating free cash flow (non-GAAP). We define free cash flow as net cash provided by/(used in) operating activities minus capital expenditures, plus excess tax benefits from equity-based compensation awards (actual tax deductions in excess of amounts previously recognized, which is included within financing activities in the statement of cash flows), as applicable. We define operating free cash flow as free cash flow, excluding the impact of the cash premium on the extinguishment of debt, as applicable. Free cash flow and operating free cash flow are non-GAAP measures. Management believes the use of this measure provides investors with an important perspective on, in the case of free cash flow, our liquidity, including our ability to service debt and make investments in our businesses, and, in the case of operating free cash flow, our liquidity from ongoing activities.

Change in cash and cash equivalents (in millions)	Quarter Ended December 31,		Better/(Worse)
	2016	2015	\$
Net cash provided by/(used in) operating activities	\$ 159	\$ (126)	\$ 285
Net cash flow used in investing activities	(349)	(56)	(293)
Net cash flow provided by financing activities	292	10	282
Effect of exchange rate changes on cash and cash equivalents	(38)	(7)	(31)
Increase/(decrease) in cash and cash equivalents	<u>\$ 64</u>	<u>\$ (179)</u>	<u>\$ 243</u>
Reconciliation of net cash provided by/(used in) operating activities to free cash flow and operating free cash flow			
Net cash provided by/(used in) operating activities (GAAP)	\$ 159	\$ (126)	\$ 285
Capital expenditures	(52)	(26)	(26)
Free cash flow (Non-GAAP)	<u>107</u>	<u>(152)</u>	<u>259</u>
Debt retirement premium	6	—	6
Operating free cash flow (Non-GAAP)	<u>\$ 113</u>	<u>\$ (152)</u>	<u>\$ 265</u>

Operating Activities

Cash provided by operating activities improved \$285 million for the quarter ended December 31, 2016, primarily reflecting the timing of film and programming spend.

Investing Activities

Cash used in investing activities increased \$293 million for the quarter ended December 31, 2016, principally driven by the acquisition of Telefe for \$336 million, net of cash acquired, in the current quarter.

Financing Activities

Cash provided by financing activities increased \$282 million for the quarter ended December 31, 2016, primarily driven by debt transactions totaling \$95 million and lower dividend payments of \$80 million. In addition, we did not repurchase stock in the current quarter compared with stock repurchase payments of \$100 million in the prior year quarter.

Capital Resources

Capital Structure and Debt

Total debt was \$12.300 billion as of December 31, 2016, an increase of \$387 million from \$11.913 billion at September 30, 2016.

In October 2016, we issued a total of \$1.3 billion of senior notes as follows:

- \$400 million in aggregate principal amount of 2.250% senior notes due 2022 at a price equal to 99.692% of the principal amount (the "2022 Senior Notes"); and

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

- \$900 million in aggregate principal amount of 3.450% senior notes due 2026 at a price equal to 99.481% of the principal amount (the "2026 Senior Notes" and, together with the 2022 Senior Notes, the "Senior Notes").

The proceeds, net of discount and other issuance fees and expenses, from the issuance of the Senior Notes were \$1.285 billion, a portion of which was used to redeem the senior notes described below.

In November 2016, we redeemed all \$400 million of our outstanding 2.500% senior notes due December 2016 and all \$500 million of our outstanding 3.500% senior notes due April 2017 at a redemption price equal to the sum of the principal amount and a make-whole amount, together totaling \$906 million, and accrued interest of \$6 million. As a result of the redemption, we recognized a pre-tax extinguishment loss of \$6 million.

Credit Facility

At December 31, 2016, there were no amounts outstanding under our credit facility. The credit facility is used for general corporate purposes and to support commercial paper outstanding, if any. 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, 2016.

Commitments and Contingencies

Legal Matters

See Note 7 to the Consolidated Financial Statements for information regarding legal matters.

OTHER MATTERS

Related Parties

In the ordinary course of business we enter into transactions with related parties, including National Amusements, Inc., CBS Corporation, their respective subsidiaries and affiliates, and companies that we account for under the equity method of accounting. For additional information, see Note 14 to the Consolidated Financial Statements.

On December 12, 2016, our Board of Directors announced that it had discontinued the exploration of a potential combination of Viacom and CBS following receipt of a related letter and request from National Amusements, and that it had dissolved the Special Committee that was formed to evaluate a potential transaction.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q, including "Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition," contains both historical and forward-looking statements. All statements that are not statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements reflect our current expectations concerning future results, objectives, plans and goals, and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause future results, performance or achievements to differ. These risks, uncertainties and other factors include, among others: the effect of recent changes in management and our board of directors; the public acceptance of our brands, programs, motion pictures and other entertainment content on the various platforms on which they are distributed; the impact of inadequate audience measurement on our program ratings and advertising and affiliate revenues; technological developments and their effect in our markets and on consumer behavior; competition for content, audiences, advertising and distribution; the impact of piracy; economic fluctuations in advertising and retail markets, and economic conditions generally; fluctuations in our results due to the timing, mix, number and availability of our motion pictures and other programming; the potential for loss of carriage or other reduction in the distribution of our content; changes in the Federal communications or other laws and regulations; evolving cybersecurity and similar risks; other domestic and global economic, business, competitive and/or regulatory factors affecting our businesses generally; and other factors described below and in our news releases and filings with the Securities and Exchange Commission, including but not limited to our 2016 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, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. *Legal Proceedings.*

Since our 2016 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 7 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 2016 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.*

None.

Item 3. *Defaults Upon Senior Securities.*

None.

Item 4. *Mine Safety Disclosures.*

Not Applicable.

Item 5. *Other Information.*

None.

Item 6. Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1*	Summary of Viacom Inc. Compensation for Outside Directors.
10.2*	Viacom Inc. 2011 RSU Plan for Outside Directors, as amended and restated as of January 1, 2016, and as further amended and restated as of October 31, 2016.
10.3	Viacom Inc. Senior Executive Short-Term Incentive Plan, as amended and restated effective December 12, 2016 (incorporated by reference to Exhibit A to the Definitive Proxy Statement of Viacom Inc. filed on December 16, 2016) (File No. 001-32686).
10.4*	Employment Agreement between Viacom Inc. and Robert Bakish, dated as of December 12, 2016.
10.5*	Letter Agreement between Viacom Inc. and Robert Bakish, dated as of December 12, 2016.
10.6*	Viacom Inc. 2016 Long-Term Management Incentive Plan: Form of Terms and Conditions to the Performance Share Units.
10.7*	Employment Agreement between Viacom Inc. and Robert Bakish, dated as of October 31, 2016 (superseded by Employment Agreement between Viacom Inc. and Robert Bakish dated as of December 12, 2016).
10.8*	Letter Agreement between Viacom Inc. and Robert Bakish, dated as of October 31, 2016 (superseded by Employment Agreement between Viacom Inc. and Robert Bakish dated as of December 12, 2016).
10.9*	Letter Agreement between Viacom Inc. and Michael D. Fricklas, dated as of December 12, 2016.
10.10*	Employment Agreement between Viacom Inc. and DeDe Lea, dated as of November 14, 2016.
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: February 9, 2017

