

Viacom Inc.  
Form DEF 14A  
January 25, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant      Filed by a Party other than the Registrant

**Check the appropriate box:**

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

VIACOM INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

**Payment of Filing Fee (Check the appropriate box):**

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

January 25, 2019

Dear Viacom Stockholders:

We are pleased to invite you to attend the Viacom Inc. 2019 Annual Meeting of Stockholders. The meeting will be held on Monday, March 11, 2019 at Viacom's corporate headquarters at 1515 Broadway, New York, New York, beginning at 9:00 a.m., Eastern Time.

At this year's meeting, we will be electing nine members of our Board of Directors and ratifying the appointment of our independent auditor, as described in the proxy statement.

To help reduce costs and the environmental impact of printing the proxy materials, we encourage you to take advantage of electronic delivery of proxy materials by following the instructions in the proxy statement. Stockholders who have not elected to receive proxy materials electronically or in print will receive in the mail a Notice of Internet Availability of Proxy Materials that tells you how to:

Access our Notice of 2019 Annual Meeting of Stockholders and Proxy Statement, our Stockholder Letter and our Annual Report on Form 10-K for the fiscal year ended September 30, 2018 through <http://proxymaterials.viacom.com>; and

Submit your vote, if you hold shares of Class A common stock, by telephone, the Internet or in person at the Annual Meeting. Class A holders will also find instructions on how to vote their shares on their proxy card or voting instruction card.

We appreciate your continued support of Viacom and look forward to seeing you at the Annual Meeting.

THOMAS J. MAY

Chairman of the Board of Directors

ROBERT M. BAKISH

President and Chief Executive Officer

Table of Contents

NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT

The Viacom Inc. 2019 Annual Meeting of Stockholders will be held on Monday, March 11, 2019 at Viacom's corporate headquarters at 1515 Broadway, New York, New York, beginning at 9:00 a.m., Eastern Time. At the meeting, we will consider:

1. The election of the nine director nominees identified in the proxy statement;
2. Ratification of the appointment of PricewaterhouseCoopers LLP to serve as our independent auditor for our fiscal year 2019; and
3. Such other business as may properly come before the meeting.

Holders of Class A common stock at the close of business on our record date of January 18, 2019 are entitled to notice of and to vote at the Annual Meeting and any postponement or adjournment of the meeting. For a period of at least ten days prior to the Annual Meeting, a complete list of stockholders entitled to vote at the Annual Meeting will be open for examination by any stockholder during ordinary business hours at our corporate headquarters located at 1515 Broadway, New York, New York.

Holders of Class B common stock are not entitled to vote at the Annual Meeting, but are invited to attend the meeting and will receive the proxy materials for informational purposes.

National Amusements, Inc., which beneficially owned approximately 79.8% of the shares of Class A common stock as of our record date, has advised us that it intends to vote all of its shares of Class A common stock in accordance with the recommendations of the Board of Directors on each of the items of business identified above, which will be sufficient to constitute a quorum and to determine the outcome of each item under consideration.

If you plan to attend the Annual Meeting, you will need to obtain an admission ticket and present photo identification. Instructions on how to obtain an admission ticket are on page 4 of the proxy statement ("How do I gain admission to the Annual Meeting?").

By order of the Board of Directors,

CHRISTA A. D'ALIMONTE

Executive Vice President, General Counsel and Secretary

January 25, 2019

Table of Contents

TABLE OF CONTENTS

	Page
<u>Questions and Answers about the 2019 Annual Meeting of Stockholders</u>	1
<u>Company Information and Mailing Address</u>	5
<u>Item 1—Election of Directors</u>	6
<u>Our Board of Directors</u>	13
<u>Corporate Governance</u>	20
<u>Our Commitment to Culture and Corporate Responsibility</u>	22
<u>Director Compensation</u>	24
<u>Security Ownership of Certain Beneficial Owners and Management</u>	27
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	30
<u>Related Person Transactions</u>	31
<u>Compensation Committee Report</u>	33
<u>Executive Compensation</u>	34
<u>Compensation Discussion and Analysis</u>	34
<u>Fiscal Year 2018 Summary Compensation Table</u>	50
<u>Fiscal Year 2018 Grants of Plan-Based Awards</u>	53
<u>Outstanding Equity Awards at Fiscal Year End</u>	54
<u>Option Exercises and Stock Vested in Fiscal Year 2018</u>	56
<u>Fiscal Year 2018 Pension Benefits</u>	57
<u>Fiscal Year 2018 Nonqualified Deferred Compensation</u>	59
<u>Payments Upon Termination or Change-In-Control</u>	61
<u>Risk Assessment of Compensation Programs</u>	64
<u>Equity Compensation Plan Information</u>	65
<u>CEO Pay Ratio</u>	66

Edgar Filing: Viacom Inc. - Form DEF 14A

<u>Report of the Audit Committee</u>	67
<u>Services Provided by the Independent Auditor and Fees Paid</u>	69
<u>Item 2—Ratification of the Appointment of the Independent Auditor</u>	70
<u>Other Matters</u>	71

---

Table of Contents

**QUESTIONS AND ANSWERS ABOUT THE 2019 ANNUAL MEETING OF STOCKHOLDERS**

2019 PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE 2019 ANNUAL MEETING OF STOCKHOLDERS

What is the purpose of this proxy statement?

The Viacom Board of Directors (the “Board of Directors” or “Board”) is soliciting a proxy from each stockholder of our Class A common stock to vote on

the items to be considered at our 2019 Annual Meeting of Stockholders (the “Annual Meeting”), which will be held on Monday, March 11, 2019.

What is the Notice of Internet Availability of Proxy Materials?

The Notice of Internet Availability of Proxy Materials is a document that:

Indicates that our Stockholder Letter, Notice of 2019 Annual Meeting of Stockholders and Proxy Statement, and Annual Report on Form 10-K for the fiscal year ended September 30, 2018 are available at <http://proxymaterials.viacom.com>;

Provides instructions on how Class A stockholders may vote their shares; and

Indicates how you may request printed copies of these materials, including, for holders of Class A common stock, the proxy card or voting instruction card.

We will begin distributing the Notice of Internet Availability of Proxy Materials on or about January 28, 2019.

How can I receive future proxy materials electronically?

We highly recommend that you receive Viacom proxy statements, annual reports and other stockholder communications electronically. This reduces the use of paper and lowers our printing, postage and other costs. If you have not previously enrolled in electronic delivery, you can do so when you vote on the Internet, or at [www.icsdelivery.com/viacom](http://www.icsdelivery.com/viacom).

Stockholders who have not enrolled in electronic delivery will receive printed copies of the Notice of Internet Availability of Proxy Materials (or a full set of proxy materials if you have previously requested them) by mail.

What items of business will be voted on at the Annual Meeting and what vote does the Board of Directors recommend?

At the meeting, we will consider:

1. The election of the nine director nominees identified in this proxy statement, and the Board of Directors recommends a vote “FOR” each of those nominees; and
2. The ratification of the appointment of PricewaterhouseCoopers LLP to serve as our independent auditor for our fiscal year 2019, and the Board recommends a vote “FOR” ratification.



Table of Contents

**QUESTIONS AND ANSWERS ABOUT THE 2019 ANNUAL MEETING OF STOCKHOLDERS**

Who is entitled to vote at the Annual Meeting?

Holders of our Class A common stock as of the record date of January 18, 2019 are entitled to notice of and to vote at the Annual Meeting (and any postponement or adjournment of the meeting).

Holders of our non-voting Class B common stock are not entitled to vote at the Annual Meeting, or any postponement or adjournment of the meeting, and will receive this proxy statement and related materials for informational purposes.

How many shares can vote at the Annual Meeting?

At the close of business on the record date of January 18, 2019, we had 49,430,901 shares of Class A common stock outstanding, and each of

those shares is entitled to one vote. Shares of Class B common stock are not entitled to vote.

How many shares must be present or represented at the Annual Meeting to conduct business?

Under our Amended and Restated Bylaws, the holders of a majority of the aggregate voting power of the Class A common stock outstanding on the record date must be present in person or by proxy at the Annual Meeting to constitute a quorum to conduct business at the Annual Meeting. National

Amusements, Inc. (“NAI”) has advised us that all of the shares of Class A common stock held by it and its wholly-owned subsidiaries will be present at the Annual Meeting. Such shares will be sufficient to constitute a quorum.

What vote is required to approve each of the items of business?

Under our Amended and Restated Bylaws, the affirmative vote of the holders of a majority of the aggregate voting power of the Class A common stock present (whether in person or by proxy) and entitled to vote at the Annual Meeting is required to approve each of the items of business.

At the close of business on our record date, NAI beneficially owned, directly and through wholly-owned subsidiaries, approximately 79.8% of our outstanding Class A common stock. NAI has advised us that it intends to vote all of the shares of Class A common stock held by it and its wholly-owned subsidiaries in accordance with the recommendations of the Board of Directors on each of the items of business. This vote will be sufficient to approve each item under consideration.

What effect do abstentions and broker non-votes have on quorum and the items of business?

If you select the option to “abstain” from voting on either or both of the items of business, your shares will nevertheless be treated as present for the purpose of determining whether a quorum is present, but will have the effect of a vote against that item.

