

# VIACOM INC.

## FORM 10-Q (Quarterly Report)

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Address	1515 BROADWAY NEW YORK, NY, 10036
Telephone	2122586000
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Industry	Entertainment Production
Sector	Consumer Cyclical
Fiscal Year	09/30

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

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**FORM 10-Q**

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

**For the quarterly period ended December 31, 2017**

**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**

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**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)

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**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)

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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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

<b>Class of Stock</b>	<b>Shares Outstanding as of January 31, 2018</b>
Class A common stock, par value \$0.001 per share	49,431,181
Class B common stock, par value \$0.001 per share	352,910,924

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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,	
	2017	2016
Revenues	\$ 3,073	\$ 3,324
Expenses:		
Operating	1,563	1,819
Selling, general and administrative	740	701
Depreciation and amortization	53	56
Restructuring	—	42
Total expenses	2,356	2,618
Operating income	717	706
Interest expense, net	(147)	(156)
Equity in net earnings of investee companies	1	13
Gain/(loss) on extinguishment of debt	25	(6)
Other items, net	(3)	9
Earnings from continuing operations before provision for income taxes	593	566
Provision for income taxes	(42)	(158)
Net earnings from continuing operations	551	408
Discontinued operations, net of tax	2	—
Net earnings (Viacom and noncontrolling interests)	553	408
Net earnings attributable to noncontrolling interests	(16)	(12)
Net earnings attributable to Viacom	\$ 537	\$ 396
Amounts attributable to Viacom:		
Net earnings from continuing operations	\$ 535	\$ 396
Discontinued operations, net of tax	2	—
Net earnings attributable to Viacom	\$ 537	\$ 396
Basic earnings per share attributable to Viacom:		
Continuing operations	\$ 1.33	\$ 1.00
Discontinued operations	—	—
Net earnings	\$ 1.33	\$ 1.00
Diluted earnings per share attributable to Viacom:		
Continuing operations	\$ 1.33	\$ 1.00
Discontinued operations	—	—
Net earnings	\$ 1.33	\$ 1.00
Weighted average number of common shares outstanding:		
Basic	402.5	397.0
Diluted	402.6	397.9
Dividends declared per share of Class A and Class B common stock	\$ 0.20	\$ 0.20

*See accompanying notes to Consolidated Financial Statements*

**VIACOM INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**

(in millions)	Quarter Ended December 31,	
	2017	2016
Net earnings (Viacom and noncontrolling interests)	\$ 553	\$ 408
Other comprehensive income/(loss), net of tax:		
Foreign currency translation adjustments	9	(138)
Defined benefit pension plans	2	2
Cash flow hedges	1	—
Available for sale securities	30	—
Other comprehensive income/(loss) (Viacom and noncontrolling interests)	42	(136)
Comprehensive income	595	272
Less: Comprehensive income attributable to noncontrolling interest	16	11
Comprehensive income attributable to Viacom	\$ 579	\$ 261

*See accompanying notes to Consolidated Financial Statements*

**VIACOM INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

(in millions, except par value)	December 31, 2017	September 30, 2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 394	\$ 1,389
Receivables, net	3,125	2,970
Inventory, net	959	919
Prepaid and other assets	527	523
Total current assets	5,005	5,801
Property and equipment, net	936	978
Inventory, net	3,978	3,982
Goodwill	11,660	11,665
Intangibles, net	305	313
Other assets	947	959
Total assets	<u>\$ 22,831</u>	<u>\$ 23,698</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 351	\$ 431
Accrued expenses	654	869
Participants' share and residuals	800	825
Program obligations	698	712
Deferred revenue	421	463
Current portion of debt	120	19
Other liabilities	494	434
Total current liabilities	3,538	3,753
Noncurrent portion of debt	10,069	11,100
Participants' share and residuals	339	384
Program obligations	485	477
Deferred tax liabilities, net	235	294
Other liabilities	1,285	1,323
Redeemable noncontrolling interest	249	248
Commitments and contingencies (Note 6)		
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; 353.1 and 353.0 outstanding, respectively	—	—
Additional paid-in capital	10,129	10,119
Treasury stock, 393.7 and 393.8 common shares held in treasury, respectively	(20,585)	(20,590)
Retained earnings	17,582	17,124
Accumulated other comprehensive loss	(576)	(618)
Total Viacom stockholders' equity	6,550	6,035
Noncontrolling interests	81	84
Total equity	6,631	6,119
Total liabilities and equity	<u>\$ 22,831</u>	<u>\$ 23,698</u>

*See accompanying notes to Consolidated Financial Statements*

**VIACOM INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

(in millions)	Quarter Ended December 31,	
	2017	2016
<b>OPERATING ACTIVITIES</b>		
Net earnings (Viacom and noncontrolling interests)	\$ 553	\$ 408
Discontinued operations, net of tax	(2)	—
Net earnings from continuing operations	551	408
Reconciling items:		
Depreciation and amortization	53	56
Feature film and program amortization	1,047	1,089
Equity-based compensation	14	23
Equity in net earnings and distributions from investee companies	4	13
Deferred income taxes	(91)	(63)
Operating assets and liabilities, net of acquisitions:		
Receivables	(93)	(323)
Production and programming	(1,191)	(1,020)
Accounts payable and other current liabilities	(232)	(45)
Other, net	(50)	21
Net cash provided by operating activities	12	159
<b>INVESTING ACTIVITIES</b>		
Acquisitions and investments, net	(2)	(343)
Capital expenditures	(28)	(52)
Proceeds received from asset sales	23	—
Proceeds received from grantor trusts	2	46
Net cash used in investing activities	(5)	(349)
<b>FINANCING ACTIVITIES</b>		
Borrowings	—	1,285
Debt repayments	(1,000)	(900)
Commercial paper	100	—
Dividends paid	(80)	(79)
Other, net	(22)	(14)
Net cash provided by/(used in) financing activities	(1,002)	292
Effect of exchange rate changes on cash and cash equivalents	—	(38)
Net change in cash and cash equivalents	(995)	64
Cash and cash equivalents at beginning of period	1,389	379
Cash and cash equivalents at end of period	\$ 394	\$ 443

*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 entertainment content - including television programs, motion pictures, short-form content, games, consumer products, podcasts, live events and social media experiences - for audiences in 183 countries on various platforms and devices. Viacom operates through two reportable segments: *Media Networks* and *Filmed Entertainment*. The *Media Networks* segment provides entertainment content, services 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 develops, produces, finances, acquires and distributes motion pictures, television programming and other entertainment content under the Paramount Pictures, Paramount Players, Paramount Animation and Paramount Television divisions, in various markets and media worldwide, for itself and for third parties. It partners on various projects with key Viacom franchises, including Nickelodeon Movies and MTV Films. 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, 2018 (“fiscal 2018”) or any future period. These financial statements should be read in conjunction with our Form 10-K for the year ended September 30, 2017, as filed with the SEC on November 16, 2017 (the “2017 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***Equity-Based Compensation*

On October 1, 2017, we adopted Accounting Standards Update (“ASU”) 2016-09 - Compensation - Stock Compensation: Improvements to Employee Share-Based Payment Accounting, which simplifies several aspects of the accounting for and presentation of share-based payments in the financial statements. The new guidance requires all excess tax benefits and tax deficiencies arising from share-based payment activity to be (i) recognized within *Provision for income taxes* in the Consolidated Statements of Earnings in the period in which the awards vest or are exercised or canceled, and (ii) reported as operating activities in the Consolidated Statements of Cash Flows.

*Derivatives and Hedging*

In August 2017, the Financial Accounting Standards Board (“FASB”) issued ASU 2017-12 - Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities. Among other provisions, ASU 2017-12 expands the eligibility of hedging strategies that qualify for hedge accounting, changes the assessment of hedge effectiveness and modifies the presentation and disclosure of hedging activities. 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 on our consolidated financial statements.

*Income Taxes*

In October 2016, the FASB issued 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. As of December 31, 2017, the Company had approximately \$200 million of unrecorded net deferred tax assets, primarily related to an intra-entity transfer of assets. Once recorded, the deferred tax assets will be amortized over the next 12 years.

**VIACOM INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

*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 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.

*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. The guidance is required to be adopted retrospectively. We are still evaluating the impact of the new guidance on our consolidated financial statements.

*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, and allows adoption either under a full retrospective or a modified retrospective approach.