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

Date: February 9, 2017

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

Summary of Viacom Inc. Compensation for Outside Directors
(Effective as of October 31, 2016)

Cash Compensation

- The Chair of the Board receives an annual Board retainer of \$300,000, the Vice Chair of the Board receives an annual retainer of \$200,000 and all other outside directors receive an annual retainer of \$100,000, in each case payable in equal installments quarterly in advance.
- The Chairs of the Audit and Compensation Committees each receive an annual retainer of \$20,000, payable in equal installments quarterly in advance, and the members of those Committees receive a per meeting attendance fee of \$2,000.
- The Chair of the Governance and Nominating Committee receives an annual retainer of \$15,000, payable in equal installments quarterly in advance, and the members of that Committee receive a per meeting attendance fee of \$1,500.

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

Equity Compensation

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

VIACOM INC.
2011 RSU PLAN FOR OUTSIDE DIRECTORS

**(Amended and Restated as of January 1, 2016 and as Further Amended and Restated as of
October 31, 2016)**

ARTICLE I
GENERAL

Section 1.1 Purpose.

The purpose of the Viacom Inc. 2011 RSU Plan for Outside Directors, as amended and restated as of January 1, 2016 and as further amended and restated as of October 31, 2016 (the “Plan”) is to benefit and advance the interests of Viacom Inc., a Delaware corporation (the “Company”), and its subsidiaries by obtaining and retaining the services of qualified persons who are not employees of the Company or its subsidiaries to serve as directors and to induce them to make a maximum contribution to the success of the Company and its subsidiaries.

Section 1.2 Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 1.3 Administration of the Plan.

The Plan shall be administered by the members of the Board and such Board members shall determine all questions of interpretation, administration and application of the Plan. References in the Plan to actions or determinations by the Board will be understood to mean actions or determinations by those members of the Board responsible for administering the Plan. Such Board members' determinations shall be final and binding in all matters relating to the Plan.

Section 1.4 Eligible Persons.

Awards shall be granted only to Outside Directors.

Section 1.5 Class B Common Stock Subject to the Plan.

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

ARTICLE II

RESTRICTED SHARE UNITS

Section 2.1 Grants of Restricted Share Units; Settlement Election.

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

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

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

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

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

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

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

Section 2.2 Vesting.

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

Section 2.3 Settlement of Restricted Share Units.

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

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

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

ARTICLE III

DIVIDEND EQUIVALENTS

Section 3. Dividend Equivalents.

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

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

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

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

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

ARTICLE IV

EFFECT OF CERTAIN CORPORATE CHANGES

In the event of any merger, consolidation, stock-split, dividend (other than a regular cash dividend), distribution, combination, recapitalization, reclassification, reorganization, split-off or spin-off that changes the character or amount of the shares of Class B Common Stock or any other changes in the corporate structure, equity securities or capital structure of the Company, the Board shall make such proportionate adjustments to (i) the number and kind of securities subject to any outstanding Awards, (ii) the number and kind of securities subject to the Annual RSU Grants, LID Grants and Elective RSU Grants, and (iii) the maximum number and kind of securities available for issuance under the Plan referred to in Section 1.5, in each case, as it deems appropriate. The Board may, in its sole discretion, also make such other adjustments as it deems appropriate in order to preserve, but not increase, the benefits or potential benefits intended to be made available hereunder upon the occurrence of any of the foregoing events. The Board's determination as to what, if any, adjustments shall be made shall be final and binding on the Company and all Participants. Adjustments under this Article shall be conducted in a manner consistent with any adjustments under the Stock Option Plan.

ARTICLE V

SUBSTITUTE AWARDS

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

ARTICLE VI

MISCELLANEOUS

Section 6.1 No Right to Re-election.

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

Section 6.2 Restriction on Transfer.

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

a divorce or (iv) for such other transfers as the Board may approve, subject to any conditions and limitations that it may, in its sole discretion, impose.

Section 6.3 Stockholder Rights.

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

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

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

Section 6.5 Headings.

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

Section 6.6 Governing Law.

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

ARTICLE VII

AMENDMENT AND TERMINATION

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

ARTICLE VIII

EFFECTIVE DATE

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



As of December 12, 2016

Robert Bakish
90 Hemlock Hill Road
New Canaan, Connecticut 06840

Dear Mr. Bakish:

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 begin on December 12, 2016 (the “Effective Date”) and, unless terminated earlier as set forth herein, shall continue through and including December 31, 2019. The period from the Effective Date through December 31, 2019 is referred to as the “Contract Period”, even if your employment terminates earlier for any reason.

2. Position and Duties. You shall devote your entire business time, attention and energies to the business of the Company during your employment with the Company. You shall be President and Chief Executive Officer of the Company and a director of the Board of Directors of the Company (the “Board”). You shall perform all duties reasonable and consistent with the offices of President and Chief Executive Officer of the Company as may be assigned to you from time to time by, and you shall report directly to, the Board (either collectively or to any one or more individual members of the Board). You will be the highest ranking executive of the Company and all employees shall report directly or indirectly to you. You shall render your services under this Agreement from the Company’s executive offices in the New York metropolitan area or such other location mutually agreeable to you and the Company (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. Compensation.

(a) Salary. The Company shall pay you base salary (as may be increased, “Salary”) at a rate Three Million Dollars (\$3,000,000) per year for all of your services as an employee of the Company. Your Salary shall be subject to annual merit reviews 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 it may be



amended from time to time, or any successor plan, as determined by the Board or a committee of the Board (the "STIP").

- (ii) Your target Bonus for each Company fiscal year during the Contract Period shall be Seven Million Dollars (\$7,000,000) (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; provided, however, that the Viacom Board of Directors Compensation Committee will review your Target Bonus during the Contract Term and may increase, but not decrease, your Target Bonus at that time. The result of such review shall be reported to you promptly after it occurs.

(c) Long-Term Incentive Compensation. During your employment under this Agreement, you shall be eligible to receive annual grants of long-term compensation under the Viacom Inc. 2016 Long-Term Management Incentive Plan, or any successor plan, as determined by the Board or a committee of the Board, in its discretion, based on a target value of Ten Million Dollars (\$10,000,000), comprised 50% of Performance Share Units ("PSUs") and 50% of stock options.