A “broker non-vote” will occur if (i) you hold shares of our Class A common stock beneficially in “street name,” (ii) you do not provide your broker or other nominee specific voting instructions on a matter and (iii) your broker is not permitted, under applicable stock exchange rules, to vote on that matter without instructions from the beneficial owner. If a broker non-vote occurs, the underlying shares of Class A common stock will be treated as present for the purpose of determining whether a quorum is present.

Because brokers are not permitted to vote on item 1 (the election of directors) without receiving specific voting instructions from the beneficial holder of the shares, shares underlying a broker non-vote on item 1 are not considered to be entitled to vote, and therefore broker non-votes will have no effect on the voting results for item 1. Because brokers are permitted to vote on item 2 (the ratification of the appointment of our independent auditor) in their discretion without receiving specific voting instructions from the beneficial holder of the shares, there will not be any broker non-votes on item 2. If you do not provide your broker or other nominee specific voting instructions on Item 2,

and your broker or nominee does not vote on Item 2, that will have the effect of a vote against Item 2.

2 VIACOM INC. 2019 Proxy Statement

---

Table of Contents

**QUESTIONS AND ANSWERS ABOUT THE 2019 ANNUAL MEETING OF STOCKHOLDERS**

How can I vote my shares at the Annual Meeting?

Voting by Proxy

Holders of Class A common stock may submit a proxy by:

following the instructions on your Notice of Internet Availability of Proxy Materials, proxy card or voting instruction card to vote by telephone or the Internet. These instructions can also be found at <http://proxymaterials.viacom.com>. Your telephone or Internet proxy must be received by 11:59 p.m., Eastern Time, on March 10, 2019; or completing, signing, dating and returning the proxy card or voting instruction card in accordance with the instructions set forth therein so that it is received by 11:59 p.m., Eastern Time, on March 7, 2019.

Robert M. Bakish and Christa A. D'Alimonte (the "proxy holders") have been designated by our Board

of Directors to vote the shares represented by proxy at the Annual Meeting. Mr. Bakish and Ms. D'Alimonte are executive officers of Viacom, and Mr. Bakish is also a director and director nominee.

The proxy holders will vote the shares represented by your valid and timely received proxy in accordance with your instructions.

If you do not specify instructions on your proxy when you submit it, the proxy holders will vote the shares represented by the proxy in accordance with the recommendations of the Board of Directors on each of the items of business.

If any other matter properly comes before the Annual Meeting, the proxy holders will vote the shares represented by proxy on that matter in their discretion.

Voting Shares Held in the Viacom 401(k) Plan

Voting instructions for shares of Class A common stock held in the Viacom 401(k) plan may be submitted using the same methods described above but must be received in all cases by 11:59 p.m., Eastern Time, on March 7, 2019, so that the trustee of the plan (who votes the shares on behalf of plan participants) has adequate time to tabulate the voting instructions.

Shares held in the Viacom 401(k) plan for which the trustee does not receive timely voting instructions will be voted by the trustee in the same proportion as the shares held in the plan for which the trustee does receive timely voting

instructions, except as otherwise required by law.

#### Voting other than by Proxy

While we encourage voting in advance by proxy, holders of Class A common stock (other than shares held in the Viacom 401(k) plan) also have the option of voting their shares in person at the Annual Meeting.

Can I change my vote or revoke my proxy after I return my proxy card?

#### Shares Held other than in the Viacom 401(k) Plan

You may change your vote or revoke your proxy at any time before your proxy is voted at the Annual Meeting by:

voting again by telephone or the Internet by 11:59 p.m., Eastern Time, on March 10, 2019; submitting a proxy bearing a later date than the proxy being revoked to Broadridge, P.O. Box 9111, Farmingdale, NY 11735, so long as it is received by 11:59 p.m., Eastern Time, on March 7, 2019; or attending the Annual Meeting and voting in person.

#### Shares Held in the Viacom 401(k) Plan

You may change or revoke your voting instructions relating to shares of Class A common stock held in the 401(k) plan by:

voting again by telephone or the Internet by 11:59 p.m., Eastern Time, on March 7, 2019; or

submitting a proxy bearing a later date than the proxy being revoked to Broadridge, P.O. Box 9111, Farmingdale, NY 11735, so long as it is received by 11:59 p.m., Eastern Time, on March 7, 2019.

VIACOM INC. 2019 Proxy Statement 3

---

Table of Contents

**QUESTIONS AND ANSWERS ABOUT THE 2019 ANNUAL MEETING OF STOCKHOLDERS**

How do I gain admission to the Annual Meeting?

If you are a registered holder of Class A common stock:

Please indicate that you plan to attend the meeting when you vote by telephone or the Internet, or mark the appropriate box on the proxy or voting instruction

card, and an admission ticket will be sent to you. Please bring photo identification with you for admittance to the meeting.

If you are a registered holder of Class B common stock or hold Class A or Class B common stock beneficially in a brokerage account or otherwise:

You must obtain an admission ticket in advance by sending a written request along with proof of ownership (such as your brokerage firm account statement or statement of holdings from our transfer

agent) to Director, Shareholder Relations, Viacom Inc., 1515 Broadway, 52<sup>nd</sup> Floor, New York, New York 10036-5794. Please bring photo identification with you for admittance to the meeting.

Who pays the cost of soliciting votes for the Annual Meeting?

We will pay the cost of the solicitation of proxies, including the preparation, website posting, printing and delivery of the proxy materials. We will furnish copies of these materials to banks, brokers,

fiduciaries, custodians and other nominees that hold shares on behalf of beneficial owners so that they may forward the materials to beneficial owners.

Who will count the votes?

We have retained American Election Services, LLC to tabulate the votes and serve as the independent inspector of election for the Annual Meeting.

Where can I find the voting results of the Annual Meeting?

We will publish the final results of the voting in a Current Report on Form 8-K within four business days following the Annual Meeting.

Table of Contents

**COMPANY INFORMATION AND MAILING ADDRESS**

COMPANY INFORMATION AND MAILING ADDRESS

We were organized as a Delaware corporation in 2005 in connection with our separation from former Viacom Inc. (“Former Viacom”), now known as CBS Corporation, which was effective January 1, 2006. Our mailing address is Viacom Inc., 1515 Broadway, New York, NY 10036-5794, and our telephone number is (212) 846-6000. Our website address is

www.viacom.com. References in this proxy statement to “Viacom,” “company,” “we,” “us” and “our” refer to Viacom Inc. and our consolidated subsidiaries, unless the context requires otherwise. Information on our website is not intended to be incorporated into this proxy statement.

VIACOM INC. 2019 Proxy Statement 5

---



Table of Contents

**ITEM 1 ELECTION OF DIRECTORS**

ITEM 1 – ELECTION OF DIRECTORS

The election of nine directors is proposed by the Board of Directors. In accordance with our Amended and Restated Certificate of Incorporation and

Amended and Restated Bylaws, each director will hold office for a term of one year and until his or her successor is duly elected and qualified.

Our Director Nominees

The Governance and Nominating Committee is responsible for reviewing the composition of our Board annually after considering the Board's anticipated needs for the upcoming year. In recommending director nominees to our Board, the members of the Governance and Nominating Committee consider information on the experience and qualifications of each director nominee, including each nominee's independence, each incumbent

director's performance as a Viacom Board member, and an overall assessment of the Board's functioning.

All of our director nominees are current members of our Board of Directors. The Governance and Nominating Committee unanimously recommended to the Board that the director nominees be invited to stand for re-election at the Annual Meeting.

Director Qualifications and Biographies

The Governance and Nominating Committee, consistent with the desires of the full Board and our controlling stockholder, seeks to achieve a Board that represents a diverse mix of skills, perspectives, talents, backgrounds and education that will enhance our decision-making process, oversee management's execution of strategic objectives and

represent the interests of all of our stockholders. Independence is a key factor when considering the director nominees, as are critical thinking skills, practical wisdom and mature judgment in the decision-making process. Our Board composition reflects our commitment to include individuals from diverse backgrounds and with diverse experience, and the members of our Governance and Nominating Committee are mindful of that objective when they nominate directors for election. Our Board composition also reflects the Governance and Nominating Committee's determination as to the appropriate size of the Board to facilitate effective communication and cooperation.

The information that follows includes each director nominee's:

independence status as determined by the Board of Directors in accordance with the standards set forth in the listing standards of the NASDAQ Global Select Market ("NASDAQ") and our Corporate Governance Guidelines, as discussed under "Our Board of Directors";  
tenure on our Board and the Board of Former Viacom, as applicable;  
experience, skills, qualifications and attributes that the Governance and Nominating Committee and the Board considered in concluding that each director nominee should serve on Viacom's Board; and  
service on the boards of directors of other public companies and investment companies during the past five years. Important information about Viacom's corporate governance practices, the responsibilities and functioning of the Board and its committees, director compensation and related person transactions is found elsewhere in this proxy statement. We encourage you to review this information in connection with your decisions on the election of the director nominees.

Table of Contents

**ITEM 1 ELECTION OF DIRECTORS**

~~Robert~~ Independent (CEO)

M.

Bakish

~~Committee(s):~~

55

- None

Director

~~Since:~~ Current Public Company Directorship(s):

December

2016 Avid Technology, Inc.

Occupation:

President

and

Chief

Executive

Officer,

Viacom

Inc.

Skills and Qualifications

Mr. Bakish brings to our Board his extensive knowledge of Viacom through various leadership positions in the company spanning approximately 20 years and culminating with President and CEO, a deep understanding of our industry and broad expertise overseeing global operations.