We are assessing the potential impact of adopting this guidance and finalizing our implementation plan. Our assessment includes designing appropriate changes to our processes, systems and controls to support the recognition and disclosure requirements under the new guidance. We expect that the new standard will impact the timing of revenue recognition for renewals or extensions of existing licensing agreements for intellectual property, which upon adoption will be recognized as revenue when the renewal term begins rather than when the agreement is extended or renewed under guidance currently in effect. We have not identified any other significant impacts to our consolidated financial statements based on our assessment to date. Our continued evaluation of the expected impact of the new guidance or the issuance of additional interpretations, if any, could result in an impact that is different from our preliminary conclusions. We will determine the method of transition to adopt the new standard as we move closer to finalizing our implementation plan.

**VIACOM INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**NOTE 2. INVENTORY**

Our total inventory consists of the following:

<b>Inventory</b> (in millions)	<b>December 31,</b> <b>2017</b>	<b>September 30,</b> <b>2017</b>
Film inventory:		
Released, net of amortization	\$ 569	\$ 534
Completed, not yet released	1	85
In process and other	671	686
	<u>1,241</u>	<u>1,305</u>
Television productions:		
Released, net of amortization	19	15
In process and other	279	237
	<u>298</u>	<u>252</u>
Original programming:		
Released, net of amortization	1,094	1,146
In process and other	716	673
	<u>1,810</u>	<u>1,819</u>
Acquired program rights, net of amortization	1,503	1,435
Home entertainment inventory	85	90
Total inventory, net	4,937	4,901
Less current portion	959	919
Noncurrent portion	<u>\$ 3,978</u>	<u>\$ 3,982</u>

**VIACOM INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(continued)

**NOTE 3. DEBT**

Our total debt consists of the following:

Debt (in millions)	December 31, 2017	September 30, 2017
Senior Notes and Debentures:		
Senior notes due September 2019, 5.625%	\$ 550	\$ 550
Senior notes due December 2019, 2.750%	252	252
Senior notes due March 2021, 4.500%	496	496
Senior notes due December 2021, 3.875%	595	595
Senior notes due February 2022, 2.250%	102	188
Senior notes due June 2022, 3.125%	194	297
Senior notes due March 2023, 3.250%	180	298
Senior notes due September 2023, 4.250%	1,238	1,237
Senior notes due April 2024, 3.875%	488	545
Senior notes due October 2026, 3.450%	474	587
Senior debentures due December 2034, 4.850%	281	585
Senior debentures due April 2036, 6.875%	1,067	1,067
Senior debentures due October 2037, 6.750%	75	75
Senior debentures due February 2042, 4.500%	61	102
Senior debentures due March 2043, 4.375%	1,097	1,096
Senior debentures due June 2043, 4.875%	32	37
Senior debentures due September 2043, 5.850%	1,230	1,229
Senior debentures due April 2044, 5.250%	344	545
Junior Debentures:		
Junior subordinated debentures due February 2057, 5.875%	642	642
Junior subordinated debentures due February 2057, 6.250%	642	642
Commercial paper	100	—
Capital lease and other obligations	49	54
<b>Total debt</b>	<b>10,189</b>	<b>11,119</b>
Less current portion	120	19
<b>Noncurrent portion</b>	<b>\$ 10,069</b>	<b>\$ 11,100</b>

In the quarter ended December 31, 2017, we redeemed \$1.039 billion of senior notes and debentures for a redemption price of \$1.000 billion. As a result, we recognized a net pre-tax extinguishment gain of \$25 million, net of \$14 million of unamortized debt costs and transaction fees.

Our 5.875% junior subordinated debentures accrue interest at a fixed rate of 5.875% until February 28, 2022, on which date the rate will switch to a floating rate based on three-month LIBOR plus 3.895%, reset quarterly. Our 6.250% junior subordinated debentures accrue interest at a fixed rate of 6.250% until February 28, 2027, on which date the rate will switch to a floating rate based on three-month LIBOR plus 3.899%, reset quarterly. The junior subordinated debentures can be called by us at any time after the expiration of the fixed-rate period.

The total unamortized discount and issuance fees and expenses related to our notes and debentures outstanding was \$442 million and \$457 million as of December 31, 2017 and September 30, 2017, respectively. The fair value of our notes and debentures outstanding was approximately \$10.5 billion as of December 31, 2017. The valuation of our publicly traded debt is based on quoted prices in active markets (Level 1 in the fair value hierarchy).

**Credit Facility**

At December 31, 2017, there were no amounts outstanding under our \$2.5 billion revolving credit facility due November 2019. The credit facility is used for general corporate purposes and to support commercial paper outstanding. The amount of unused capacity under the credit facility, after deducting commercial paper outstanding of \$100 million with a weighted average maturity of 5 days and weighted average interest rate of 2.11%, was \$2.4 billion as of December 31, 2017. 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, 2017.

**VIACOM INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(continued)

**NOTE 4. PENSION BENEFITS**

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

Net Periodic Benefit Cost (in millions)	Quarter Ended December 31,	
	2017	2016
Interest cost	\$ 9	\$ 8
Expected return on plan assets	(10)	(9)
Recognized actuarial loss	2	2
Net periodic benefit cost	<u>\$ 1</u>	<u>\$ 1</u>

**NOTE 5. REDEEMABLE NONCONTROLLING INTEREST**

We are subject to a redeemable put option, payable in a foreign currency, with respect to an international subsidiary. The put option expires in 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,	
	2017	2016
<b>Beginning balance</b>	<b>\$ 248</b>	<b>\$ 211</b>
Net earnings	7	7
Distributions	(6)	(6)
Translation adjustment	2	(12)
Redemption value adjustment	(2)	—
<b>Ending Balance</b>	<b><u>\$ 249</u></b>	<b><u>\$ 200</u></b>

**NOTE 6. COMMITMENTS AND CONTINGENCIES****Commitments**

As more fully described in Note 11 of the 2017 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 \$180 million, and are recorded as a liability as of December 31, 2017. 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 believe our accrual is sufficient to meet any future obligations based on our consideration of available financial information, the lessees’ historical performance in meeting their lease obligations and the underlying economic factors impacting the lessees’ business models.

**Legal Matters**

Litigation is inherently uncertain and always difficult to predict. However, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the legal matter 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 Derivative Action*

In July 2016, a purported derivative action was commenced in the Delaware Chancery Court by a purported Viacom stockholder against Viacom and its directors. The complaint alleged that Viacom’s directors breached their fiduciary duties to

**VIACOM INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(continued)

Viacom in connection with compensation paid to Mr. Redstone and that these breaches permitted a waste of corporate assets and the unjust enrichment of Mr. Redstone. In October 2017, the Court granted Viacom's motion to dismiss the action. In November 2017, the plaintiff filed a notice of appeal, and in January 2018, the plaintiff filed its opening appeal brief.

**NOTE 7. STOCKHOLDERS' EQUITY**

The components of stockholders' equity are as follows:

Stockholders' Equity (in millions)	Quarter Ended December 31, 2017			Quarter Ended December 31, 2016		
	Total Viacom Stockholders' Equity	Noncontrolling Interests	Total Equity	Total Viacom Stockholders' Equity	Noncontrolling Interests	Total Equity
<b>Beginning Balance</b>	\$ 6,035	\$ 84	\$ 6,119	\$ 4,277	\$ 53	\$ 4,330
Net earnings	537	16	553	396	12	408
Other comprehensive income/(loss) <sup>(1)</sup>	42	—	42	(135)	(1)	(136)
Noncontrolling interests	2	(19)	(17)	—	(13)	(13)
Dividends declared	(81)	—	(81)	(79)	—	(79)
Equity-based compensation and other	15	—	15	(1)	—	(1)
<b>Ending Balance</b>	<b>\$ 6,550</b>	<b>\$ 81</b>	<b>\$ 6,631</b>	<b>\$ 4,458</b>	<b>\$ 51</b>	<b>\$ 4,509</b>

(1) The components of other comprehensive income/(loss) are net of tax expense of \$18 million and \$1 million for the quarters ended December 31, 2017 and 2016, respectively.

**NOTE 8. RESTRUCTURING**

Our severance liability by reportable segment is as follows:

Severance Liability (in millions)	Media Networks	Filmed Entertainment	Corporate	Total
September 30, 2017	\$ 119	\$ 45	\$ 44	\$ 208
Severance payments	(28)	(13)	(9)	(50)
<b>December 31, 2017</b>	<b>\$ 91</b>	<b>\$ 32</b>	<b>\$ 35</b>	<b>\$ 158</b>

As of December 31, 2017, of the remaining \$158 million liability, \$121 million is classified as a current liability in the Consolidated Balance Sheet, with the remaining \$37 million classified as a noncurrent liability. Amounts classified as noncurrent are expected to be paid through 2020, in accordance with applicable contractual terms.