(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 during the STD period shall be governed by the terms of the applicable plan or program documents, award agreements and certificates.

4. Benefits.

(a) Benefits in General. 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 in which Company executives with corporate-wide responsibilities are eligible to participate.

(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.

(c) Taxation. Upon your written request, the Company shall work with you in good faith to reasonably attempt to minimize any additional tax liability resulting from your international travel on behalf of Viacom. In addition, if deemed reasonably appropriate by the Company, the Company shall reimburse you for professional tax and accounting advice.

5. Business Expenses and Travel. 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 for Viacom in accordance with the Company's policies, as are customarily reimbursed to a Company executive at your level. You shall be entitled to the use of the Company's private plane (or equivalent charter aircraft), if available, to travel on Company business (accompanied by your spouse, at your option and at no cost to you, provided that any taxable amount associated with your spouse's travel will be treated as your imputed income, subject to withholding and reporting, and further provided that if your spouse's travel was for Company business purposes, then you will be provided a gross-up payment so that you are not out-of-pocket for any taxes resulting from the imputation of such costs as income to you).

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; provided, however, that nothing in the foregoing prohibits you from reporting what you in good faith believe to be violations of federal law to any governmental agency you in good faith believe to have responsibility for enforcement of such law or from making any other disclosure that is protected under the whistleblower protections of federal law. 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 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 similar creations, in either case concerning the Company or any of its shareholders, subsidiaries or predecessors, or any of their officers or directors.

(c) Non-Disparagement. You and, to the extent set forth in the next sentence, the Company agree that each party 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 the other party, including, with respect to the Company, any of its directors or senior officers. The Company’s obligations under the preceding sentence shall be limited to communications by its senior Viacom Corporate executives having the rank of Executive Vice President or above (“Specified Executives”) and 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(c) by the

Company. Notwithstanding the foregoing, (i) neither you nor the Company shall be prohibited from making truthful 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 ridicule, disparage or derogate the other party and (ii) nothing in this paragraph 7(c) 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(h)

(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.

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 reasonably 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 (other than property that is the property of a third party) shall remain the exclusive property of Viacom. All property of the Company in your possession or control shall be returned to the Company promptly following your termination of employment or, if sooner, promptly following the written request of the Company.

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; provided, however, that nothing in the foregoing prohibits you from reporting what you in good faith believe to be violations of federal law to any governmental agency you in good faith believe to have responsibility for enforcement of such law or from making any other disclosure that is protected under the whistleblower protections of federal law.

(b) Cooperation. You agree to cooperate with Viacom and its attorneys in connection with any Viacom Legal Matter or Company investigation. 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 to the extent relating to your employment or termination of employment or otherwise 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. For the sake of clarity, this paragraph 10 is subject to the provisions of paragraph 17(a).

(b) Cause Definition. "Cause" shall mean: (i) the Company's good faith and reasonably held belief that you have engaged in conduct constituting embezzlement, material misappropriation or intentional fraud, whether or not related to your employment by the Company; (ii) the Company's good faith and reasonably held belief that you have engaged in conduct constituting a felony (not including traffic violations), whether or not related to your employment by the Company; (iii) the Company's good faith and reasonably held belief that you have engaged in conduct constituting a financial crime, material act of dishonesty or material unethical business conduct, involving Viacom; (iv) your willful unauthorized disclosure or use of Confidential Information (other than an inadvertent disclosure) that results in demonstrable harm to the Company; (v) your failure to substantially follow a material lawful directive that is appropriate to your position from the Board; (vi) your material breach of any material obligation under this Agreement; (vii) your 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) your willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, whether or not related to your employment with the Company, after being instructed by Viacom to cooperate; (ix) your willful destruction of or willful failure to preserve documents or other material known by you to be relevant to any investigation referred to in subparagraph (viii) above; or (x) your willful inducement of others to engage in conduct which, if engaged in by you, would constitute Cause as described in subparagraphs (i) – (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, provided that, prior to termination, you shall be given an opportunity to discuss with the Board the basis for the Company's assertion of Cause. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have twenty (20) business days after the giving of such notice and opportunity to discuss with the Board the basis for the notice within which to cure; provided, however, that, if the Company reasonably expects irreparable injury from a delay of twenty (20) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

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) your removal or failure to re-elect you as President and Chief Executive Officer of the Company; (ii) your removal from or failure to re-elect you to the Board; (iii) the assignment to you of duties or responsibilities substantially inconsistent with your position(s) or duties; (iv) any change in reporting such that you do not report directly to the Board (either collectively or to any one or more individual members of the Board); (v) the withdrawal of material portions of your duties; (vi) the reduction of your Salary or Target Bonus, including a reduction from the levels to which they may be increased during the Contract Term; (vii) the material breach by the Company of any material obligation under this Agreement; or (viii) the relocation of your position outside the greater New York City metropolitan area.

(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 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, and in the amount then furnished at no cost to other Company executives at comparable levels. 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 and all stock options granted under any such plan shall continue to be exercisable in accordance with the award but in no event for a period less than twelve (12) months following the date of termination of your employment or, if earlier, the scheduled expiration date of the option;
- (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) All performance 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 shall vest in accordance with the Terms & Conditions associated with each performance share unit award.;

- (viii) 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
- (ix) 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. For the avoidance of doubt, 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.

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. In the event of your death prior to the end of the Contract Period while employed with the Company, the Contract Period shall 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.

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 adjusted 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) Benefits under Company Plans and Programs. 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. To the extent necessary to carry out the intent of the parties, the obligations of each party hereunder, including, without limitation, your obligations under paragraphs 6, 7, 8 and 9 and the Company's obligations under paragraphs 3, 7(c), 10, 11, 13, 14, 15 and 20, 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 this Agreement 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 fiscal 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. 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 the Company or are or were serving at the request of the Company 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, the Company shall indemnify you and hold you harmless to the fullest extent permitted or authorized by the Company’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 the Company or other entity and shall inure to the benefit of your heirs, executors and administrators. The Company shall pay directly or reimburse you for 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 payment and/or reimbursement. Such request shall include an undertaking by you to repay the amount of such payment or reimbursement if it shall ultimately be determined that you are not entitled to be indemnified against such costs and expenses.

(b) Neither the failure of the Company (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 the Company (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 the Company maintains officers’ and directors’ liability insurance, you will be covered under such policy subject to the exclusions and limitations set forth therein.

21. 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 Global 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 Global Business Practices Statement.

22. **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 and delivered by either party to the other in accordance with this paragraph 22), 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.