Mr. Bakish has been our President and Chief Executive Officer since December 2016, having served as Acting President and Chief Executive Officer beginning November 2016. Mr. Bakish joined Former Viacom in 1997 and has held positions throughout the organization, including as President and Chief Executive Officer of Viacom International Media Networks and its predecessor company, MTV Networks International (“MTVNI”), from 2007 to 2016; President of MTVNI; Executive Vice President, Operations and Viacom Enterprises; Executive

Vice President and Chief Operating Officer, MTV Networks Advertising Sales; and Senior Vice President, Planning, Development and Technology. Before joining Former Viacom, Mr. Bakish was a partner with Booz Allen Hamilton in its Media and Entertainment practice. Mr. Bakish has served as a director of Avid Technology, Inc. since 2009.

~~Independent~~

Falcone

Sorrell

~~Committee(s):~~

45

- Governance and Nominating Committee

Director

~~Since:~~ Current Public Company Directorship(s):

March

2018 Revlon, Inc.

Occupation:

Principal

Adviser,

Media

Affairs,

World

Economic

Forum

#### Skills and Qualifications

In addition to her independence, Ms. Falcone Sorrell brings to our Board extensive senior executive and marketing expertise, international experience with an extensive global network, media industry experience, public company and corporate governance experience, experience and talent as a consultant, and a knowledge of Viacom.

Ms. Falcone Sorrell has served as Principal Adviser, Media Affairs at the World Economic Forum, since 2018, having previously served as Senior Adviser to the Chairman. She served as Principal Consultant, Office of Outreach and Partnerships, for the Inter-American Development Bank from 2011 to 2015. Prior to joining the World Economic Forum in 2004, Ms.

Edgar Filing: Viacom Inc. - Form DEF 14A

Falcone Sorrell held positions at the International Labour Organization and Shell. Ms. Falcone Sorrell is Chief Executive Officer of JMCMRJ Sorrell Foundation, a member of the Italian National Press Guild, a board member of Internews and a member of the board of trustees of The Paley Center for Media. Ms. Falcone Sorrell has served as a director of Revlon, Inc. since 2014.

Table of Contents

**ITEM 1 ELECTION OF DIRECTORS**

~~The~~Independent; Non-Executive Chairman

J.

May

~~As~~Committee(s):

71

- Audit Committee

Director

~~Since~~Compensation Committee

August

~~2016~~ Current Public Company Directorship(s):

~~Bank of~~Bank of America Corp.

Former

Chairman,

President

and

Chief

Executive

Officer,

Eversource

Energy

Skills and Qualifications

In addition to his independence, Mr. May brings to our Board extensive experience as a chief executive officer of regulated businesses, overseeing operations, risk management, business development, strategic planning, board leadership and corporate governance. Having experience as a Certified Public Accountant, he brings extensive accounting and financial skills, and an expert perspective on financial reporting and enterprise and operational risk management. He also brings a knowledge of Viacom.

Mr. May served as the Chairman of Eversource Energy from 2013 to 2017 and as its President and Chief Executive Officer and as a Trustee from 2012 to 2016. He has served as a director of Bank of America Corporation since 2004 and as a director of Liberty Mutual Holding Company Inc., which is privately held, since 2002. He served as a director and the Chairman of each of

The Connecticut Light and Power Company, NSTAR Electric Company (and as its President and Chief Executive Officer and Trustee from 1994 to 2012), NSTAR Gas Company, Public Service Company of New Hampshire, Western Massachusetts Electric Company and Yankee Gas Services Company, which are also privately held, from 2012 to 2016. He is Chairman of the Stonehill College Board of Trustees, a trustee of the Dana-Farber Cancer Institute and a member of the Board of Advisors of the John F. Kennedy Library Foundation.

~~Independent~~

A.

McHale

~~Committee(s):~~

72

- Audit Committee

Director

~~Compensation Committee (Chair)~~

August

~~2016~~ Current Public Company Directorship(s):

~~Occupation~~ Lauren Corp.

President

~~and~~ Hilton Worldwide Holdings Inc.

Chief

Executive

Officer,

Cane

Investments,

LLC

Skills and Qualifications

In addition to her independence, Ms. McHale brings to our Board extensive experience leading a major media conglomerate with a background in operations and financial management, expertise in global affairs, experience in government affairs and extensive public company and corporate governance experience.

Prior to joining Cane Investments, LLC, a private investment company, in 2011, Ms. McHale served as the Under Secretary of State for Public Diplomacy and Public Affairs for the U.S. Department of State from 2009 to 2011. From

2004 to 2006, Ms. McHale served as the President and Chief Executive Officer of Discovery Communications, Inc., the parent company of Discovery Channel, and served as its President and Chief Operating Officer from 1995 to 2004. In 2006, Ms. McHale worked with private equity firm Global Environment Fund to launch the GEF/Africa Growth Fund, an investment vehicle focused on supplying expansion capital to small and medium-sized enterprises that provide consumer goods and services in emerging African markets. She has served on the board of Ralph Lauren Corporation since 2011 and the board of Hilton Worldwide Holdings Inc. since 2013. She previously served on the boards of SeaWorld Entertainment, Inc., Host Hotel & Resorts, Inc., DigitalGlobe Inc., John Hancock Financial Services, Inc. and Potomac Electric Power Company.



Table of Contents

**ITEM 1 ELECTION OF DIRECTORS**

**Independent**

L.

Nelson

**Committee(s):**

66

- Audit Committee (Chair)

Director

**Governance and Nominating Committee**

August

**Current Public Company Directorship(s):**

**Occidental Brands Inc.**

Consultant,

Avis

Budget

Group,

Inc.

Skills and Qualifications

In addition to his independence, Mr. Nelson brings to our Board extensive experience as a chief executive officer, chief financial officer and chief operating officer of major global companies, significant financial expertise, international business experience, public company and corporate governance experience and a long-standing background in the media industry.

Mr. Nelson has served as a consultant to Avis Budget Group, Inc. since 2018. Prior to that, he served as Executive Chairman of the Board of Avis Budget Group from 2015 to 2018 and as its Chairman and Chief Executive Officer from 2006 to 2015, and also served as Chief Operating Officer from 2010 to 2015. Prior to that, Mr. Nelson held several executive finance and operating roles, beginning in 2003 with Cendant Corporation, including as its Chief Financial Officer and President and a member of its board from 2003 to 2006. From 1994 to 2003, Mr. Nelson served as Co-Chief Operating Officer of DreamWorks SKG. Prior to that, he was

Executive Vice President, Chief Financial Officer and a director at Paramount Communications, Inc., formerly Gulf + Western Industries, Inc. Mr. Nelson has served on the board of Hanesbrands Inc. since 2008. He previously served on the board of Convergys Corporation.

~~Director~~ Independent

Norville

~~Committee(s):~~

60

- Compensation Committee

Director

~~Since:~~ Current Public Company Directorship(s):

March

2011 None

Occupation:

Anchor,

Inside

Edition

#### Skills and Qualifications

In addition to her independence, Ms. Norville brings to our Board extensive expertise, a long-standing background and a broad network in the media industry, public company and corporate governance experience and a knowledge of Viacom.

Ms. Norville has been the anchor of Inside Edition, a top-rated syndicated newsmagazine, since 1995. Prior to Inside Edition, Ms. Norville served as a correspondent and anchor for CBS News programs Street Stories, 48 Hours and CBS Evening News. Previously, she anchored NBC News at Sunrise and was news anchor and co-host of NBC's Today program. Ms. Norville is a two-time Emmy Award winner with more than thirty years of reporting experience and a best-selling author of several books. She serves on the Board of Directors and the Executive Committee of the Broadcasters Foundation of America and as Co-Chair of the Duke University Parents Committee. She is also a member of the Council on Foreign Relations and the Women's



Table of Contents

**ITEM 1 ELECTION OF DIRECTORS**

~~Independent~~

E.

Phillips,

Jr.

~~Committee(s):~~

59

- Audit Committee

Director

~~Since:~~ Current Public Company Directorship(s):

January

~~2006~~ One

(and

Former

Viacom

beginning

in

2004)

Occupation:

Chief

Executive

Officer,

Infor,

Inc.

Skills and Qualifications

In addition to his independence, Mr. Phillips brings to our Board extensive experience as a senior executive in a large, multinational corporation, financial industry background and financial and analytical expertise, significant public company and corporate governance experience, expertise in technology issues and familiarity with issues facing media, new media and intellectual property-driven companies and a deep knowledge of Viacom.

Mr. Phillips has been Chief Executive Officer of Infor, Inc. since 2010. He was a President of Oracle Corporation from 2003 to 2010 and served as a member of its Board of Directors and

Executive Management Committee from 2004 to 2010. Prior to Oracle, Mr. Phillips was a managing director at Morgan Stanley in the Technology Group and served on its Board of Directors. He is a member of the Board of Directors of the Federal Reserve Bank of New York, the Apollo Theater, Business Executives for National Security and the New York Police Foundation. He served on President Obama's Economic Recovery Board, led by Paul Volcker, and is a member of the Council on Foreign Relations. Mr. Phillips earned a BS in Computer Science from the U.S. Air Force Academy, an MBA from Hampton University and a JD from New York Law School, and he is a member of the Georgia State Bar Association.