**NOTE 9. EARNINGS PER SHARE**

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

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

Weighted Average Number of Common Shares Outstanding and Anti-dilutive Common Shares (in millions)	Quarter Ended December 31,	
	2017	2016
Weighted average number of common shares outstanding, basic	402.5	397.0
Dilutive effect of equity awards	0.1	0.9
Weighted average number of common shares outstanding, diluted	402.6	397.9
Anti-dilutive common shares	19.1	15.6

**VIACOM INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(continued)

**NOTE 10. SUPPLEMENTAL CASH FLOW AND OTHER INFORMATION**

Our supplemental cash flow information is as follows:

Supplemental Cash Flow Information (in millions)	Quarter Ended December 31,	
	2017	2016
Cash paid for interest	\$ 123	\$ 150
Cash paid for income taxes	\$ 24	\$ 38

**Accounts Receivable**

We had \$430 million and \$486 million of noncurrent trade receivables as of December 31, 2017 and September 30, 2017, 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.

**Assets Held for Sale**

Certain *Media Networks* assets included within *Property and equipment, net* in our Consolidated Balance Sheets, with a carrying value of approximately \$30 million, are held for sale as of December 31, 2017. We expect the sales of these assets to be completed in fiscal 2018 and plan to use the proceeds for the repayment of outstanding debt.

**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 \$162 million in assets and \$5 million in liabilities as of December 31, 2017, and \$159 million in assets and \$8 million in liabilities as of September 30, 2017. The consolidated VIEs' revenues, expenses and operating income were not significant for all periods presented.

**NOTE 11. INCOME TAXES**

The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. The Act will lower the federal corporate income tax rate, modernize United States ("U.S.") international tax rules and provide the most significant overhaul of the U.S. tax code in more than 30 years. The currently relevant provisions of the Act provide for a reduction of the federal corporate income tax rate from 35% to 21% and a "transition tax" to be levied on the deemed repatriation of indefinitely reinvested earnings of international subsidiaries. As a result of these factors, as well as our fiscal year-end, the federal statutory tax rate will decrease from 35% to a prorated rate of 24.5% for fiscal 2018. While the Act includes many provisions, those applicable to Viacom will phase-in and will not be fully effective until fiscal 2019.

As a result of the December 22, 2017 legislation, provisional amounts have been recorded in accordance with SEC guidance provided in Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act, for the remeasurement of deferred tax assets and liabilities and the transition tax. We remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future and recorded a provisional net discrete tax benefit of \$149 million. In addition, a provisional expense of \$48 million has been recorded on a net basis for the one-time transition tax on the deemed repatriation of indefinitely reinvested earnings of our international subsidiaries. These amounts are provisional because certain aspects were based on estimates and assumptions where guidance has yet to be provided. As guidance is received from federal and state authorities, the outcome of these provisional amounts could change.

No additional income taxes have been provided for any remaining undistributed international cash not subject to the transition tax or any additional outside basis differences as these amounts continue to be indefinitely reinvested outside the U.S. These

**VIACOM INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(continued)

amounts could be subject to approximately \$100 million to \$150 million of U.S. tax to the extent they are repatriated in the future.

Our effective income tax rate was 7.1% in the quarter ended December 31, 2017, which included a net discrete tax benefit of \$103 million, consisting of \$101 million related to the U.S.'s enactment of the Act and \$2 million of other net discrete tax items. When taken together with the discrete tax impact of the gain on debt extinguishment, the effective income tax rate was reduced by 17.4 percentage points.

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.

**NOTE 12. FAIR VALUE MEASUREMENTS**

During the quarter ended December 31, 2017, an investment previously accounted for using the cost method was listed on a public exchange. As a result, we have reclassified our investment as available-for-sale. The fair value of our available-for-sale securities was \$56 million as of December 31, 2017, which is included within *Other assets, noncurrent* in our Consolidated Balance Sheet, as determined utilizing a market approach based on quoted market prices in active markets at period end (Level 1 in the fair value hierarchy).

The fair value of our foreign exchange contracts was an asset of \$9 million and \$7 million as of December 31, 2017 and September 30, 2017, respectively, as determined utilizing a market-based approach (Level 2 in the fair value hierarchy). The notional value of all foreign exchange contracts was \$1.274 billion and \$869 million as of December 31, 2017 and September 30, 2017, respectively. At December 31, 2017, \$717 million related to our foreign currency balances and \$557 million related to future production costs. At September 30, 2017, \$287 million related to our foreign currency balances and \$582 million related to future production costs.

**NOTE 13. REPORTABLE SEGMENTS**

The following tables set forth our financial performance by reportable segment. Our reportable segments have been determined in accordance with our internal management structure. We manage our operations through two reportable segments: (i) *Media Networks* and (ii) *Filmed Entertainment*. Typical intersegment transactions include the purchase of advertising by the *Filmed Entertainment* segment on *Media Networks*'s properties and the licensing of *Filmed Entertainment*'s feature film and television content 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,	
	2017	2016
Media Networks	\$ 2,560	\$ 2,589
Filmed Entertainment	544	758
Eliminations	(31)	(23)
Total revenues	<u>\$ 3,073</u>	<u>\$ 3,324</u>

**VIACOM INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(continued)

Adjusted Operating Income/(Loss) (in millions)	Quarter Ended December 31,	
	2017	2016
Media Networks	\$ 913	\$ 987
Filmed Entertainment	(130)	(180)
Corporate expenses	(55)	(50)
Eliminations	3	7
Equity-based compensation	(14)	(16)
Restructuring <sup>(1)</sup>	—	(42)
Operating income	717	706
Interest expense, net	(147)	(156)
Equity in net earnings of investee companies	1	13
Gain/(loss) on extinguishment of debt	25	(6)
Other items, net	(3)	9
Earnings from continuing operations before provision for income taxes	\$ 593	\$ 566

(1) The restructuring charge in the quarter ended December 31, 2016 includes \$7 million of equity-based compensation expense.

Total Assets (in millions)	December 31,	September 30,
	2017	2017
Media Networks	\$ 17,635	\$ 17,984
Filmed Entertainment	6,226	6,188
Corporate/Eliminations	(1,030)	(474)
Total assets	\$ 22,831	\$ 23,698

Revenues by Component (in millions)	Quarter Ended December 31,	
	2017	2016
Advertising	\$ 1,308	\$ 1,294
Affiliate	1,094	1,144
Feature film	496	680
Ancillary	206	229
Eliminations	(31)	(23)
Total revenues	\$ 3,073	\$ 3,324

**NOTE 14. RELATED PARTY TRANSACTIONS**

National Amusements, Inc. (“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 February 1, 2018, we announced that our Board of Directors has established a special committee of independent directors to evaluate a potential combination with CBS, and that the Committee has retained independent legal counsel and is retaining independent financial advisors in connection with the evaluation.

**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, 2017 and 2016, Paramount earned revenues from National Amusements in connection with these licenses in the aggregate amounts of approximately \$1 million and \$2 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 together with any advance amounts paid. Paramount made advance payments of \$25 million to CBS during the current fiscal year. 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,	
	2017	2016
<b>Consolidated Statements of Earnings</b>		
Revenues	\$ 44	\$ 44
Operating expenses	\$ 52	\$ 50
	December 31, 2017	September 30, 2017
<b>Consolidated Balance Sheets</b>		
Accounts receivable	\$ 1	\$ 5
Participants' share and residuals, current	\$ 69	\$ 69
Program obligations, current	50	54
Program obligations, noncurrent	44	49
Other liabilities	2	1
Total due to CBS	\$ 165	\$ 173

**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,	
	2017	2016
<b>Consolidated Statements of Earnings</b>		
Revenues	\$ 4	\$ 51
Operating expenses	\$ 2	\$ 32
Selling, general and administrative	\$ —	\$ (3)
	<b>December 31, 2017</b>	<b>September 30, 2017</b>
<b>Consolidated Balance Sheets</b>		
Accounts receivable	\$ 50	\$ 49
Other assets	5	5
Total due from other related parties	\$ 55	\$ 54
Accounts payable	\$ 11	\$ 8
Other liabilities	—	—
Total due to other related parties	\$ 11	\$ 8

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, 2017, as filed with the Securities and Exchange Commission ("SEC") on November 16, 2017 (the "2017 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, 2017, compared with the quarter ended December 31, 2016. 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, 2017, compared with the quarter ended December 31, 2016, and of our outstanding debt, commitments and contingencies existing as of December 31, 2017.