23. **Binding Effect; Third-Party Beneficiary; 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 or of any successor in interest to the Company provided that such assignee assumes all of the obligations of the Company hereunder. This Agreement is for the performance of personal services by you and may not be assigned by you, except that upon your death, your rights hereunder, to the extent provided under applicable law, shall transfer to your designated beneficiary (or, if there is no such beneficiary, your estate or other legal representative).

24. **Waivers.** Waiver by either you or by the Company 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.

25. **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 or otherwise relating to this Agreement and the rights and obligations hereunder shall be brought solely in the state or federal courts located in the City of New York, Borough of Manhattan.

26. **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.

27. **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.

28. Entire Understanding. This Agreement together with that certain letter dated as of December 12, 2016 between you and the Company contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement and such letter agreement, and, except as otherwise provided herein, can be modified only by a writing signed by both parties.

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

30. 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.

31. 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.

Please confirm your understanding of the Agreement by signing and returning the two (2) 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/ Scott Mills
Scott Mills
Executive Vice President,
Chief Administrative Officer

ACCEPTED AND AGREED:

/s/ Robert Bakish

Robert Bakish

Dated: 1/6/17

Robert Bakish
90 Hemlock Hill Road
New Canaan, Connecticut 06840

This General Release of all Claims (this "Agreement") is entered into by Robert Bakish (the "Executive") and Viacom nc. (the "Company"), effective as of _____.

In consideration of the promises set forth in the letter agreement between the Executive and the Company, dated as of December 12, 2016 (together with any amendments thereto, 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 promptly following the date of the Executive's termination of employment with 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; (ii) rights provided under that certain letter dated as of December 12, 2016 between the Executive and the Company; (iii) 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; (iv) any rights the Executive has under this Agreement, including any right to enforce the terms thereof; (v) any Claim for payments, benefits or other entitlements which the Executive has or will be entitled to under the terms of any compensation or benefit plan, policy or program maintained by the Company or any affiliate, including, without limitation, any incentive or deferred compensation plan, any pension plan or benefits under any welfare benefit plan; (vi) any Claim the Executive may have to obtain contribution as permitted by law in the event of entry of judgment against him as a result of any act or failure to act for which he and the Company or any affiliate are jointly liable or (vii) any Claim that by law may not be released by private agreement without judicial or governmental review and approval.

(b) Specific Release of ADEA Claims. In further consideration of the payments and benefits provided to the Executive under the Employment Agreement, the Releasers hereby unconditionally release and forever discharge the Releasees from any and all Claims that the Releasers 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 waive any right to such award or 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 either party to this Agreement.

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 so 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: _____
Scott Mills
Executive Vice President,
Chief Administrative Officer

THE EXECUTIVE

Robert Bakish

Dated: _____



As of December 12, 2016

Robert Bakish
90 Hemlock Hill Road
New Canaan, Connecticut 06840

Dear Mr. Bakish:

Reference is made to that certain employment agreement between you and Viacom Inc. (the "Company") dated as of December 12, 2016 (your "Employment Agreement"). All defined terms used without being defined herein shall have the meanings provided in your Employment Agreement.

This letter is to confirm our understanding, notwithstanding any provision in your Employment Agreement, that your actual 2017 STIP Bonus will be reduced by Two Hundred Fifty Thousand Dollars (\$250,000) to reimburse the Company for the overpayment of salary under your prior employment agreement.

This letter is also to confirm our understanding, notwithstanding any provision in your Employment Agreement, that Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000) of your 2017 LTMIP award was already granted to you comprised 40% stock options and 60% restricted share units on November 10, 2016, prior to the effective date of your Employment Agreement. The remainder of your 2017 LTMIP award, Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000) will be granted within ten calendar days following full execution of your Employment Agreement and this side letter agreement, comprised 50% stock options and 50% Performance Share Units ("PSUs").

This letter is also to confirm our understanding, notwithstanding any provision in your Employment Agreement, that the Company shall promptly, upon submission of an appropriately detailed invoice, pay your legal fees incurred in connection with negotiating your Employment Agreement and any document or other agreement related to your employment which is entered into in connection with the negotiation of your Employment Agreement; provided, however, that such payment shall not exceed Seventy Thousand Dollars (\$70,000).

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Please confirm your understanding of the Agreement by signing and returning the two (2) 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/ Scott Mills
Scott Mills
Executive Vice President,
Chief Administrative Officer,

ACCEPTED AND AGREED:

/s/ Robert Bakish
Robert Bakish

Dated: 1/6/17

Viacom Inc.
2016 Long-Term Management Incentive Plan

2017 Terms and Conditions to the Performance Share Units Certificate

ARTICLE I
TERMS OF PERFORMANCE SHARE UNITS

Section 1.1 Grant of Performance Share Units. The Performance Share Units (the “Performance Share Units”) awarded to a Participant are subject to (i) the Performance Share Units Certificate (the “Certificate”), (ii) the terms and conditions contained herein and (iii) the 2016 Long-Term Management Incentive Plan (the “Plan”), the provisions of which are hereby incorporated by reference. A copy of the Plan and the Prospectus dated May 18, 2016 are being provided simultaneously on-line or attached hereto. Capitalized terms that are not otherwise defined herein have the meanings assigned to them in the Performance Share Units Certificate or the Plan. Performance Share Units are notional units of measurement and represent the right to receive a number of shares of Class B Common Stock determined on the basis of the performance of the Class B Common Stock in comparison to the performance of the common stock of companies comprising the Reference Group, on the terms and conditions set forth in the Certificate.

Section 1.2 Terms of Performance Share Units.

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

Schedule
• If the Company achieves less than the 25 th percentile TSR, the award of Performance Share Units will be forfeited
• If the Company achieves the 25 th percentile TSR, the number of shares to be delivered under the award will be 25% of the Target Award
• If the Company achieves the 50 th percentile TSR, the number of shares to be delivered under the award will be 100% of the Target Award
• If the Company achieves the 100 th percentile TSR (that is, if it is the first ranked company in the Reference Group for TSR), the number of shares to be delivered under the award will be 200% of the Target Award

For Company achievement at an intermediate points between the 25th and 50th percentile, or between the 50th percentile and the 100th percentile, the number of shares of Class B Common Stock to be delivered will be interpolated between the respective number of shares delivered at such percentiles. For example, if the Company were to achieve the 70th percentile TSR, the number of Shares to be delivered would be 140% of the Target Award.

(b) Settlement and Delivery of Shares. Shares delivered in settlement of the Performance Share Units will be delivered, net of any Shares withheld for Taxes pursuant to Section 4.3, no later than four (4) weeks following the Determination Date.