~~Not~~ Independent; Non-Executive Vice Chair  
Redstone

~~Committee(s):~~

64

- None

Director

~~Other:~~ Current Public Company Directorship(s):

January

2006 CBS Corporation

(and

Former

Viacom

beginning

in

1994)

Occupation:

Co-founder

and

Managing

Partner,

Advancit

Capital

#### Skills and Qualifications

Ms. Redstone brings to our Board her extensive experience in and understanding of the entertainment industry, a deep knowledge of Viacom, broad experience and talent managing

a large business, extensive legal experience and her experience as President of NAI, including as one of its significant stockholders.

Ms. Redstone has been the Non-Executive Vice Chair of our Board and the board of Former Viacom since 1994. She also serves as Non-Executive Vice Chair of the Board of Directors of CBS Corporation. Ms. Redstone is Co-founder and Managing Partner of Advancit Capital, an investment firm launched in 2011 that focuses on early stage companies at the intersection of media, entertainment and technology, with investments in over 75 companies. Ms. Redstone has been President of NAI since 2000, and also serves as a director. Ms. Redstone is a member of the board of trustees of The Paley Center for Media. Ms. Redstone is actively involved in a variety of charitable, civic, and educational organizations. She is a member of the Boards of Directors of Combined Jewish Philanthropies and the John F. Kennedy Library Foundation and sits on the Board of Trustees of the Dana-Farber Cancer Institute. Ms. Redstone also serves on the Legal Services Corporation's Leaders Council. Ms. Redstone earned a BS from Tufts University and a JD and a Masters in Tax Law from Boston University. She practiced corporate law, estate planning and criminal law in the Boston area before joining NAI. Ms. Redstone is the daughter of Sumner M. Redstone.

Table of Contents

**ITEM 1 ELECTION OF DIRECTORS**

Nicole Independent  
Seligman

Age: 62 Committee(s):

Director • Compensation Committee

Since:

August • Governance and Nominating  
2016 Committee (Chair)

Occupation • Other Current Public Company

Former Directorship(s):

President,

Sony • WPP plc

Entertainment,

Inc. and • Far Point Acquisition Corp.

Sony

Corporation

of

America

Skills and Qualifications

In addition to her independence, Ms. Seligman brings to our Board extensive media industry experience with various leadership roles at a major media conglomerate, public company and corporate governance experience, and exceptional achievements in the legal profession.

Until March 2016, Ms. Seligman served as the President of Sony Entertainment, Inc. (beginning in 2014) and of Sony Corporation of America (beginning in 2012), and as Senior Legal Counsel of Sony Group (beginning in 2014). Ms. Seligman previously served as Executive Vice President and General Counsel of Sony Corporation from 2005 to 2014. She joined Sony in 2001 and served in a variety of other capacities during her tenure, including as a Corporate Executive Officer and Group Deputy General Counsel of Sony Corporation, and as General Counsel and an Executive Vice President at Sony Corporation of America, a subsidiary of Sony Corporation. Prior to

joining Sony Corporation of America, Ms. Seligman was a partner in the litigation practice at Williams & Connolly LLP in Washington, D.C., where she worked on a broad range of complex civil and criminal matters and counseled a wide range of clients, including President William Jefferson Clinton and Lt. Col. Oliver North. Ms. Seligman joined Williams & Connolly in 1985. Ms. Seligman served as law clerk to Justice Thurgood Marshall on the Supreme Court of the United States from 1984 to 1985 and as law clerk to Judge Harry T. Edwards at the U.S. Court of Appeals for the District of Columbia Circuit from 1983 to 1984. Ms. Seligman has served on the board of Far Point Acquisition Corporation since 2018, and has been a Non-Executive Director of WPP plc since 2014 and its Senior Independent Director since 2016. She has served as Chairman of the Board of Directors of The Doe Fund since 2017.



Table of Contents

**ITEM 1 ELECTION OF DIRECTORS**

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors recommends a vote “FOR” the election of each of the director nominees named above.

In accordance with the Board’s recommendation, the proxy holders will vote the shares of Class A common stock covered by valid and timely received proxies “FOR” the election of each of the director nominees, unless the stockholder gives instructions

to the contrary. If, for any reason, any of the director nominees becomes unavailable for election, the proxy holders may exercise discretion to vote for substitute nominees proposed by the Board. Each of the director nominees has indicated that he or she will be able to serve if elected and has agreed to do so.

Table of Contents

**OUR BOARD OF DIRECTORS**

OUR BOARD OF DIRECTORS

Our Board of Directors is currently comprised of the nine director nominees, seven of whom are independent under all applicable standards, as discussed below. The Board has three standing committees: the Audit Committee, the Compensation Committee and the Governance and Nominating Committee (collectively, the “Committees”), each of which consists solely of independent directors. Our

Board met 9 times in fiscal year 2018, and each of our directors attended more than 75% of the meetings of the Board and Committees (including any ad hoc committees) on which the director served. Under our Corporate Governance Guidelines, directors are expected to attend the Annual Meeting. Eight of our nine directors attended our 2018 Annual Meeting.

Board Structure

Our Board of Directors is comprised of the following nine members:

an independent Non-Executive Chairman;  
a Non-Executive Vice Chair;  
our President and Chief Executive Officer; and  
six other directors, all of whom are independent.

Mr. May, our Non-Executive Chairman, presides at all meetings of the Board of Directors and the stockholders, and develops and approves Board agendas. He and our Committee Chairs play leading roles with respect to various other matters that are appropriate for consideration by independent directors, such as executive compensation, matters involving related parties and potential conflicts of interest.

Ms. Redstone has a minority ownership interest in, and is President of, NAI. The Board of Directors believes it is appropriate for Ms. Redstone to be Non-Executive Vice Chair of the Board because of her extensive experience in and understanding of the entertainment industry, her experience and talent managing a large business, and her ownership

interest in and role as President of NAI.

Mr. Bakish has been a member of our Board and our President and Chief Executive Officer since December 12, 2016, having served as Acting President and Chief Executive Officer beginning November 15, 2016 and in various other leadership roles at Viacom and Former Viacom beginning in 1997. The Board of Directors has determined that his participation on the Board is beneficial because of his experience, talent and deep understanding of our industry, and because of his extensive knowledge of, history with and day-to-day management of Viacom.

In keeping with best corporate governance practices, we maintain a majority of independent directors and our Board Committees are comprised solely of independent directors, even though — as a controlled company — we are not required to do so under NASDAQ listing or any other standards. Independent directors have the ability and are encouraged to propose agenda items, including for executive sessions, to the Chairman.

We believe our Board leadership structure provides the appropriate balance of independent directors, one director affiliated with our controlling stockholder and one management director, who work together effectively to represent the interests of our entire stockholder base.

#### Board Role in Risk Oversight

Our Board receives regular reports from our Chief Executive Officer, Chief Financial Officer, General Counsel and other members of senior management regarding areas of significant risk to us, including operational, strategic, legal, regulatory, financial and reputational risks.

Certain risks that are under the purview of a particular Committee are monitored by that Committee, which then reports to the full Board as appropriate. For example, under the Compensation Committee Charter, the Compensation Committee oversees periodic risk assessments of our compensation programs. Under the Audit Committee

Charter, the Audit Committee reviews our risk assessment and risk management processes, including with respect to cyber security risk, and our Chief Audit and Compliance Officer, who identifies and manages a wide range of risks companywide, reports to the Audit Committee. Under the Governance and Nominating Committee Charter, the Governance and Nominating Committee is responsible, in collaboration with the other Board Committees, for overseeing and monitoring significant issues impacting our culture, including our handling of environmental, social and governance issues.



Table of Contents

**OUR BOARD OF DIRECTORS**

Director Independence

Our Corporate Governance Guidelines (the “Guidelines”) provide that a majority of our directors must be independent of Viacom, as “independence”

is defined in the NASDAQ listing standards and in the Guidelines.

NASDAQ Listing Standards

The NASDAQ listing standards provide six “bright-line” tests to determine independence. A Viacom director will not be independent if any of the following relationships exist:

the director is, or has been within the last three years, an employee of Viacom;  
a family member of the director is, or has been within the last three years, an executive officer of Viacom;  
the director has received, or a family member of the director has received, during any 12-month period within the last three years, more than \$120,000 in compensation from Viacom, other than compensation for board or board committee service, compensation paid to a family member of the director who is an employee (other than an executive officer) of Viacom, or benefits under a tax-qualified retirement plan, or non-discretionary compensation;  
the director is, or has a family member who is, a current partner of Viacom’s outside auditor, or was a partner or employee of Viacom’s outside auditor who worked on Viacom’s audit at any time during any of the past three years;  
the director is, or has a family member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of Viacom have served on  
the compensation committee of such other  
entity; or

the director is, or has a family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which Viacom made, or from which Viacom received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient’s consolidated gross revenues for that year, or \$200,000, whichever is more, other than payments arising solely from investments in Viacom’s securities or payments under non-discretionary charitable contribution matching programs.

For this purpose, “family member” means the director’s spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in the director’s home.

If a director fails any of the six tests, the director must be found to be not independent. In addition, the NASDAQ listing standards provide that a director is not independent unless the Board affirmatively determines that the director has no relationship that would impair his or her independence, which we refer to as a “material relationship.”