## **OVERVIEW**

### **Summary**

We are home to premier global media brands that create compelling entertainment content - including television programs, motion pictures, short-form content, games, consumer products, podcasts, live events and social media experiences - for audiences in 183 countries on various platforms and devices.

We operate through two reportable 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.

Our *Media Networks* segment provides high-quality entertainment content, services and related branded products for consumers in targeted demographics attractive to advertisers, content distributors and retailers. We create, acquire and distribute programming and other content for our audiences worldwide, distributed through cable, satellite and broadband services, on linear, streaming and on-demand bases, via a variety of owned and third party platforms, including televisions, branded apps and sites, for viewing on a wide range of devices such as connected televisions, PCs, tablets, smartphones and other connected devices. The *Media Networks* segment also licenses its brands for consumer products and recreational opportunities, and produces live events.

Our *Media Networks* segment operates globally as Viacom Media Networks through three brand groups, our Global Entertainment Group, the Nickelodeon Group and BET Networks. Globally, our program services reach approximately 4.3 billion cumulative television subscribers in 183 countries and 43 languages, via 300 locally programmed and operated television channels, including Nickelodeon<sup>®</sup>, Nick Jr.<sup>®</sup>, MTV<sup>®</sup>, BET<sup>®</sup>, Comedy Central<sup>®</sup>, Paramount Network<sup>™</sup> (formerly Spike<sup>®</sup> in the United States ("U.S.")), VH1<sup>®</sup>, TV Land<sup>®</sup>, CMT<sup>®</sup>, Logo<sup>®</sup> and our program services created specifically for international audiences, such as British public service broadcaster Channel 5<sup>®</sup> (in the United Kingdom), Telefe<sup>®</sup> (in Argentina), Colors<sup>®</sup> (in India) and Paramount Channel<sup>™</sup> (in a variety of territories). "Cumulative television subscribers" is an aggregation of the total subscribers to each Viacom owned and operated, joint venture and licensee channel.

Our *Filmed Entertainment* segment develops, produces, finances, acquires and distributes motion pictures, television programming and other entertainment content under the Paramount Pictures<sup>®</sup>, Paramount Players<sup>™</sup>, Paramount Animation<sup>®</sup> and Paramount Television<sup>™</sup> divisions, in various markets and media worldwide, for itself and for third parties. It partners on various projects with key Viacom franchises, including Nickelodeon Movies and MTV Films.

### **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 and (iii) ancillary activities such as consumer products.

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

*Media Networks* segment expenses consist of operating expenses, selling, general and administrative (“SG&A”) expenses and depreciation and amortization. Operating expenses are comprised of costs related to original and acquired programming, including programming amortization, expenses associated with the distribution of home entertainment products and consumer products licensing, participations and residuals, royalties, 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 in four categories: (i) the release and/or distribution of motion pictures theatrically, (ii) the release and/or distribution of film and television product through home entertainment, (iii) the licensing of film and television product to television and digital platforms and (iv) other ancillary activities.

*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. 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, 2017 and 2016 .

(in millions, except per share amounts)	Quarter Ended December 31,		Better/(Worse)	
	2017	2016	\$	%
<b><u>GAAP</u></b>				
Revenues	\$ 3,073	\$ 3,324	\$ (251)	(8)%
Operating income	717	706	11	2
Net earnings from continuing operations attributable to Viacom	535	396	139	35
Diluted earnings per share from continuing operations	1.33	1.00	0.33	33
<b><u>Non-GAAP*</u></b>				
Adjusted operating income	\$ 717	\$ 748	\$ (31)	(4)%
Adjusted net earnings from continuing operations attributable to Viacom	413	413	—	—
Adjusted diluted earnings per share from continuing operations	1.03	1.04	(0.01)	(1)

\* 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 from continuing operations before provision for income taxes, adjusted provision for income taxes, adjusted net earnings from continuing operations attributable to Viacom and adjusted diluted earnings per share (“EPS”) from continuing operations, 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 from continuing operations before provision for income taxes, provision for income taxes, net earnings from continuing operations attributable to Viacom and diluted EPS from continuing operations 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, 2017 and 2016 . 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, 2017				
	Operating Income	Earnings from Continuing Operations Before Provision for Income Taxes	Provision for Income Taxes	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported results (GAAP)	\$ 717	\$ 593	\$ 42	\$ 535	\$ 1.33
Factors Affecting Comparability:					
Gain on extinguishment of debt	—	(25)	(6)	(19)	(0.05)
Discrete tax benefit	—	—	103	(103)	(0.25)
Adjusted results (Non-GAAP)	<u>\$ 717</u>	<u>\$ 568</u>	<u>\$ 139</u>	<u>\$ 413</u>	<u>\$ 1.03</u>

(in millions, except per share amounts)

	Quarter Ended December 31, 2016				
	Operating Income	Earnings from Continuing Operations Before Provision for Income Taxes	Provision for Income Taxes	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
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)	<u>\$ 748</u>	<u>\$ 614</u>	<u>\$ 189</u>	<u>\$ 413</u>	<u>\$ 1.04</u>

*Gain/loss on extinguishment of debt* : We redeemed senior notes and debentures totaling \$1.039 billion in the quarter ended December 31, 2017 . As a result, we recognized a pre-tax extinguishment gain of \$25 million .

We redeemed senior notes totaling \$900 million in the quarter ended December 31, 2016 . As a result, we recognized a pre-tax extinguishment loss of \$6 million .

*Restructuring charge* : We recognized a pre-tax restructuring charge of \$42 million in the quarter ended December 31, 2016 for severance associated with management changes.

As we continue to implement our strategic initiatives, we may incur restructuring charges in the second fiscal quarter.

*Discrete taxes* : The net discrete tax benefit in the quarter ended December 31, 2017 was principally related to the U.S.’ enactment of the Tax Cuts and Jobs Act.

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.

### Revenues

Worldwide revenues decreased \$251 million , or 8% , to \$3.073 billion in the quarter ended December 31, 2017 . *Filmed Entertainment* revenues decreased \$214 million , or 28% , and *Media Networks* revenues decreased \$29 million , or 1% .

### Expenses

Total expenses decreased \$262 million , or 10% , to \$2.356 billion in the quarter ended December 31, 2017 , primarily reflecting lower *Filmed Entertainment* expenses and the impact of the restructuring charge in the prior year quarter, partially offset by an increase in *Media Networks* expenses. *Filmed Entertainment* expenses decreased \$264 million , or 28% , primarily driven by lower operating expenses. *Media Networks* expenses increased \$45 million , or 3% , principally driven by the acquisition of Televisión Federal S.A. (“Telefe”), which we acquired on November 15, 2016.

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

*Operating*

Operating expenses decreased \$256 million , or 14% , to \$1.563 billion in the quarter. *Filmed Entertainment* operating expenses decreased \$264 million , or 31% , and *Media Networks* operating expenses increased \$11 million , or 1% .

*Selling, General and Administrative*

SG&A expenses increased \$39 million , or 6% , to \$740 million in the quarter. *Media Networks* SG&A expenses increased \$36 million , or 6% , and *Filmed Entertainment* SG&A expenses increased \$2 million , or 3% .

*Restructuring*

As discussed in “ *Factors Affecting Comparability* ”, a restructuring charge of \$42 million was recognized in the quarter ended December 31, 2016 .

**Operating Income**

Operating income increased \$11 million , or 2% , to \$717 million in the quarter ended December 31, 2017 , reflecting the operating results discussed above. Excluding the items discussed in “ *Factors Affecting Comparability* ”, adjusted operating income decreased \$31 million , or 4% , to \$717 million . *Media Networks* adjusted operating income decreased \$74 million , or 7% , while *Filmed Entertainment* adjusted operating results improved by \$50 million , or 28% . Corporate expenses increased \$5 million , or 10% , due to an increase in third-party professional services.

**Income Taxes**

The Tax Cuts and Jobs Act (the “Act”) was enacted on December 22, 2017. The Act will lower the federal corporate income tax rate, modernize U.S. international tax rules and provide the most significant overhaul of the U.S. tax code in more than 30 years. The currently relevant provisions of the Act provide for a reduction of the federal corporate income tax rate from 35% to 21% and a “transition tax” to be levied on the deemed repatriation of indefinitely reinvested earnings of international subsidiaries. As a result of these factors, as well as our fiscal year-end, the federal statutory tax rate will decrease from 35% to a prorated rate of 24.5% for fiscal 2018. While the Act includes many provisions, those applicable to Viacom will phase-in and will not be fully effective until fiscal 2019.