(c) Transfer Restriction on Delivered Shares. Shares delivered in settlement of the Performance Share Units, net of any Shares withheld for Taxes pursuant to Section 4.3, shall not be transferable by the Participant, except by will, the laws of descent and distribution or beneficiary designation for a 6-month period beginning on the Determination Date; provided that the Committee may permit other transferability, subject to any conditions and limitations that it may, in its sole discretion, impose.

(d) Termination of Employment.

(1) In the event the Participant's employment with the Company or a Subsidiary terminates in a Qualifying Termination prior to December 31, 2019, the number of shares of Class B Common Stock that the Participant will receive for the applicable Measurement Period will be determined by multiplying the shares of Class B Common Stock determined under the valuation criteria under Section 1.2(a) by a fraction, the numerator of which is the number of days starting with and inclusive of January 1, 2017 and ending on the applicable Determination Date and the denominator of which is the number of days starting with and inclusive of January 1, 2017 and ending on December 31, 2019.

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

ARTICLE II

EFFECT OF CERTAIN CORPORATE CHANGES

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

ARTICLE III DEFINITIONS

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

- (a) “Board” shall mean the Board of Directors of the Company.
- (b) “Cause” shall (i) have the meaning provided in a Company or a Subsidiary employment agreement that is in effect and applicable to the Participant, or (ii) mean, if there is no such employment agreement or if such employment agreement contains no such term, unless the Committee determines otherwise, (A) conduct constituting embezzlement, material misappropriation or fraud, whether or not related to the Participant’s employment with the Company or a Subsidiary; (B) conduct constituting a felony, whether or not related to the Participant’s employment with the Company or a Subsidiary; (C) conduct constituting a financial crime, material act of dishonesty or material unethical business conduct, involving the Company or a Subsidiary; (D) willful unauthorized disclosure or use of Company or Subsidiary confidential information; (E) the failure to substantially obey a material lawful directive that is appropriate to the Participant’s position from a superior in his or her reporting line or the Board; (F) the failure or refusal to substantially perform the Participant’s material employment obligations (other than any such failure or refusal resulting from the Participant’s disability); (G) the willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, whether or not related to employment with the Company or a Subsidiary, after being instructed by the Company or a Subsidiary to cooperate; (H) the willful destruction of or failure to preserve documents or other material known to be relevant to any investigation referred to in subparagraph (G) above; or (I) the willful inducement of others to engage in the conduct described in subparagraphs (A) – (H).
- (c) “Certificate” shall mean the meaning set forth in Section 1.1 hereof.
- (d) “Class B Common Stock” shall mean shares of Class B Common Stock, par value \$0.001 per share, of the Company.
- (e) “Code” shall mean the U.S. Internal Revenue Code of 1986, as amended, including any successor law thereto and the rules, regulations and guidance promulgated thereunder.
- (f) “Committee” shall mean the Compensation Committee of the Board (or such other Committee(s) as may be appointed or designated by the Board to administer the Plan).
- (g) “Company” shall mean Viacom Inc., a Delaware corporation.
- (h) “Date of Grant” shall be the date set forth on the Performance Share Units Certificate.
- (i) “Determination Date” means December 31, 2019; provided, however, that in the event the Participant’s employment with the Company terminates in a Qualifying Termination prior to December 31, 2019, the Determination Date will be the effective date of the Participant’s termination of employment.

- (j) “Fair Market Value” of a share of Class B Common Stock on a given date shall be the 4:00 p.m. (New York time) closing price on such date on the NASDAQ Stock Exchange or other principal stock exchange on which the Class B Common Stock is then listed.
- (k) “Good Reason” has the meaning assigned to such term in the Participant’s employment agreement with the Company or a Subsidiary.
- (l) “Measurement Period” means the period beginning on January 1, 2017 and ending December 31, 2019; provided, however, that if the Participant’s employment with the Company terminates in a Qualifying Termination, the Measurement Period will be the period beginning January 1, 2017 and ending on the effective date of the Participant’s termination of employment.
- (m) “Participant” shall mean the employee named on the Performance Share Units Certificate.
- (n) “Performance Share Units” shall mean notional units of measurement representing the contractual right granted to the Participant to receive shares of Class B Common Stock based on the performance of the Class B Common Stock in comparison with the performance of the common stock of the Reference Group over the Measurement Period, on the terms and conditions forth in the Certificate.
- (o) “Performance Share Units Certificate” shall have the meaning set forth in Section 1.1 hereof.
- (p) “Permanent Disability” shall have the same meaning as such term or a similar term has in the long-term disability policy maintained by the Company or a Subsidiary thereof for the Participant and that is in effect on the date of the onset of the Participant’s Permanent Disability unless the Committee determines otherwise.
- (q) “Plan” shall mean the Viacom Inc. 2016 Long-Term Management Incentive Plan, and as may be amended from time to time.
- (r) “Qualifying Termination” means (i) the termination of the Participant’s employment by the Company or a Subsidiary other than in a termination of employment for Cause; (ii) in the event the Participant has an employment agreement with the Company or a Subsidiary that contains a Good Reason provision, such Participant’s resignation of employment for Good Reason; (iii) the termination of the Participant’s employment with the Company or a Subsidiary by reason of the Participant’s death or Permanent Disability; or (iv) in the event the Participant has an employment agreement with the Company or a Subsidiary, the non-renewal of such employment agreement at the Company’s or Subsidiary’s election followed by termination of the Participant’s employment with the Company and any Subsidiary within six months of such contract expiration for any reason other than for Cause.
- (s) “Reference Group” means all companies whose common stock is included in the S&P 500 at the start of the Measurement Period (other than (i) companies that cease to be included in the S&P 500 during the Measurement Period solely due to merger, acquisition, liquidation or similar events fundamentally changing the identity and nature of the company and (ii) companies that cease to be included in the S&P 500 other than on account of events described in the preceding clause (i) and which also cease to have common stock publicly traded on an exchange or on a recognized market system or the over-the-counter market).

- (t) “S&P 500” means the Standard & Poor’s 500 Composite Index.
- (u) “Section 409A” shall mean Section 409A of the Code and the rules, regulations and guidance promulgated thereunder from time to time.
- (v) “Subsidiary” shall mean a corporation (or a partnership or other enterprise) in which the Company owns or controls, directly or indirectly, 50% or more of the outstanding shares of stock normally entitled to vote for the election of directors (or comparable equity participation and voting power).
- (w) “Target Award” means the number of shares of Class B Common Stock indicated as the “Target Award” on the Participant’s Performance Share Units Certificate.
- (x) “TSR” means for the Class B Common Stock and for the common stock of each company in the Reference Group, the percentage change in value (positive or negative) over the Measurement Period as measured by dividing (i) the sum of (A) each company’s cumulative value of dividends and other distributions in respect of its common stock for the Measurement Period, assuming dividend reinvestment, and (B) the difference (positive or negative) between each company’s common stock price on the first and last day of the Measurement Period, calculated based on the 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 last day of the Measurement Period, in each case, as reported by Bloomberg L.P. (or such other reporting service that the Committee may designate from time to time); by (ii) the common stock price on the first day of the Measurement Period, calculated on the basis described above. TSR shall reflect (i) reinvestment of dividends and other distributions and (ii) appropriate and equitable treatment of any reorganizations affecting the corporate structure of the companies in the reference group, in addition to the adjustments for stock splits and reverse stock splits. TSR will be determined by the Committee in a manner consistent with this definition. For purposes of computing TSR, if a company has more than one class of common stock outstanding then only the class that is included in the S&P 500 shall be taken into account, and if there is more than one such class the company’s TSR shall be computed using the aggregate values of and distributions on all such classes.