#### Our Corporate Governance Guidelines

Our Guidelines provide categorical standards to assist the Board in determining what constitutes a “material relationship” with Viacom for purposes of the NASDAQ listing standards. These categorical standards are summarized below and can be found in their entirety in our Guidelines, which are posted in the “Investors/Corporate Governance” section of our website at [www.viacom.com](http://www.viacom.com).

Under the categorical standards in our Guidelines, the following relationships are generally deemed not to be material:

the types of relationships identified by the NASDAQ listing standard’s bright-line tests, if they occurred more than five years ago (the Board will review any such relationship if it occurred more than three but less than five years ago);  
a relationship whereby the director has received, or an immediate family member of the director has received for service as an executive officer, \$120,000 or less in direct compensation from us during any 12-month period within the last three years; and  
a relationship in which the director is an executive officer or employee, or an immediate family member of the director is an executive officer, of the following:  
a company that made payments to or received payments from us for property or services in an amount that, in any of the last three fiscal years, is less than 1% of that company’s annual consolidated gross revenues;  
a company that is either indebted to us or a creditor of ours in an amount that is less

14 VIACOM INC. 2019 Proxy Statement

---

Table of Contents

**OUR BOARD OF DIRECTORS**

than 1% of that company's total consolidated assets; and

a tax-exempt organization that received contributions from us in the prior fiscal year in an amount less than the greater of \$500,000 and 1% of that organization's consolidated gross revenues.

For relationships that exceed these thresholds, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, is made by the directors who are

independent. In addition, the Guidelines state that, generally, the types of relationships not addressed by the NASDAQ listing standards or the categorical standards described in the Guidelines will not, by themselves, cause a director to be considered not independent. The Board may, after considering relevant facts and circumstances, determine that a director is not independent for any reason it deems appropriate.

Independence of Our Directors

When considering whether a director is independent, we believe it is important for our Board to have a range of information about the director so that it can make an informed independence determination. Our Governance and Nominating Committee and the full Board review information about:

the director's employment;

any relationships required to be disclosed as related person transactions in this proxy statement;

certain other relationships not required to be disclosed in this proxy statement because they do not meet materiality thresholds;

any relationship of which we are aware between the director or a director's family member and Viacom or any other Viacom director or executive officer (for example, overlapping directorships); and

other public company board and committee memberships and affiliations with not-for-profit organizations.

In addition, as discussed under "Related Person Transactions," the Governance and Nominating Committee receives reports on all transactions

between related persons and us, regardless of whether such transaction is determined to involve a material interest by a related person.

Since our 2018 Annual Meeting, seven of our nine directors, or 78%, have been independent.

In January 2019, the Board conducted its annual review of the independence of the director nominees and confirmed that seven of the nine nominees – Mses. Falcone Sorrell, McHale, Norville and Seligman, and Messrs. May, Nelson and Phillips – are independent. The only nominees who are not independent are Mr. Bakish, our President and Chief Executive Officer, and Ms. Redstone, President of NAI, our controlling stockholder.

With respect to specific companies with which we conduct business and an independent director is affiliated, the Governance and Nominating Committee and the Board considered that Ms. Norville is the anchor of Inside Edition, which is a program produced and distributed by CBS Television Distribution, a unit of CBS Corporation. The transactions between Viacom and CBS were negotiated on an arm's length basis, and the Board determined that these transactions did not affect Ms. Norville's independence.

## Board Committees

### Committee Membership

The Board reviews and determines the membership of our Board Committees at least annually, with input from the Governance and Nominating Committee. The following discusses the membership of the Committees in fiscal year 2018, including the number of meetings held in fiscal year 2018, as well as information about the Committees, their respective roles and responsibilities and their charters. Each of

our Committees has a written charter, which is posted in the "Investors/Corporate Governance" section of our website at [www.viacom.com](http://www.viacom.com).

In fiscal year 2018, the Audit Committee met eight times, the Compensation Committee met 10 times and the Governance and Nominating Committee met four times.



Table of Contents**OUR BOARD OF DIRECTORS**

The following table provides the composition of our Board Committees as of September 30, 2018 and currently:

Name	Compensation		Governance and
	Audit Committee	Committee	Nominating Committee <sup>(1)</sup>
Cristiana Falcone Sorrell	—	—	Member
Thomas J. May	Member	Member	—
Judith A. McHale	Member	Chair	—
Ronald L. Nelson	Chair	—	Member
Deborah Norville	—	Member	—
Charles E. Phillips, Jr.	Member	—	—
Nicole Seligman	—	Member	Chair

(1) From October 1, 2017 until March 8, 2018 (the date of our 2018 Annual Meeting of Stockholders), Kenneth B. Lerer was also a member of our Board and of our Governance and Nominating Committee.

#### Audit Committee

Under its Charter, the Audit Committee is responsible for the following, among other things:

the appointment, retention, termination, compensation and oversight of the work of our independent auditor, which reports directly to the Committee, including reviewing with the independent auditor the scope, planning and staffing of the annual audit, and the sole authority to approve all services provided by the independent auditor;

reviewing our financial statements and related SEC filings and financial disclosures;

overseeing our compliance with the requirements of Section 404 of the Sarbanes-Oxley Act with respect to internal control over financial reporting;

reviewing our risk assessment and risk management processes, including with respect to cyber security;

reviewing our policies governing, and approving our use of, certain swap transactions;

overseeing our internal audit function;

overseeing our compliance with legal and regulatory requirements; and

periodically reviewing and approving our Global Business Practices Statement (the “GBPS”), which encompasses our standards for ethical conduct.

For additional information on the Audit Committee’s role and its oversight of the independent auditor during fiscal year 2018, see “Report of the Audit Committee.”

The Audit Committee Charter also provides that:

the Committee will be comprised of at least three independent directors, each of whom also meets the separate standards for Audit Committee independence set forth in the NASDAQ listing standards;

all Committee members must be financially literate, and the Committee must have at least one “audit committee financial expert”;

the Committee will hold at least six regular meetings each calendar year;

the Committee will meet separately with the independent auditor at least four times each year;

the Committee will meet regularly in executive session with members of our senior management team; and

the Committee is empowered to hire outside advisors as it deems appropriate.

#### Audit Committee Financial Experts

The Board of Directors has determined that all of the members of the Audit Committee are independent and “financially sophisticated” under NASDAQ listing standards and qualify as “audit committee financial experts” under the regulations promulgated under the Securities Act of 1933, as amended (the “Securities Act”).

#### Service on the Audit Committees of Other Public Companies

We do not restrict the number of other audit committees on which members of our Audit Committee may serve; however, in recommending director candidates to the Board and directors to serve on Committees of the Board, the Governance and Nominating Committee considers the other demands on each director’s time, including those arising from such service.

Table of Contents

**OUR BOARD OF DIRECTORS**

Audit Committee Oversight of Cyber Security

Protecting the security of our networks, information systems and other technologies and those of our third-party vendors, and the privacy of information obtained from our business partners, employees and customers is of paramount importance to us, and we are committed to maintaining strong and effective information security and privacy protections throughout the company.

The Audit Committee has primary responsibility for overseeing our risk management program, including relating to cyber security. The Audit Committee monitors our compliance in this area and receives periodic updates on cyber security and related privacy matters.

Viacom's Chief Technology Officer and Chief Information Security Officer are responsible for leading our companywide information security strategy, architecture, policies, standards and processes. Our comprehensive information security program includes vulnerability detection and

remediation, next-generation endpoint antivirus and malware protection, file integrity monitoring, third party vendor monitoring, encryption and access control, and enhanced awareness. The Chief Information Security Officer leads comprehensive reviews on a regular basis with the Audit Committee dedicated to our cyber risks and protections, which are then reported to the full Board.

We also have a dedicated Chief Privacy Officer, who leads Viacom's global privacy program and advises the business on the use, collection and disclosure of personal information in a manner that complies with the company's data protection compliance obligations. The Audit Committee is briefed periodically on data privacy regulations and risks, including updated data protection laws, such as the European Union's General Data Protection Regulation, that may impact our business activities involving the processing of personal data.

Compensation Committee

Under its Charter, the Compensation Committee is responsible for the following, among other things:

establishing and regularly reviewing our general compensation philosophy, strategy, principles and policies, including oversight of periodic risk assessments of our compensation programs;  
reviewing and approving the total compensation packages for, and key terms of any agreements with, our President and Chief Executive Officer, our other executive officers, operating managers who report to the CEO, and certain other executives;  
reviewing and making recommendations to the Board on compensation plans and overseeing the administration of those plans;

determining the appropriate design for awards made under our annual cash bonus and equity compensation plans and setting related performance targets;  
approving equity awards; and  
evaluating the performance of our President and Chief Executive Officer, and reviewing the evaluations of other executives by the President  
and CEO, as appropriate, including in the context of succession planning.  
For additional information on the Compensation Committee's role, its processes for the consideration and determination of executive compensation and its use of outside advisors, see "Compensation Discussion and Analysis."

The Compensation Committee Charter also provides that:

the Committee will be comprised of at least three independent directors, each of whom must be a "non-employee director" as defined in Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act");  
the Committee will hold at least four regular meetings each calendar year;  
the Committee will meet periodically in executive session, which sessions typically include its independent compensation consultant; and  
the Committee is empowered to hire outside advisors as it deems appropriate and will conduct annual assessments of the independence of each such advisor.