Our effective income tax rate was 7.1% in the quarter ended December 31, 2017 . A net discrete tax benefit of \$103 million , taken together with the discrete tax impact of the other factors affecting comparability discussed above, reduced the effective income tax rate by 17.4 percentage points. Excluding the impact of these items, our adjusted effective income tax rate was 24.5% , a decline of 6.3 percentage points from the prior year quarter, principally related to the U.S.’ enactment of the Act.

Our effective income tax rate was 27.9% in the quarter ended December 31, 2016 . A net discrete tax benefit of \$15 million , taken together with the discrete tax 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% .

**Net Earnings from Continuing Operations Attributable to Viacom**

Net earnings from continuing operations attributable to Viacom increased \$139 million , or 35% , to \$535 million in the quarter, principally due to the impact of the Act on our income tax provision. Excluding the items discussed in “ *Factors Affecting Comparability* ”, adjusted net earnings from continuing operations attributable to Viacom remained flat at \$413 million in the quarter, with the decrease in tax-effected adjusted operating income described above substantially offset by the benefit from the decrease in adjusted effective tax rate.

**Diluted Earnings Per Share from Continuing Operations**

Diluted EPS from continuing operations increased \$0.33 per diluted share to \$1.33 in the quarter, reflecting the impact of net earnings. Excluding the items discussed in “ *Factors Affecting Comparability* ”, adjusted diluted EPS from continuing operations decreased \$0.01 per diluted share to \$1.03 in the quarter.

**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 licensing of *Filmed Entertainment*’s feature film and television content by *Media Networks* .

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

**Media Networks**

(in millions)	Quarter Ended December 31,		Better/(Worse)	
	2017	2016	\$	%
<b>Revenues by Component</b>				
Advertising	\$ 1,308	\$ 1,294	\$ 14	1%
Affiliate	1,094	1,144	(50)	(4)
Ancillary	158	151	7	5
Total revenues by component	<b>\$ 2,560</b>	<b>\$ 2,589</b>	<b>\$ (29)</b>	<b>(1)%</b>
<b>Expenses</b>				
Operating	\$ 1,013	\$ 1,002	\$ (11)	(1)%
Selling, general and administrative	593	557	(36)	(6)
Depreciation and amortization	41	43	2	5
Total expenses	<b>\$ 1,647</b>	<b>\$ 1,602</b>	<b>\$ (45)</b>	<b>(3)%</b>
<b>Adjusted Operating Income</b>	<b>\$ 913</b>	<b>\$ 987</b>	<b>\$ (74)</b>	<b>(7)%</b>

**Revenues**

Worldwide revenues decreased \$29 million, or 1%, to \$2.560 billion in the quarter ended December 31, 2017. Domestic revenues decreased \$126 million, or 6%, to \$1.929 billion and international revenues increased \$97 million, or 18%, to \$631 million. Excluding a 5-percentage point favorable impact from foreign exchange, international revenues increased 13%, primarily driven by a 6-percentage point favorable impact from the acquisition of Telefe, as well as growth in Europe.

*Advertising*

Worldwide advertising revenues increased \$14 million, or 1%, to \$1.308 billion in the quarter. Worldwide advertising revenues include a 3-percentage point favorable impact from the acquisition of Telefe. Domestic advertising revenues decreased \$54 million, or 5%, to \$937 million, reflecting lower linear impressions partially offset by higher pricing, as well as growth in digital advertising revenue. International advertising revenues increased \$68 million, or 22%, to \$371 million. Excluding a 5-percentage point favorable impact from foreign exchange, international advertising revenues increased 17%, primarily driven by a 10-percentage point favorable impact from the acquisition of Telefe, as well as growth in Europe.

*Affiliate*

Worldwide affiliate revenues decreased \$50 million, or 4%, to \$1.094 billion in the quarter. Domestic affiliate revenues decreased \$78 million, or 8%, to \$907 million, principally due to subscriber declines and lower subscription video-on-demand ("SVOD") and other over-the-top ("OTT") revenues, partially offset by contractual rate increases. Rate increases were negatively impacted by renewal rate resets with certain distributors. International affiliate revenues increased \$28 million, or 18%, to \$187 million. Excluding a 5-percentage point favorable impact from foreign exchange, international affiliate revenues increased 13%, which includes a 2-percentage point favorable impact from the acquisition of Telefe.

*Ancillary*

Worldwide ancillary revenues increased \$7 million, or 5%, to \$158 million in the quarter. Worldwide ancillary revenues include a 2-percentage point favorable impact from foreign exchange. Domestic ancillary revenues increased \$6 million, or 8%, to \$85 million, and international ancillary revenues increased \$1 million, or 1%, to \$73 million.

**Expenses**

*Media Networks* segment expenses increased \$45 million, or 3%, to \$1.647 billion in the quarter ended December 31, 2017. Worldwide expenses include an unfavorable 2-percentage point impact from the acquisition of Telefe.

*Operating*

Operating expenses increased \$11 million, or 1%, to \$1.013 billion in the quarter. Programming costs increased \$6 million, or 1%, primarily due to the acquisition of Telefe. Programming costs include a 2-percentage point benefit in the quarter attributable to management's decision to cease use of certain original and acquired programming in connection with the execution of our flagship brand strategy. Distribution and other expenses increased \$5 million, or 5%. Excluding a 3-percentage point unfavorable impact from foreign exchange, distribution and other expenses increased 2%.

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

*Selling, General and Administrative*

SG&A expenses increased \$36 million , or 6% , to \$593 million in the quarter, driven by higher advertising and promotion costs as well as the acquisition of Telefe. SG&A costs include a 3-percentage point benefit of cost savings from our recent restructuring activities.

**Adjusted Operating Income**

Adjusted operating income decreased \$74 million , or 7% , to \$913 million in the quarter ended December 31, 2017 , reflecting the operating results discussed above.

**Filmed Entertainment**

(in millions)	Quarter Ended December 31,		Better/(Worse)	
	2017	2016	\$	%
<b>Revenues by Component</b>				
Theatrical	\$ 100	\$ 192	\$ (92)	(48)%
Home entertainment	183	243	(60)	(25)
Licensing	213	245	(32)	(13)
Ancillary	48	78	(30)	(38)
Total revenues by component	<u>\$ 544</u>	<u>\$ 758</u>	<u>\$ (214)</u>	<u>(28)%</u>
<b>Expenses</b>				
Operating	\$ 583	\$ 847	\$ 264	31 %
Selling, general and administrative	81	79	(2)	(3)
Depreciation and amortization	10	12	2	17
Total expenses	<u>\$ 674</u>	<u>\$ 938</u>	<u>\$ 264</u>	<u>28 %</u>
<b>Adjusted Operating Loss</b>	<u>\$ (130)</u>	<u>\$ (180)</u>	<u>\$ 50</u>	<u>28 %</u>

**Revenues**

Worldwide revenues decreased \$214 million , or 28% , to \$544 million in the quarter ended December 31, 2017 . Worldwide revenues include a 2-percentage point favorable impact from foreign exchange. Domestic revenues decreased 42% to \$270 million and international revenues decreased 6% to \$274 million . Foreign exchange had a 4-percentage point favorable impact on international revenues.

*Theatrical*

Worldwide theatrical revenues decreased \$92 million , or 48% , to \$100 million in the quarter due to the number and mix of current quarter releases. Significant current quarter releases were *Daddy’s Home 2* and *Downsizing* , compared with *Jack Reacher: Never Go Back*, *Arrival*, *Allied*, *Office Christmas Party* and *Fences* in the prior year quarter. Domestic theatrical revenues decreased 49% and international theatrical revenues decreased 46% . Foreign exchange had a 3-percentage point favorable impact on international theatrical revenues.

*Home Entertainment*

Worldwide home entertainment revenues decreased \$60 million , or 25% , to \$183 million in the quarter, primarily due to the comparison against the release of *Star Trek Beyond* in the prior year quarter. Worldwide home entertainment revenues include a 2-percentage point favorable impact from foreign exchange. Domestic home entertainment revenues decreased 38% due to the strong domestic performance of *Star Trek Beyond* in the prior year quarter, while international home entertainment revenues increased 1% . Foreign exchange had a 6-percentage point favorable impact on international home entertainment revenues.

*Licensing*

Licensing revenues decreased \$32 million , or 13% , to \$213 million in the quarter. Domestic licensing revenues decreased 36% and international licensing revenues increased 8% , primarily driven by the mix of titles available in each market. Foreign exchange had a 3-percentage point favorable impact on international licensing revenues.