ARTICLE IV MISCELLANEOUS

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

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

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

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

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

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

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

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

Section 4.9 Breach of Covenants. In the event that the Committee makes a good faith determination that the Participant committed a material breach of the restrictive covenants relating to non-competition, non-solicitation, confidential information or proprietary property in any employment or other agreement applicable to the Participant during the Participant's employment or the one year period after termination of the Participant's employment with the Company or a Subsidiary for any reason, (i) the Participant shall be required to return the shares of Class B Common Stock received by him or her in settlement of the Performance Share Units during the one year period prior to such breach or any time after such breach occurs, or, if the shares of Class B Common Stock received in settlement of the Performance Share Units within the one year period prior to such breach were sold by the Participant, return any proceeds realized on the sale of such shares of Class B Common Stock prior to such breach or any time after such breach occurs and (ii) any unvested Performance Share Units shall be forfeited.

Section 4.10 Governmental Regulations. The Performance Share Units shall be subject to all applicable rules and regulations of governmental or other authorities.

Section 4.11 Headings. The headings of articles and sections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Certificate.

Section 4.12 Governing Law. The Certificate and all rights hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.



As of October 31, 2016

Robert Bakish
90 Hemlock Hill Road
New Canaan, Connecticut 06840

Dear Mr. Bakish:

Viacom International 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 begin on October 31, 2016 (the “Effective Date”) and, unless terminated earlier as set forth herein, shall continue through and including October 30, 2019. The period from the Effective Date through October 30, 2019 is referred to as the “Contract Period”, even if your employment terminates earlier for any reason.

2. Duties. You shall devote your entire business time, attention and energies to the business of the Company during your employment with the Company. You shall be President and Chief Executive Officer of the Global Entertainment Group (which shall consist of Viacom International Media Networks, MTV, VH1, Logo, Comedy Central, Spike, CMT and TV Land), and you shall perform all duties reasonable and consistent with such office as may be assigned to you from time to time by, and you shall report directly to, the Viacom Inc. Board of Directors (the “Board”) or whomever the Board directs.

3. Compensation.

(a) Salary. The Company shall pay you base salary (as may be increased, “Salary”) at a rate Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000) per year for all of your services as an employee of the Company. Your Salary shall be subject to annual merit reviews 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. Short-Term Incentive Plan as it may be amended from time to time, or any successor plan, as determined by the Board or a committee of the Board (the “STIP”).
- (ii) Your target Bonus for each Company fiscal year during the Contract Period shall be Three Million Five Hundred Thousand Dollars (\$3,500,000) (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 or Viacom Inc. and as further provided in the STIP. For the avoidance of doubt, the



Company Performance Factor shall be based on the performance of the businesses comprising the Global Entertainment Group.

(c) Long-Term Incentive Compensation. During your employment under this Agreement, you shall be eligible to receive annual grants of long-term compensation under the Viacom Inc. 2016 Long-Term Management Incentive Plan, or any successor plan, as determined by the Board or a committee of the Board, in its discretion, based on a target value of Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000), determined and modified by the Board or a committee of the Board.

(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) Benefits in General. 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.

(c) Taxation. Upon your written request, the Company shall work with you in good faith to reasonably attempt to minimize any additional tax liability resulting from your international travel on behalf of Viacom. In addition, if deemed reasonably appropriate by the Company, the Company shall reimburse you for professional accounting advice.

5. Business Expenses and Travel. 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 for Viacom in accordance with the Company’s policies, as are customarily reimbursed to Company executives at comparable levels, including first class air travel, if available. If your spouse's travel with you is required for business purposes, the cost of her travel will be considered a business expense of yours, reimbursable in accordance with the terms of this Agreement and not included in your taxable income. In addition, even when your spouse's travel with you is not required for business purposes, the Company shall reimburse you for up to four (4) business class air transportation round-trips for your spouse to accompany you on your business travel for the Company; provided, however, that the cost of your spouse’s transportation not for business purposes shall be included in your taxable income.

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; provided, however, that nothing in the foregoing prohibits you from reporting what you in good faith believe to be violations of federal law to any governmental agency you in good faith believe to have responsibility for enforcement of such law or from making any other disclosure that is protected under the whistleblower protections of federal law. 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; provided, however, that nothing in the foregoing prohibits you from reporting what you in good faith believe to be violations of federal law to any governmental agency you in good faith believe to have responsibility for enforcement of such law or from making any other disclosure that is protected under the whistleblower protections of federal law.

(b) Cooperation. You agree to cooperate with Viacom and its attorneys in connection with any Viacom Legal Matter or Company investigation. 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) – (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 or Viacom 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 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, and in the amount then furnished at no cost to other Company executives at comparable levels. 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 adjusted 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 fiscal 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 Global 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 Global 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; Third-Party Beneficiary; 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. Viacom Inc. is an intended third-party beneficiary of this Agreement. 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 or otherwise relating to this Agreement and the rights and obligations hereunder 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 together with that certain letter dated October 31, 2016 among you, the Company and Viacom Inc., 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 all prior agreements relating to your employment with the Company or Viacom.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Please confirm your understanding of the Agreement by signing and returning the two (2) 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 INTERNATIONAL INC.

By: /s/ Scott Mills

Scott Mills
Executive Vice President,
Chief Administrative Officer,

ACCEPTED AND AGREED:

/s/ Robert Bakish

Robert Bakish

Dated: _____

Robert Bakish
90 Hemlock Hill Road
New Canaan, Connecticut 06840

This General Release of all Claims (this "Agreement") is entered into by Robert Bakish (the "Executive") and Viacom International Inc. (the "Company"), effective as of _____.

In consideration of the promises set forth in the letter agreement between the Executive and the Company, dated October 31, 2016 (together with any amendments thereto, 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; (ii) rights provided under that certain letter dated October 31, 2016 among the Executive, the Company and Viacom; and (iii) 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 INTERNATIONAL INC.