#### Compensation Committee's Relationship with Its Independent Compensation Consultant

Our Compensation Committee retains Pearl Meyer & Partners, LLC ("Pearl Meyer") as its independent compensation consultant.

Pearl Meyer is engaged by, and reports directly to, the Compensation Committee, which has the sole authority to hire or fire Pearl Meyer and to approve fee arrangements for work performed.

Pearl Meyer assists the Compensation Committee in fulfilling its responsibilities under its Charter, including advising on proposed compensation packages for top

Table of Contents

**OUR BOARD OF DIRECTORS**

executives, compensation program design and market practices generally. The Compensation Committee has authorized Pearl Meyer to interact with management on behalf of the Compensation Committee, as needed in connection with advising the Compensation Committee, and Pearl Meyer is included in discussions with management and, when applicable, the Compensation Committee's outside legal counsel on matters being brought to the Compensation Committee for consideration.

It is the Compensation Committee's policy that the Chair of the Compensation Committee or the full

Compensation Committee pre-approve any additional services provided to management by its independent compensation consultant. In fiscal year 2018, Pearl Meyer did not provide any services to Viacom other than to the Compensation Committee and, as described below, the Governance and Nominating Committee. The Compensation Committee has assessed the independence of Pearl Meyer pursuant to Securities and Exchange Commission ("SEC") rules and concluded that Pearl Meyer's work for the Compensation Committee does not raise any conflict of interest.

Governance and Nominating Committee

Under its Charter, the Governance and Nominating Committee is responsible for the following, among other things:

identifying and recommending to the Board potential director candidates and reviewing the composition of the Board as part of this process;  
overseeing and monitoring significant issues impacting our culture, including our handling of environmental, social and governance issues;  
overseeing all aspects of our corporate governance initiatives, including periodic assessments of our principal governance documents, and making recommendations to the Board as appropriate;  
establishing policy on and overseeing our entry into related person transactions;  
establishing criteria for the annual self-assessments of the Board and its Committees;  
reviewing and making recommendations to the Board on director compensation matters; and  
monitoring developments in the law and practice of corporate governance.

The Governance and Nominating Committee Charter also provides that:

the Committee will be comprised of at least three independent directors;  
the Committee will hold at least three regular meetings each calendar year;  
the Committee will meet regularly in executive session; and  
the Committee is empowered to hire outside advisors as it deems appropriate.

The Governance and Nominating Committee periodically uses Pearl Meyer, the Compensation Committee's independent compensation consultant, for advice on director compensation.

For additional information on the Governance and Nominating Committee's oversight of director compensation and related person transactions, see the sections "Director Compensation" and "Related Person Transactions."

## Director Nomination Process and Consideration of Diversity of Perspectives

Our Corporate Governance Guidelines and the Governance and Nominating Committee Charter set forth certain criteria for director qualifications and Board composition. These criteria include an expectation that directors have substantial accomplishments in their professional backgrounds, are able to make independent, analytical inquiries and exhibit practical wisdom and mature judgment. The Governance and Nominating Committee seeks to achieve a Board that represents a diverse mix of skills, qualifications, perspectives, talents, backgrounds and education that will enhance our decision-making process, oversee management's execution of strategic objectives and represent the interests of all of our stockholders. Director candidates should meet our standards for independence, be free of potential conflicts of

interest, possess the highest personal and professional ethics, integrity and values, be committed to promoting the long-term interests of our stockholders and be able and willing to devote the necessary time to carrying out their duties and responsibilities as members of the Board. These criteria are described more fully in our Guidelines and the Governance and Nominating Committee Charter. The Governance and Nominating Committee considers these criteria, including diversity, in connection with its annual review of the composition, qualifications and independence of our Board.

For additional discussion of how the Governance and Nominating Committee determines the director nominees, see "Item 1 — Election of Directors" and "Our Board of Directors — Director Independence."

Table of Contents

**OUR BOARD OF DIRECTORS**

Stockholder Recommendations for Director Candidates

The Governance and Nominating Committee will consider potential director candidates recommended by our stockholders. When making a recommendation, stockholders should consider our criteria for director qualifications and Board composition set forth above and in our Guidelines and the Governance and Nominating Committee Charter. Director candidates recommended by stockholders who meet these qualifications will be considered by the Chair of the Governance and Nominating Committee, who will present the information on the candidate to the entire

Governance and Nominating Committee. All director candidates recommended by stockholders will be considered by the Governance and Nominating Committee in the same manner as any other candidate and may or may not be selected by the Governance and Nominating Committee.

All recommendations by stockholders for potential director candidates must include written materials on the potential candidate's qualifications and be sent to Christa A. D'Alimonte, Secretary, Viacom Inc., 1515 Broadway, New York, NY 10036-5794.

Executive Sessions of the Board

Under our Corporate Governance Guidelines, the Board is required to hold separate executive sessions of non-management and independent

directors. Mr. May, our non-executive Chairman, leads these executive sessions.

Communications with Directors

Stockholders and other interested parties who would like to contact our non-management directors may send an email to: [nonmanagementdirectors@viacom.com](mailto:nonmanagementdirectors@viacom.com) or write to Non-Management Directors, Viacom Inc., 1515 Broadway, 52<sup>nd</sup> Floor, New York, NY 10036-5794. The non-management directors' contact information is also available on our website at [www.viacom.com](http://www.viacom.com). The non-management directors have approved the process for handling communications received in this manner.

Stockholders should also use the email and mailing address for the non-management directors to send communications to the Board. The process for handling stockholder communications to the Board received in this manner has been approved by the independent directors of the Board. Correspondence relating to accounting or auditing matters will be handled in accordance with procedures established by the Audit Committee for such matters.



Table of Contents

**CORPORATE GOVERNANCE**

CORPORATE GOVERNANCE

Our corporate governance practices are established, monitored and regularly assessed by our Board of Directors with assistance from the Governance and Nominating Committee. The Board considers current and proposed legal requirements and governance best practices in connection with its decisions on our governance practices, including ensuring that a majority of our Board is independent and that all of our Board Committees are comprised solely of independent directors.

Our principal governance documents are our Corporate Governance Guidelines, Board Committee Charters, Global Business Practices Statement and

Supplemental Code of Ethics for Senior Financial Officers. These documents are available in the “Investors/Corporate Governance” section of our website at [www.viacom.com](http://www.viacom.com), and copies of these documents may be requested by writing to Investor Relations, Viacom Inc., 1515 Broadway, New York, NY 10036-5794.

Certain aspects of our governance documents are summarized below. We encourage our stockholders to read our governance documents, as we believe they illustrate our commitment to good governance practices and ethical business conduct.

Corporate Governance Guidelines

Our Corporate Governance Guidelines establish our corporate governance principles and practices on a variety of topics, including the responsibilities, composition and functioning of the Board. The Governance and Nominating Committee assesses the Guidelines periodically and makes recommendations to the Board on any changes to implement. Our Guidelines address, among other things:

the roles and responsibilities of the Board Chairman, the Vice Chair and, when the offices of Chairman and Chief Executive Officer are held by the same person, a lead independent director;

director qualifications, including our director independence standards;

the requirement to hold separate executive sessions of the non-management directors and of the independent directors and their frequency;

how stockholders and interested parties may communicate with the non-management directors;

stock ownership guidelines for directors and the Board's policies for setting director compensation;

director orientation and continuing education;

policies regarding director access to management, employees and independent advisors;

the roles of the independent and non-management directors in reviewing the performance of our President and Chief Executive Officer and in executive succession planning; and

the annual self-assessment by the Board and each Committee to evaluate their effectiveness.

#### Board Committee Charters

As discussed in more detail in the descriptions of our Board Committees under "Our Board of Directors — Board Committees," each of our Board Committees operates under a written charter adopted by the Board. The charters set forth the purpose, objectives and responsibilities of the respective Committee and

discuss matters such as Committee membership requirements, number of meetings and the setting of meeting agendas. The charters are assessed annually by the Governance and Nominating Committee and the respective Committee and are updated by the Board as needed.

#### Viacom Global Business Practices Statement

Our GBPS encompasses our standards for ethical conduct that are expected of all directors and employees of Viacom and its subsidiaries.

The GBPS is updated periodically and reviewed with, and approved by, the Audit Committee.

The GBPS has been distributed to our directors and employees worldwide. As part of our compliance and ethics programs, directors and employees receive regular training on the contents of the GBPS and, where permitted, are required to certify as to



Table of Contents

**CORPORATE GOVERNANCE**

compliance with it. They are also required to disclose any conflicts or potential conflicts of interest on an ongoing basis and appropriately report on suspected violations of the GBPS. The GBPS addresses, among other things, topics such as:

- compliance with laws, rules and regulations;
- conflicts of interest and interference, including the disclosure of actual or potential conflicts;
- confidentiality, transactions in securities and fair disclosure;
- financial accounting and improper payments;
- our commitment to being an equal opportunity employer and providing a workplace environment free of harassment and improper bias;
- fair dealing and relations with competitors, customers and suppliers;
- connecting, communicating and sharing through social media;
- protection and proper use of company assets, information systems and electronic communications;
- privacy, data security and information protection;
- anti-corruption laws such as the Foreign Corrupt Practices Act and the UK Bribery Act;
- export control and anti-boycott laws;
- health, safety and the environment; and
- political contributions.