*Ancillary*

Ancillary revenues decreased \$30 million , or 38% , to \$48 million in the quarter, primarily driven by a sale in the prior year quarter of a partial copyright interest in certain films in connection with an agreement then in place. Domestic ancillary revenues decreased 49% and international ancillary revenues increased 27% .

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

**Expenses**

Total expenses decreased \$264 million , or 28% , to \$674 million in the quarter ended December 31, 2017 , driven by lower operating expenses.

*Operating*

Operating expenses decreased \$264 million , or 31% , to \$583 million in the quarter. Distribution and other costs, principally print and advertising expenses, decreased \$210 million , or 45% , primarily driven by lower marketing costs for our current year slate. Film costs decreased \$54 million , or 14% .

*Selling, General and Administrative*

SG&A expenses increased \$2 million , or 3% , to \$81 million in the quarter.

**Adjusted Operating Loss**

Adjusted operating loss was \$130 million in the quarter ended December 31, 2017 compared with \$180 million for the prior year quarter, an improvement of \$50 million , or 28% , reflecting the operating results discussed above. 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 film 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 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 a result of the enactment of the Act on December 22, 2017, the Company has recorded a \$48 million provisional transition tax on \$946 million of these indefinitely reinvested foreign earnings. We are in the process of repatriating the related amounts of these funds to the U.S. We do not currently have plans to repatriate any remaining undistributed international cash not subject to the transition tax. Should we require additional capital in the U.S., we could elect to repatriate these additional funds or access external financing, but repatriating these funds could result in approximately \$100 million to \$150 million of U.S. tax. Cash from earnings of our international subsidiaries generated after December 31, 2017 can be repatriated to the U.S. without incremental U.S. federal tax under the Act.

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)**

**Cash Flows**

Cash and cash equivalents were \$394 million as of December 31, 2017, a decrease of \$995 million compared with September 30, 2017. The following tables include information driving the change in cash and cash equivalents and a reconciliation of net cash provided by operating activities (GAAP) to free cash flow and operating free cash flow (non-GAAP). We define free cash flow as net cash provided by operating activities minus capital expenditures, 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 these measures provide 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)
	2017	2016	\$
Net cash provided by operating activities	\$ 12	\$ 159	\$ (147)
Net cash used in investing activities	(5)	(349)	344
Net cash provided by/(used in) financing activities	(1,002)	292	(1,294)
Effect of exchange rate changes on cash and cash equivalents	—	(38)	38
Increase/(decrease) in cash and cash equivalents	\$ (995)	\$ 64	\$ (1,059)
<b>Reconciliation of net cash provided by operating activities to free cash flow and operating free cash flow</b>			
Net cash provided by operating activities (GAAP)	\$ 12	\$ 159	\$ (147)
Capital expenditures	(28)	(52)	24
Free cash flow (Non-GAAP)	(16)	107	(123)
Debt retirement premium	—	6	(6)
Operating free cash flow (Non-GAAP)	\$ (16)	\$ 113	\$ (129)

**Operating Activities**

Cash provided by operating activities declined \$147 million for the quarter ended December 31, 2017, primarily reflecting the timing of film and programming spend.

**Investing Activities**

Cash used in investing activities declined \$344 million, principally reflecting the acquisition of Telefe for \$336 million, net of cash acquired, in the prior year quarter, lower capital expenditures and net proceeds of \$23 million from asset sales in the current year, partially offset by a decrease in proceeds from our grantor trust.

**Financing Activities**

Cash used in financing activities was \$1.002 billion for the quarter ended December 31, 2017, compared with cash provided by financing activities of \$292 million in the prior year. The change of \$1.294 billion principally reflects the impact of debt transactions.

**Capital Resources**
**Capital Structure and Debt**

Total debt was \$10.189 billion as of December 31, 2017, a decrease of \$930 million from \$11.119 billion at September 30, 2017.

In the quarter ended December 31, 2017, we redeemed \$1.039 billion of senior notes and debentures for a redemption price of \$1.000 billion. As a result, we recognized a net pre-tax extinguishment gain of \$25 million, which included \$14 million of unamortized debt costs and transaction fees.

Our 5.875% junior subordinated debentures accrue interest at a fixed rate of 5.875% until February 28, 2022, on which date the rate will switch to a floating rate based on three-month LIBOR plus 3.895%, reset quarterly. Our 6.250% junior subordinated debentures accrue interest at a fixed rate of 6.250% until February 28, 2027, on which date the rate will switch to a floating rate based on three-month LIBOR plus 3.899%, reset quarterly. The junior subordinated debentures can be called by us at any time after the expiration of the fixed-rate period.

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

The junior debentures' subordination, interest deferral option and extended term provide significant credit protection measures for senior creditors and as a result of these features, the debentures were awarded a 50% equity credit by S&P and Fitch, and a 25% equity credit by Moody's.

**Credit Facility**

At December 31, 2017, there were no amounts outstanding under our \$2.5 billion revolving credit facility due November 2019. The credit facility is used for general corporate purposes and to support commercial paper outstanding. The amount of unused capacity under the credit facility, after deducting commercial paper outstanding of \$100 million with a weighted average maturity of 5 days and weighted average interest rate of 2.11%, was \$2.4 billion as of December 31, 2017. 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, 2017.

**Commitments and Contingencies**

See Note 6 to the Consolidated Financial Statements for information regarding our commitments and contingencies, including 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.

**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 public acceptance of our brands, programs, motion pictures and other entertainment content on the various platforms on which they are distributed; technological developments, alternative content offerings and their effects in our markets and on consumer behavior; the potential for loss of carriage or other reduction in the distribution of our content; significant changes in our senior leadership and the ability of our strategic initiatives to achieve their operating objectives; various uncertainties and risks related to a potential combination with CBS Corporation, including that an agreement may or may not be reached or may take an uncertain amount of time, and that the effect of any potential transaction on Viacom and our business cannot be ascertained at this time; economic fluctuations in advertising and retail markets, and economic conditions generally; evolving cybersecurity and similar risks; the impact of piracy; increased costs for programming, motion pictures and other rights; the loss of key talent; competition for content, audiences, advertising and distribution; fluctuations in our results due to the timing, mix, number and availability of our motion pictures and other programming; other domestic and global economic, political, business, competitive and/or regulatory factors affecting our businesses generally; changes in the Federal communications or other laws and regulations; and other factors described in our news releases and filings with the Securities and Exchange Commission, including but not limited to our 2017 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, 2017 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 2017 Form 10-K, there have been no material developments in the material legal proceedings in which we are involved, except as set forth in Note 6 to the Consolidated Financial Statements.

### **Item 1A. *Risk Factors.***

A wide range of risks may affect our business and financial results, now and in the future. We consider the risks described in our 2017 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.**

<b><u>Exhibit No.</u></b>	<b><u>Description of Exhibit</u></b>
10.1*	<a href="#">Viacom Inc. 2016 Long-Term Management Incentive Plan: Form of Terms and Conditions to the Performance Share Units Certificate.</a> **
10.2*	<a href="#">Employment Agreement between Viacom Inc. and Christa A. D'Alimonte, effective as of April 15, 2017.</a> **
10.3*	<a href="#">Employment Agreement between Viacom Inc. and Scott Mills, effective as of January 1, 2018.</a> **
31.1*	<a href="#">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.</a>
31.2*	<a href="#">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.</a>
32.1*	<a href="#">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.</a>
32.2*	<a href="#">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.</a>
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.

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\* Filed herewith

\*\* Represents a management contract or compensatory plan or arrangement required to be filed as an exhibit.



**Viacom Inc.**  
**2016 Long-Term Management Incentive Plan**

**2018 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” or “PSUs”) 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 November 20, 2017 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 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 depending on the Company’s performance against specific pre-determined goals. The number of PSUs issued to a Participant will be determined as follows: (a) twenty-five percent (25%) of the value of the award set forth in the Certificate will be issued in PSUs subject to the TSR performance of the Class B Common Stock in comparison to the TSR performance of the common stock of companies comprising the Reference Group, with the target number of PSUs subject to TSR performance determined by dividing such portion of the value by the Date of Grant fair value determined by FAS 123 Solutions using a Monte Carlo valuation model (“Target TSR Shares”), and (b) seventy-five percent (75%) of the value of the award set forth in the Certificate will be issued in PSUs subject to the Company’s Fully Diluted Adjusted EPS from Continuing Operations against target, with the target number of PSUs subject to such Fully Diluted Adjusted EPS from Continuing Operations performance determined by dividing such portion of the value by the closing price of a share of Class B Common Stock on the Date of Grant (“Target EPS Shares”), each as set forth in the Certificate.

Section 1.2 Terms of Performance Share Units.