By: _____
Scott Mills
Executive Vice President,
Chief Administrative Officer,

THE EXECUTIVE

Robert Bakish

Dated: _____



As of October 31, 2016

Robert Bakish
90 Hemlock Hill Road
New Canaan, Connecticut 06840

Dear Mr. Bakish:

Reference is made to that certain employment agreement between you and Viacom International Inc. (the “Company”) dated as of October 31, 2016 (together with any amendments thereto, your “Employment Agreement”). All defined terms used without being defined herein shall have the meanings provided in your Employment Agreement.

This letter is to confirm our understanding, notwithstanding any provision in your Employment Agreement, that beginning on the earlier of (i) Thomas E. Dooley’s resignation as interim President and Chief Executive Officer of Viacom Inc. or (ii) November 15, 2016 and continuing until the earlier of (x) the appointment of a Chief Executive Officer of Viacom Inc. or (y) the closing of any business combination transaction between Viacom Inc. and CBS Corporation (any such transaction, the “Viacom-CBS Transaction”, and such date the “Termination Date”), you shall serve as acting President and Chief Executive Officer, Viacom Inc. (“Acting Viacom CEO”), and you shall perform all duties reasonable and consistent with such office as may be assigned to you from time to time by, and you shall report directly to, the Board.

Viacom Inc. shall pay you the greater of (i) Two Million Five Hundred Thousand Dollars (\$2,500,000); or (ii) Five Hundred Thousand Dollars (\$500,000) per month of service, pro-rated for partial months of service, for your services as Acting Viacom CEO (the “Acting CEO Compensation”). You shall be paid the Acting CEO Compensation at a rate of Five Hundred Thousand Dollars (\$500,000) per month of service, less deductions and income and payroll tax withholding as may be required under applicable law, payable in accordance with the Company’s ordinary payroll policy, but no less frequently than monthly. The remainder of your Acting CEO Compensation, if any, shall be paid in a lump sum within five (5) business days following the Termination Date. The foregoing compensation shall be in addition to your compensation for the role of President and Chief Executive Officer of the Global Entertainment Group.

For the period of time you serve as Acting Viacom CEO, your Bonus shall be your Target Bonus adjusted by the Viacom Inc. Company Performance Factor applied to participants in the Viacom Inc. Senior Executive STIP and your Individual Performance Factor, pro-rated to reflect the applicable performance period. In the event of a Viacom-CBS Transaction, your Bonus for the period of time preceding the close of the Viacom-CBS Transaction during which you served as Acting Viacom CEO shall be based on Viacom Inc.’s actual performance for that period of time versus Viacom Inc.’s budgeted performance for that period of time, and shall be pro-rated to reflect the applicable performance period.

In the event that your employment is terminated pursuant to Paragraph 11 of your Employment Agreement before (i) the appointment of a Chief Executive Officer of Viacom Inc. or (ii) the closing of the Viacom-CBS Transaction, then this letter agreement shall be terminated simultaneously and you shall



be entitled to (i) the compensation and benefits outlined in Paragraph 11(c) or 16 of your Employment Agreement, as applicable, or otherwise provided in your Employment Agreement, and (ii) the Acting CEO Compensation that is earned but unpaid at the time of termination. In the event your employment is terminated pursuant to Paragraph 10 of your Employment Agreement before (i) the appointment of a Chief Executive Officer of Viacom Inc. or (ii) the closing of the Viacom-CBS Transaction, then this letter shall be terminated simultaneously and you shall be entitled to your Accrued Compensation and Benefits but shall not be entitled to any unpaid Acting CEO Compensation.

During or related to your service as Acting Viacom CEO, 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 Viacom or are or were serving at the request of Viacom 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, Viacom Inc. shall indemnify you and hold you harmless to the fullest extent permitted or authorized by Viacom Inc.'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 Viacom Inc. or other entity and shall inure to the benefit of your heirs, executors and administrators. Viacom Inc. shall advance to you all reasonable costs and expenses that you incur in connection with a Proceeding within twenty (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. Neither the failure of Viacom Inc. (including its Board, 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 Viacom Inc. (including its Board, 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. To the extent that Viacom Inc. maintains officers' and directors' liability insurance, you will be covered under such policy subject to the exclusions and limitations set forth therein. Notwithstanding anything to the contrary herein, this paragraph shall survive the termination of this letter agreement.

This letter is also to confirm our understanding, notwithstanding any provision in your Employment Agreement, that while you are the Acting Viacom CEO, 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 Viacom, your cost, provided that such cost shall be on a basis consistent with that presently in effect on the Effective Date or as otherwise required by law).

This letter is also to confirm our understanding, notwithstanding any provision in your Employment Agreement, that the Company shall promptly, upon submission of an appropriately detailed invoice, pay your legal fees incurred in connection with negotiating your Employment Agreement and any document or other agreement related to your employment which is entered into in connection with the negotiation of your Employment Agreement; provided, however, that such payment shall not exceed Forty Thousand Dollars (\$40,000).

This letter is also to confirm our understanding, notwithstanding any provision in your Employment Agreement, that your fiscal year 2017 LTMIP award shall be granted within ten (10) days of the Effective Date of your Employment Agreement.

Please confirm your understanding of the Agreement by signing and returning the two (2) 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/ Scott Mills

Scott Mills
Executive Vice President,
Chief Administrative Officer,

VIACOM INTERNATIONAL INC

By: /s/ Scott Mills

Scott Mills
Executive Vice President,
Chief Administrative Officer,

ACCEPTED AND AGREED:

/s/ Robert Bakish

Robert Bakish

Dated: _____

1515 BROADWAY
NEW YORK, NY 10036

viacom

As of December 12, 2016

Michael D. Fricklas
c/o Viacom Inc.
1515 Broadway
New York, NY 10036

Dear Mr. Fricklas:

Reference is made to your employment agreement with Viacom Inc. (the "Company"), dated October 2, 2009, amended as of August 6, 2012, and further amended as of May 20, 2015 (together, the "Employment Agreement"). All defined terms used without definition shall have the meanings provided in your Employment Agreement.

This letter confirms, notwithstanding anything provided in your Employment Agreement, that the Company shall have ninety (90) days from the date of this letter agreement to offer you a new contract or contract amendment with a Contract Period of at least three (3) years on terms no less favorable to you than those contained within your current Employment Agreement (a "Qualifying Offer"). In the event the Company does not make you a Qualifying Offer, you will have the right, for thirty (30) days from the expiration of the ninety (90) day period (such period of time, the "Option Period"), to resign and such resignation will be deemed for Good Reason pursuant to the terms of Paragraph 11 of your Employment Agreement.