The GBPS also identifies numerous avenues for employees to report violations of the GBPS, matters of alleged financial impropriety and any other matters of concern, anonymously or with attribution, to the appropriate officers of Viacom and/or the Audit Committee. These avenues include telephone hotlines (in the United States and for numerous international locations), email contacts and reporting through various internal websites at Viacom and its business divisions. The GBPS makes clear that retaliation against an employee who makes a report in good faith will not be tolerated.

Our Senior Vice President, Chief Audit and Compliance Officer, reports to the Audit Committee and has oversight responsibility for our compliance and ethics programs. Together with senior executives of various disciplines from Viacom and its business divisions, he regularly reviews and updates the GBPS policies, and generates more detailed policies and training for those officers and employees engaged in activities that warrant additional focus, such as conducting business internationally. We also require that our suppliers comply with pertinent elements of our business conduct policies.

Waivers of the GBPS for our executive officers and directors will be disclosed on our website at [www.viacom.com](http://www.viacom.com) or by Form 8-K filed with the SEC.

Supplemental Code of Ethics for Senior Financial Officers

The Supplemental Code of Ethics for Senior Financial Officers is applicable to our President and Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer. The Supplemental Code of Ethics addresses matters specific to those senior financial positions at Viacom, including responsibility for the disclosures made in our filings with the SEC, reporting obligations with respect to certain matters and a

general obligation to promote honest and ethical conduct within Viacom. As with all employees, the Senior Financial Officers are also required to comply with the GBPS.

Amendments to or waivers of the Supplemental Code of Ethics for these officers will be disclosed on our website at [www.viacom.com](http://www.viacom.com) or by Form 8-K filed with the SEC.

Table of Contents

**OUR COMMITMENT TO CULTURE AND CORPORATE RESPONSIBILITY**

OUR COMMITMENT TO CULTURE AND CORPORATE RESPONSIBILITY

Our initiatives relating to culture and corporate responsibility are numerous and varied, and reflect our core values and beliefs — from our programs to support employees who volunteer in their communities, to our brands’ campaigns that empower our audiences to take action, to our environmental conservation efforts at our global offices, to our commitment to create and champion a diverse, multicultural workforce in a dynamic environment where all employees can achieve and contribute.

Our employees are fundamental to our success. Their creativity and energy fuel our business, and their commitment to volunteering, community activism and advocating for equality is the driving force behind so many of our social impact efforts. Our Office of Global Inclusion — with teams in New York, Los Angeles and London — works closely with our senior leaders, including those on our Global Inclusion Advisory Committee, to harness the diverse creativity of our workforce to fuel their leadership growth and keep us connected to multicultural audiences around the world. We have engaged Employee Resource Groups (“ERGs”) that reach across our brands to provide a forum for employees to flourish personally and professionally while facilitating strong connections to the community. With locations worldwide, spanning various cultures and more than 50% of our workforce, our employee-led ERGs are a key catalyst to prioritize culture in our organization.

Our Minority Supplier Diversity Program formally launched in 2018 and is quickly executing against our plans to increase procurement from gender and ethnically diverse businesses. Our Executive Vice President, Global Head of Inclusion Strategy, reports periodically to the Board on a variety of diversity and inclusion matters.

We also have a dedicated team driving our social impact and purpose-driven initiatives, under the global umbrella “Viacommunity.” By leveraging our diverse culture, Viacommunity offers programs that empower, engage and inspire our employees, audiences and company to make a real difference in our communities around the world. A few examples of our efforts follow:

Viacommunity Day, our global day of service, offers over 100 opportunities for thousands of employees across Viacom, in 25 regions, to join together to volunteer in our communities each year. From beautifying local parks to mentoring

youth in schools to assembling kits for those in need and promoting many other types of volunteer activities, Viacommunity Day celebrated its 22nd year in 2018.

For over eight years, Nickelodeon’s Helping And Leading Others (“HALO”) initiative celebrates the extraordinary impact that kids can have in their neighborhoods and beyond — as activists, fundraisers, visionaries and volunteers. To

date, 100 kids have been honored as HALO award winners and \$500,000 has been donated to non-profit organizations in the form of scholarships and seed grants.

For 15 years, Nickelodeon's Worldwide Day of Play has championed active play as essential for all kids. Emphasizing participation in underserved communities, and with the help of an alliance of more than 40 youth and sports partners, Nickelodeon engages more than 1 million kids and families annually through on-the-ground events.

Since 2014, our Unlimited Potential ("UP") program has connected Viacom employees in New York City with promising high school students for mentoring and other forms of career and college readiness. The students meet with a supportive adult and are able to see a large media company firsthand, while building real and marketable skills. To date, more than 250 employees have given their time, energy and insights as UP mentors, and more than 200 young people have received mentoring.

In partnership with Viacom, the Get Schooled Foundation leverages the power of pop culture to inspire and empower students to graduate from high school and succeed in college. Get Schooled partners with over 2,000 middle and high schools, and engages close to two million students, nationwide.

For 20 years, the MTV Staying Alive Foundation has worked around the world to stop the spread of HIV among young people. MTV Staying Alive uses original content to deliver information about HIV and sexual reproductive health and rights to vast audiences. To date, MTV Staying Alive has funded 208 youth-led sexual health organizations, trained 21,000 peer educators, awarded more than \$6 million in grants, distributed 9.5 million condoms and helped 260,000 people get tested for HIV.

22 VIACOM INC. 2019 Proxy Statement

---

Table of Contents

**OUR COMMITMENT TO CULTURE AND CORPORATE RESPONSIBILITY**

At Viacom, we strive to support sustainable living and business. We recently removed plastic bottles and straws from all in-house catering at our locations throughout the United States and provided thousands of employees with reusable metal water bottles and unlimited access to filtered water. At our headquarters in New York, there will now be approximately 520,000 fewer plastic bottles and 80,000 fewer plastic straws used each year — equivalent to about 20,000 pounds of plastic.

Through its long-running initiative “Green. It’s paramount to us,” Paramount tries to boost sustainability in every aspect of its work. The studio plays an active part in the industry-wide coalition that drafted the Green Production Guide and other tools

designed to promote sustainable practices on set, and has also taken steps to make its facilities greener, including by installing a low-carbon alternative energy plant that saves more than 10 million KW hours of electricity per year.

By making our facilities more efficient, we are also working to save energy, water and waste. For example, our Burbank and Hollywood locations both achieved the U.S. Green Building Council’s LEED Gold certification. We are continuing to install energy-efficient equipment and LED fixtures in place of older lighting, and we’re monitoring our usage, year over year, to find even more ways to reduce our footprint.

We continue to explore ways to strengthen our culture and corporate responsibility framework.



Table of Contents

**DIRECTOR COMPENSATION**

DIRECTOR COMPENSATION

Directors who are not employees of Viacom or any of its subsidiaries (the “Outside Directors”) are entitled to receive compensation for their service on the Board and are eligible to participate in certain director plans, as discussed below. Mses. Falcone Sorrell, McHale, Norville, Redstone and Seligman, and Messrs. May, Nelson and Phillips, are Outside Directors.

Our director compensation programs are overseen by our Governance and Nominating Committee, which makes recommendations at least every other year to the Board on the appropriate amount and structure of director compensation in light of then current competitive practice and other factors. The

Governance and Nominating Committee receives advice from Pearl Meyer, the Compensation Committee’s independent compensation consultant, on director compensation matters, including our director compensation plans. In November 2017, the Governance and Nominating Committee, in consultation with Pearl Meyer, reviewed our director compensation program and determined not to recommend any changes to the Board at that time. The Governance and Nominating Committee again determined in November 2018 not to recommend to the Board any changes to our director compensation program.

Elements of Outside Director Compensation

Cash Compensation

We pay cash compensation to our Outside Directors as follows:

Our Chair receives an annual Board retainer of \$300,000, our Vice Chair receives an annual retainer of \$200,000 and all other Outside Directors receive an annual retainer of \$100,000, in each case payable in equal installments quarterly in advance.

The Chairs of the Audit and Compensation Committees each receive an annual retainer of \$20,000, payable in equal installments quarterly in advance, and the members of those committees receive a per meeting attendance fee of \$2,000.

The Chair of the Governance and Nominating Committee receives an annual retainer of \$15,000, payable in equal installments quarterly in advance, and the members of that committee receive a per meeting attendance fee of \$1,500.

#### Deferred Compensation Plan

Under the Viacom Inc. Deferred Compensation Plan for Outside Directors, Outside Directors may elect to defer their Board and Committee cash retainers and meeting fees for the upcoming calendar year. Deferred amounts are credited during a calendar quarter to an interest-bearing income account or a stock unit account in accordance with the director's prior election.

Amounts credited to an income account bear interest at the prime rate in effect at the beginning of each calendar quarter and are paid in cash upon a director's retirement from the Board.

Amounts credited to a stock unit account are deferred into a fixed number of fully-vested RSUs based on the value of our Class B common stock on the first day of the relevant calendar quarter. The

awarded RSUs will be settled in shares of Class B common stock.

Whether paid in cash or in shares of Class B common stock, deferred amounts will be paid in either a lump sum or in three or five annual installments based on the director's prior election, with the lump sum or initial annual installment becoming payable on the later of six months after the director leaves the Board or January 15 of the following year.

For more information on the RSUs related to deferred cash compensation held by our Outside Directors as of December 15, 2018, see footnote (4) to the "Security Ownership of Certain Beneficial Owners and Management" table.