(a) Valuation.

(1) TSR Shares. 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 TSR of 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 pursuant to this Section 1.2(a)(1), in accordance with the following schedule:

<b>Schedule</b>
<ul style="list-style-type: none"> <li>• If the Company achieves less than the 25<sup>th</sup> percentile TSR, the Target TSR Shares will be</li> </ul>

forfeited pursuant to this Section 1.2(a)(1)
• If the Company achieves the 25 <sup>th</sup> percentile TSR, a number of shares of Class B Common Stock equal to 25% of the target number of Target TSR Shares will be delivered pursuant to this Section 1.2(a)(1)
• If the Company achieves the 50 <sup>th</sup> percentile TSR, a number of shares of Class B Common Stock equal to 100% of the Target TSR Shares will be delivered pursuant to this Section 1.2(a)(1)
• If the Company achieves the 100 <sup>th</sup> percentile TSR (that is, if it is the first ranked company in the Reference Group for TSR), a number of shares of Class B Common Stock equal to 200% of the Target TSR Shares will be delivered pursuant to this Section 1.2(a)(1)

For Company achievement at an intermediate point between the 25th and 50th percentile, or between the 50th percentile and the 100th percentile, the percentage of the Target TSR Shares to be delivered will be interpolated between the respective percentages at such percentiles. For example, if the Company were to achieve the 70th percentile TSR, 140% of the Target TSR Shares would be delivered pursuant to this Section 1.2(a)(1).

(2) EPS Shares.

(A) As of the Determination Date, the Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period will be measured against the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period, which will be used to calculate the number of shares of Class B Common Stock that the Participant will receive pursuant to this Section 1.2(a)(2)(A), in accordance with the following schedule:

<b>Schedule</b>
• If the Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period is less than 80% of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period, one-third (33.33%) of the Target EPS Shares will be forfeited pursuant to this Section 1.2(a)(2)(A)
• If the Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period is 80% of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period, a number of shares of Class B Common Stock equal to 50% of one-third of the Target EPS Shares will be delivered under the award pursuant to this Section 1.2(a)(2)(A)
• If the Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period is 100% of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period, a number of shares of Class B Common Stock equal to 100% of one-third of the Target EPS Shares will be delivered under the award pursuant to this Section 1.2(a)(2)(A)
• If the Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period is 120% or more of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period, a number of shares of Class B Common Stock equal to 200% of one-third of the target number of EPS Shares will be delivered under the award pursuant to this Section 1.2(a)(2)(A)

For Company achievement at an intermediate point between 80% and 100% of the Target Fully Diluted Adjusted EPS from Continuing Operations for

the FY18 Period, or between 100% and 120% of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period, the percentage of one-third of the Target EPS Shares to be delivered pursuant to this Section 1.2(a)(2)(A) will be interpolated between the respective percentages at such percentiles. For example, if the Company were to achieve 90% of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period, a number of shares of Class B Common Stock equal to 75% of one-third of the Target EPS Shares would be delivered under the award pursuant to this Section 1.2(a)(2)(A).

(B) As of the Determination Date, the Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period will be measured against the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period, which will be used to calculate the number of shares of Class B Common Stock that the Participant will receive pursuant to this Section 1.2(a)(2)(B), in accordance with the following schedule:

<b>Schedule</b>
• If the Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period is less than 80% of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period, two-thirds (66.67%) of the Target EPS Shares will be forfeited pursuant to this Section 1.2(a)(2)(B)
• If the Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period is 80% of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period, a number of shares of Class B Common Stock equal to 50% of two-thirds of the Target EPS Shares will be delivered under the award pursuant to this Section 1.2(a)(2)(B)
• If the Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period is 100% of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period, a number of shares of Class B Common Stock equal to 100% of two-thirds of the Target EPS Shares will be delivered under the award pursuant to this Section 1.2(a)(2)(B)
• If the Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period is 120% or more of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period, a number of shares of Class B Common Stock equal to 200% of two-thirds of the Target EPS Shares will be delivered under the award pursuant to this Section 1.2(a)(2)(B)

For Company achievement at an intermediate point between 80% and 100% of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period, or between 100% and 120% of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period, the percentage of two-thirds of the Target EPS Shares to be delivered pursuant to this Section 1.2(a)(2)(B) will be interpolated between the respective percentage at such percentiles. For example, if the Company were to achieve 90% of the Target Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period, a number of shares of Class B Common Stock equal to 75% of two-thirds of the Target EPS Shares would be delivered under the award pursuant to this Section 1.2(a)(2)(B).

(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; provided, however, in the event that the Participant would be subject to federal income tax on the shares of Class B Common Stock payable under the valuation criteria under Section 1.2(a)(2)(A) before the Determination Date, then to the extent permissible under Section 409A, such shares of Class B Common Stock, net of any Shares withheld for Taxes pursuant to Section 4.3, and as adjusted pursuant to Section 1.2(d) if applicable, shall be delivered in settlement of that portion of the Performance Share Units no later than four (4) weeks following the date on which the Participant became subject to federal income tax on the shares of Class B Common Stock payable under the valuation criteria under Section 1.2(a)(2)(A).

(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 September 30, 2020, 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) as of the Determination Date by a fraction, the numerator of which is the number of days starting with and inclusive of October 1, 2017 and ending on the last day of the Measurement Period and the denominator of which is the number of days starting with and inclusive of October 1, 2017 and ending on the Determination Date.

(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 Certificate.

- (i) “ Determination Date ” means September 30, 2020.
- (j) “ EPS ” means earnings per share.
- (k) “ EPS Shares ” means the number of Performance Share Units subject to Section 1.2(a)(2) hereof.
- (l) “ 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.
- (m) “ Fully Diluted Adjusted EPS from Continuing Operations ” for a given fiscal year means the diluted EPS from continuing operations, as reportable by the Company on Form 10-K, subject to adjustment by the Committee for any recapitalization, reorganization, merger, acquisition, divestiture, consolidation, spin-off, combination, liquidation, dissolution, sale of assets, or other similar corporate transaction or event or any other extraordinary event occurs, or any other event or circumstance occurs which has the effect, as determined by the Committee, of distorting the applicable diluted EPS from continuing operations, including, without limitation, changes in accounting standards, to the extent necessary to prevent reduction or enlargement of the Participants’ EPS Shares attributable to such transaction, circumstance or event. Fully Diluted Adjusted EPS from Continuing Operations for a period of more than one fiscal year, shall mean the Fully Diluted Adjusted EPS from Continuing Operations for each fiscal year (or portion thereof) in such period on a cumulative basis.
- (n) “ FY18 Period ” means the Company’s 2018 fiscal year.
- (o) “ FY19-FY20 Period ” means the period consisting of the Company’s 2019 fiscal year and 2020 fiscal year.
- (p) “ Good Reason ” has the meaning assigned to such term in the Participant’s employment agreement with the Company or a Subsidiary.
- (q) “ Measurement Period ” means the period beginning on October 1, 2017 and ending September 30, 2020; provided, however, that if the Participant’s employment with the Company terminates in a Qualifying Termination, the Measurement Period will be the period beginning October 1, 2017 and ending on the effective date of the Participant’s termination of employment.
- (r) “ Participant ” shall mean the employee named on the Certificate.
- (s) “ 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 and consisting of the Target TSR Shares and the Target EPS Shares set forth in Section 1.2(a) hereof.
- (t) “ 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.

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

(v) “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.

(w) “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).

(x) “S&P 500” means the Standard & Poor's 500 Composite Index.

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

(z) “Target EPS Shares” means the number of EPS Shares determined in Section 1.1 hereof and indicated on the Participant's PSUs Certificate.

(aa) “Target TSR Shares” means the number of TSR Shares determined in Section 1.1 hereof and indicated on the Participant's PSUs Certificate.

(bb) “Target Fully Diluted Adjusted EPS from Continuing Operations for the FY18 Period” means the target diluted EPS from continuing operations for the Company's 2018 fiscal year, as set forth in the Company's budget for its 2018 fiscal year.

(cc) “Target Fully Diluted Adjusted EPS from Continuing Operations for the FY19-FY20 Period” means the sum of the target diluted EPS from continuing operations for the Company's 2019 fiscal year and 2020 fiscal year, as determined by the Committee on or before the one-year anniversary of the Date of Grant.

(dd) “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).

(ee) “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.

(ff) “TSR Shares” means the number of Performance Share Units subject to Section 1.2(a)(1) hereof.

#### **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 Share 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.