This letter also confirms, notwithstanding anything provided in your Employment Agreement, that in the event you are terminated without Cause or resign for Good Reason (including "Good Reason" as defined in the preceding paragraph) on or before the last day of the Option Period, your Employment Agreement will be simultaneously amended as follows:

1. Paragraph 11(c)(i) shall be amended by deleting it in its entirety and replacing it with the following: "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 eighteen (18) months or until the end of the Contract Period."
2. Paragraph 11(c)(ii) shall be amended by deleting it in its entirety and replacing it with the following: "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 and any additional period needed to include eighteen months from the date of termination of employment; provided that the Bonus or Pro-Rated Bonus shall be calculated as provided in paragraph 19(e)(iii); and further 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;"
3. Paragraph 11(c)(iii) shall be amended by replacing the phrase "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" with "until the earlier of (i) the end of the Contract

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Period, but in no event less than eighteen (18) months after the termination of your employment”.

In the event that you remain employed by the Company following the expiration of the Option Period, and you have not signed a new contract or contract amendment, then this letter agreement shall be terminated and your Employment Agreement shall remain in effect without regard to the amendments contemplated herein.

Please confirm your understanding of the Agreement by signing and returning the two (2) copies of this letter. 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/ Scott Mills

Scott Mills
Executive Vice President,
Chief Administrative Officer

ACCEPTED AND AGREED:

/s/ Michael D. Fricklas

Michael D. Fricklas

Dated: 12/13/2016



As of November 14, 2016

DeDe Lea
c/o Viacom Inc.
1275 Pennsylvania Ave. NW
Suite 710
Washington, D.C. 20004

Dear Ms. Lea:

Viacom Inc. (the “Company”), with an address at 1515 Broadway, New York, NY 10036, 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 begin on November 14, 2016 (the “Effective Date”) and, unless terminated earlier as set forth herein, shall continue through and including September 30, 2020. The period from the Effective Date through September 30, 2020 is referred to as the “Contract Period”, even if your employment terminates earlier for any reason.

2. Duties. You shall devote your entire business time, attention and energies to the business of the Company during your employment with the Company. You shall be Executive Vice President, Global Government Affairs 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 President and Chief Executive Officer (“CEO”) or the Company’s Chief Operating Officer (“COO”). Your principal place of business shall be in the Washington D.C. metropolitan area.

3. Compensation.

(a) Salary. The Company shall pay you base salary (as may be increased, “Salary”) at a rate of Eight Hundred Fifty Thousand Dollars (\$850,000) per year from the Effective Date through December 31, 2016, and at a rate of Eight Hundred Eighty-Five Thousand Dollars (\$885,000) per year effective January 1, 2017 for all of your services as an employee. Your Salary shall be subject to merit reviews, on or about an annual basis, while you are 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. Short-Term Incentive Plan, 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 80% of your Salary (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. 2016 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 Seven Hundred Thousand Dollars (\$700,000), determined and modified by the CEO and, as required, the Board or a committee of the Board.

(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. 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.

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. Upon the termination of your employment under this Agreement for any reason, you shall be entitled to reimbursement of business expenses in accordance this paragraph 5 that were incurred prior to the date of such termination in accordance with the Company’s policies.

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; provided, however, that

nothing in the foregoing prohibits you from reporting what you in good faith believe to be violations of federal law to any governmental agency you in good faith believe to have responsibility for enforcement of such law or from making any other disclosure that is protected under the whistleblower protections of federal law. 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; provided, however, that nothing in the foregoing prohibits you from reporting what you in good faith believe to be violations of federal law to any governmental agency you in good faith believe to have responsibility for enforcement of such law or from making any other disclosure that is protected under the whistleblower protections of federal law.

(b) Cooperation. You agree to cooperate with Viacom and its attorneys in connection with any Viacom Legal Matter or Company investigation. 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) – (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; (iii) a change in your reporting such that you do not report directly to the Chief Executive Officer of the Company; (iv) the material breach by the Company of any material obligation under this Agreement; or (v) the relocation of your position outside of the Washington D.C. metropolitan area.

(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 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, and in the amount then furnished at no cost to other Company executives at comparable levels. 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 adjusted 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 or otherwise relating to this Agreement and the rights and obligations hereunder 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 the Company or Viacom.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Please confirm your understanding of the Agreement by signing and returning two (2) 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/ Scott Mills

Scott Mills
Executive Vice President,
Chief Administrative Officer

ACCEPTED AND AGREED:

/s/ DeDe Lea

DeDe Lea

Dated: 12/1/2016

DeDe Lea
c/o Viacom Inc.
1275 Pennsylvania Ave. NW
Suite 710
Washington, D.C. 20004

This General Release of all Claims (this "Agreement") is entered into by DeDe Lea (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, dated November 14, 2016 (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 her termination to consult with an attorney of her 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 her 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 she has seven (7) days following the date on which she signs this Agreement within which to revoke the release contained in this paragraph 2(b), by providing the Company a written notice of her revocation of the release and waiver contained in this paragraph 2(b); provided, however, that if the Executive exercises her right to revoke the release contained in this paragraph 2(b), the Executive shall not be entitled to any amounts paid to her under the termination provisions of the Employment Agreement and the Company may reclaim any such amounts paid to her 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 she 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 her behalf, any complaint, charge, claim or proceeding against the Releasees before any local, state or federal agency, court or other body relating to her employment or the termination of her 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 she 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 she fails to abide by any of the terms of this Agreement or her 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 her 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 her post-termination obligations under the Employment Agreement or her 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 her post-termination obligations under the Employment Agreement or her 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 she shall be limiting the availability of certain remedies that she may have against the Company and limiting also her 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 SHE HAS READ THIS AGREEMENT AND THAT SHE FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT SHE HEREBY EXECUTES THE SAME AND MAKES THIS AGREEMENT AND THE RELEASE AND AGREEMENTS PROVIDED FOR HEREIN VOLUNTARILY AND OF HER OWN FREE WILL.

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

VIACOM INC.

By: _____
Scott Mills
Executive Vice President,
Chief Administrative Officer

THE EXECUTIVE

DeDe Lea

Dated: _____

CERTIFICATION

I, Robert M. Bakish, 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: February 9, 2017

/s/ ROBERT M. BAKISH

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: February 9, 2017

/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, 2016 as filed with the Securities and Exchange Commission (the "Report"), I, Robert M. Bakish, 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/ ROBERT M. BAKISH

Robert M. Bakish

February 9, 2017

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, 2016 as filed with the Securities and Exchange Commission (the "Report"), I, Wade Davis, Executive Vice President, Chief Financial Officer of the Company, certify that to my knowledge:

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

/s/ WADE DAVIS

Wade Davis

February 9, 2017

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.