March 9, 2017

Christa D'Alimonte  
c/o Viacom Inc.  
1515 Broadway  
New York, NY 10036

Dear Ms. D'Alimonte:

Viacom Inc. (the "Company"), with an address at 1515 Broadway, New York, New York 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 April 15, 2017 (the "Effective Date") and, unless terminated earlier as set forth herein, shall continue through and including April 14, 2020. The period from the Effective Date through April 14, 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, General Counsel and Secretary 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 Executive Vice President, Chief Administrative Officer and President and Chief Executive Officer, or other individual designated by the Company's President and Chief Executive Officer.

3. Compensation.

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

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

- (i) Your Bonus for each Company fiscal year, regardless of whether such fiscal year is a 12-month period or a shorter period of time, shall be determined in accordance with the Viacom Inc. Senior Executive Short-Term Incentive Plan, as 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 100% 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 receive annual grants of long-term compensation under 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, with an expected target value of Eight Hundred Thousand Dollars (\$800,000), reasonably determined by the Chief Executive Officer of Viacom Inc. and, if 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.

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.

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(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

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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
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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.

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(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

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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 of any material obligation under this Agreement.
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(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 twelve (12) months 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 fiscal 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) With respect to any stock options granted to you under any Viacom Inc. long-term incentive plan:
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(x) all stock options that have not vested as of the termination of your employment (your "Separation Date"), but that would have vested on or before the end of the Contract Period, shall become fully vested on the later of your Separation Date or upon receipt of a Release executed by you, and such stock options shall remain exercisable for six (6) months after your Separation Date (or if longer, such period provided under the terms of the applicable long-term incentive plan), but in no event later than the expiration date of such options; and

(y) all outstanding stock options that have vested on or prior to your Separation Date shall remain exercisable for six (6) months after such date (or if longer, such period provided under the terms of the applicable long-term incentive plan), but in no event later than the expiration date of such options.

(vi) All restricted share units or restricted shares granted to you under any Viacom Inc. long-term incentive plan that have not vested as of your Separation Date, but that would have vested on or before the end of the Contract Period, shall become fully vested on the later of your Separation Date or upon receipt of a Release executed by you. 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 plan, unless otherwise provided herein or under the terms of the applicable long-term incentive plan; and

(vi) 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 (including any compensation earned from the Company or its affiliates) 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 (regardless of when paid), 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.

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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 60<sup>th</sup> 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 60<sup>th</sup> 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.

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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 Section 11(d) 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.

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(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

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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*,
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*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 15<sup>th</sup> 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.
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- (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

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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; 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.

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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.

Please confirm your understanding of the Agreement by signing and returning each of 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/ Christa A. D'Alimonte

Christa D'Alimonte

Dated: March 9, 2017

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[Insert name and home address  
except for executives whose agreements may become public,  
in which case you should use their office address]

This General Release of all Claims (this “ Agreement ”) is entered into by [insert executive’s name] (the “ Executive ”) and [insert name of employer] (the “ Company ”), effective as of \_\_\_\_\_.<sup>1</sup>

In consideration of the promises set forth in the letter agreement between the Executive and the Company, dated [insert date] (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

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<sup>1</sup> This date should coincide with termination of employment and should not be filed in at the time of the signing of the employment agreement.

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

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

**VIACOM INC.**

By: \_\_\_\_\_  
[Insert name of Company representative]  
[Insert title of Company representative]

**THE EXECUTIVE**

\_\_\_\_\_  
[Insert name of Executive]

Dated: \_\_\_\_\_



As of January 1, 2018

Scott Mills  
 c/o Black Entertainment Television LLC  
 1515 Broadway  
 New York, NY 10036

Dear Mr. Mills:

Black Entertainment Television LLC (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 January 1, 2018 (the “Effective Date”) and, unless terminated earlier as set forth herein, shall continue through and including June 30, 2020. The period from the Effective Date through June 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 President, BET Networks and you shall perform all duties reasonable and consistent with such office as may be assigned to you from time to time by the President and Chief Executive Officer of Viacom Inc.

3. Compensation.

(a) Salary. The Company shall pay you base salary (as may be increased, “Salary”) at a rate of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) per year for all of your services as an employee. Your Salary shall be subject to merit reviews, on or about an annual basis, while actively employed during the Contract Period and may, at that time, be increased but not decreased. Your Salary, less deductions and income and payroll tax withholding as may be required under applicable law, shall be payable in accordance with the Company’s ordinary payroll policy, but no less frequently than monthly.

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

- (i) Your Bonus for each Company fiscal year, regardless of whether such fiscal year is a 12-month period or a shorter period of time, shall be determined in accordance with the Viacom Inc. Short-Term Incentive Plan, as applicable, as it may be amended from time to time (the “STIP”).
- (ii) Your target Bonus for each Company fiscal year during the Contract Period shall be Two Million Five Hundred Thousand Dollars (\$2,500,000) (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 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 Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000).

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

4. Benefits.

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

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

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

6. Non-Competition and Non-Solicitation.

(a) Non-Competition.

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

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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
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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.

(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.

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(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

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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) the material breach by the Company of any material obligation under this Agreement; or (iv) the Company requiring that you report directly to an individual other than the Company’s President and CEO (other than in the event that the network business of Viacom expands and Viacom forms a group that includes the Company).

(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,
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calculated as provided in paragraph 19(e)(iii), provided that the total severance payment you receive pursuant to paragraphs 11(c)(i) and (ii) shall in no event exceed two times the sum of your Salary and Target Bonus in the year in which such termination occurs;

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

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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 60<sup>th</sup> 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

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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

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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.
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- (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.

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(e) Payment of Bonus Compensation.

- (i) The Bonus for any Company fiscal year under this Agreement shall be paid by March 15<sup>th</sup> 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).

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(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

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

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

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

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

Please confirm your understanding of the Agreement by signing and returning 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,

**BLACK ENTERTAINMENT TELEVISION LLC**

By: /s/ Christa A. D'Alimonte

[Name Christa A. D'Alimonte

Title] Executive Vice President  
and Secretary

**ACCEPTED AND AGREED:**

/s/ Scott Mills

Scott Mills

Dated: 12/14/17

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Mr. Scott Mills  
c/o Black Entertainment Television LLC  
1515 Broadway  
New York, NY 10036

This General Release of all Claims (this “Agreement”) is entered into by Scott Mills (the “Executive”) and Black Entertainment Television LLC (the “Company”), effective as of \_\_\_\_\_.

In consideration of the promises set forth in the letter agreement between the Executive and the Company, dated January 1, 2018 (the “Employment Agreement”), the Executive and the Company agree as follows:

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

2. General Release and Waiver of Claims.

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

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

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

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

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

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

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

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

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

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

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

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

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

**BLACK ENTERTAINMENT TELEVISION LLC**

By: \_\_\_\_\_  
[Name  
Title]

**THE EXECUTIVE**

\_\_\_\_\_  
Scott Mills

Dated: \_\_\_\_\_



As of January 1, 2018

Scott Mills  
c/o Black Entertainment Television LLC  
1515 Broadway  
New York, NY 10036

Dear Mr. Mills:

Reference is made to that certain employment agreement between you and Black Entertainment Television LLC (the “Company”) dated as of January 1, 2018 (your “Employment Agreement”). All defined terms used without definitions 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 2018 fiscal year STIP Bonus, before the application of an Individual Performance Multiplier, shall be the greater of: (1) the Bonus you would have received had you remained in your previous position of Executive Vice President, Chief Administrative Officer, Viacom Inc., before the application of an Individual Performance Multiplier, equal to your target bonus amount as of December 31, 2017 multiplied by the 2018 Company Performance Multiplier applied to Viacom Corporate Executive Vice Presidents, or (2) the Bonus you would receive, before the application of an Individual Performance Multiplier, by adding the following: (a) three-twelfths times your target bonus amount as of December 31, 2017 multiplied by the 2018 Company Performance Factor applied to Viacom Corporate Executive Vice Presidents, and (b) nine-twelfths times your target bonus amount as of August 1, 2018 multiplied by the 2018 Company Performance Multiplier applied to BET Networks senior executives.

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,

**BLACK ENTERTAINMENT TELEVISION LLC**

By: /s/ Christa A. D’Alimonte  
Christa D’Alimonte  
Executive Vice President & Secretary

**ACCEPTED AND AGREED:**

/s/ Scott Mills  
Scott Mills

Dated: 12/14/17

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 8, 2018

/s/ ROBERT M. BAKISH

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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 8, 2018

/s/ WADE DAVIS

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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, 2017 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

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Robert M. Bakish

February 8, 2018

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, 2017 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/ W A D E D A V I S

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Wade Davis

February 8, 2018

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.