Table of Contents

**DIRECTOR COMPENSATION**

Equity Compensation

Pursuant to the Viacom Inc. 2011 RSU Plan for Outside Directors, as amended and restated as of October 31, 2016, on January 31 of each year, our Outside Directors automatically receive an annual grant of restricted share units (“RSUs”) equal in value to \$175,000 based on the closing price of our Class B common stock on NASDAQ on the date of grant. The RSUs vest one year from the date of grant and are payable in shares of Class B common stock upon vesting unless the Outside Director elects to defer settlement of the RSUs to a future date. Deferred RSUs will be paid in either a lump sum or in three or five annual installments based on the

director’s prior election, with the lump sum or initial annual installment becoming payable on the later of six months after the director leaves the Board or January 31 of the following year. For more information on the RSUs related to deferred annual grants of RSUs held by our Outside Directors as of December 15, 2018, see footnote (4) to the “Security Ownership of Certain Beneficial Owners and Management” table.

Dividend equivalents are credited on the RSUs each time we pay a regular cash dividend on our Class B common stock until the RSUs are settled.

Director Stock Ownership Requirement

Under our Corporate Governance Guidelines, directors are expected to own shares of Viacom stock worth three times the standard annual Board retainer (or \$300,000) within three years of becoming

a director. RSUs received under the Deferred Compensation Plan for Outside Directors and the RSU Plan for Outside Directors count toward fulfilling the requirement.

Director Perquisites

We generally do not provide perquisites to our directors.

We believe it is in our best interest for directors to participate in certain events throughout the year, and the Board has established a policy under which directors are allocated tickets without charge to attend specific events that have been designated as having a business purpose. Travel expenses to such events are reimbursed by us in accordance with our normal travel policies. The Governance and Nominating Committee is responsible for oversight of this policy.

Occasionally, a director's spouse may accompany him or her to Viacom events at our request. This policy involves a de minimis or no incremental cost to us, and we believe it serves a legitimate business purpose.

Table of Contents**DIRECTOR COMPENSATION**

## Fiscal Year 2018 Director Compensation

The following table presents information on compensation for services as an Outside Director for fiscal year 2018.

Name	Fees Earned or	Paid in Cash <sup>(1)</sup>	Awards <sup>(2)</sup>	Change in	Total
				Pension	
				Value and	
				Nonqualified	
				Deferred	
				Compensation	
Name	Paid in Cash <sup>(1)</sup>	Awards <sup>(2)</sup>	Earnings <sup>(3)</sup>	Total	
Cristiana Falcone Sorrell <sup>(4)</sup>	\$ 104,535	\$ 174,987	\$ 3,822	\$ 283,344	
Kenneth B. Lerer <sup>(5)</sup>	\$ 45,146	\$ 174,987	\$ —	\$ 220,133	
Thomas J. May, Chair <sup>(6)</sup>	\$ 488,035	\$ 174,987	\$ —	\$ 663,022	
Judith A. McHale <sup>(7)</sup>	\$ 294,035	\$ 174,987	\$ —	\$ 469,022	
Ronald L. Nelson <sup>(8)</sup>	\$ 284,035	\$ 174,987	\$ —	\$ 459,022	
Deborah Norville <sup>(9)</sup>	\$ 118,035	\$ 174,987	\$ 80	\$ 293,102	
Charles E. Phillips, Jr. <sup>(10)</sup>	\$ 114,035	\$ 174,987	\$ 3,519	\$ 292,541	
Shari Redstone, Vice Chair <sup>(11)</sup>	\$ 200,035	\$ 174,987	\$ —	\$ 375,022	
Nicole Seligman <sup>(12)</sup>	\$ 303,035	\$ 174,987	\$ —	\$ 478,022	

<sup>(1)</sup>Includes director fees for service on a non-standing committee in fiscal year 2018.

<sup>(2)</sup> Reflects the grant date fair value of the \$175,000 annual RSU award, calculated in accordance with FASB ASC Topic 718 — Stock Compensation. Grant date fair value assumptions are consistent with those disclosed in the Equity-Based Compensation Note to our Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended September 30, 2018. The stock award to Mr. Lerer was forfeited upon his departure from the Board effective March 8, 2018 (the date of our 2018 Annual Meeting of Stockholders).

<sup>(3)</sup> Reflects nonqualified deferred compensation only. Interest accrues on the amounts deferred under our Deferred Compensation Plan for Outside Directors at the prime rate in effect at Citibank N.A. at the beginning of each calendar quarter. The prime rate generally represents an interest rate that is more than 120% of the long-term applicable federal rate published by the Internal Revenue Service and therefore is deemed to be preferential for purposes of this table. Accordingly, we have indicated above the difference in the amount of interest accrued for each director in fiscal year 2018 compared to the interest that would have been accrued at 120% of the long-term applicable federal rate.

<sup>(4)</sup>

- Ms. Falcone Sorrell deferred receipt of her cash director fees in fiscal year 2018. As of September 30, 2018, Ms. Falcone Sorrell held a total of 25,588 RSUs (including vested but deferred RSUs) for shares of Class B common stock.
- (5) Mr. Lerer served as a member of the Board until March 8, 2018 (the date of our 2018 Annual Meeting of Stockholders). Mr. Lerer did not defer receipt of his cash director fees in fiscal year 2018. Mr. Lerer forfeited the stock award he received in fiscal year 2018 upon his departure from the Board. As of September 30, 2018, Mr. Lerer did not hold any outstanding equity.
- (6) Mr. May did not defer receipt of his cash director fees in fiscal year 2018. As of September 30, 2018, Mr. May held a total of 9,515 RSUs (including vested but deferred RSUs) for shares of Class B common stock.
- (7) Ms. McHale did not defer receipt of her cash director fees in fiscal year 2018. As of September 30, 2018, Ms. McHale held a total of 5,236 RSUs for shares of Class B common stock.
- (8) Mr. Nelson did not defer receipt of his cash director fees in fiscal year 2018. As of September 30, 2018, Mr. Nelson held a total of 9,515 RSUs (including vested but deferred RSUs) for shares of Class B common stock.
- (9) Ms. Norville deferred receipt of her cash director fees in fiscal year 2018. As of September 30, 2018, Ms. Norville held a total of 33,645 RSUs (including vested but deferred RSUs) for shares of Class B common stock.
- (10) Mr. Phillips deferred receipt of his cash director fees in fiscal year 2018. As of September 30, 2018, Mr. Phillips held a total of 5,155 stock options for shares of Class B common stock and 63,896 RSUs (including vested but deferred RSUs) for shares of Class B common stock.
- (11) Ms. Redstone deferred receipt of her cash director fees in fiscal year 2018. As of September 30, 2018, Ms. Redstone held a total of 107,998 RSUs (including vested but deferred RSUs) for shares of Class B common stock.
- (12) Ms. Seligman did not defer receipt of her cash director fees in fiscal year 2018. As of September 30, 2018, Ms. Seligman held a total of 9,515 RSUs (including vested but deferred RSUs) for shares of Class B common stock.

Table of Contents

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The table below presents as of December 15, 2018, unless otherwise indicated, information concerning the beneficial ownership of our Class A and Class B common stock by (i) each director and director nominee, (ii) each of our named executive officers (“NEOs”) during fiscal year 2018 and (iii) our current directors and executive officers as a group. “Option Shares” reflects stock options to purchase shares that were unexercised but exercisable, either currently or within a period of 60 days from December 15, 2018, and are excluded from the column “Number of Equity Shares.” Each person has

sole voting and investment power over the shares reported, except as noted. The table also includes information concerning the beneficial ownership by each person, or group of affiliated persons, who is known by us to beneficially own 5% or more of our Class A common stock.

As of December 15, 2018, there were 49,430,905 shares of our Class A common stock outstanding and 353,448,290 shares of our Class B common stock outstanding.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

## Beneficial Ownership of Equity Securities

Name	Title of Equity Security	Number of Equity Shares	Option Shares	Percentage of Class	Common
					Stock Equivalents <sup>(9)</sup>
Robert M. Bakish	Class A common stock	—	—	*	—
	Class B common stock	159,428	(1)(2) 697,745	*	—
Christa A. D'Alimonte	Class A common stock	—	—	*	—
	Class B common stock	5,365	40,619	*	—
Wade C. Davis	Class A common stock	—	—	*	—
	Class B common stock	70,239	(2)(3) 241,659	*	1,572 (3)
Cristiana Falcone Sorrell	Class A common stock	—	—	*	—
	Class B common stock	—	(4) —	*	20,601 (4)
Doretha (DeDe) F. Lea	Class A common stock	—	—	*	—
	Class B common stock	32,923	(2)(3) 97,986	*	1,124 (3)
Thomas J. May	Class A common stock	—	—	*	—
	Class B common stock	—	(4) —	*	4,332 (4)
Judith A. McHale	Class A common stock	15	—	*	—
	Class B common stock	4,313	—	*	—
Scott M. Mills	Class A common stock	—	—	*	—
	Class B common stock	42,055	272,276	*	—
Ronald L. Nelson	Class A common stock	—	—	*	—
	Class B common stock	20,000	(4) —	*	4,332 (4)
Deborah Norville	Class A common stock	—	—	*	—
	Class B common stock	219	(4) —	*	29,646 (4)
Charles E. Phillips, Jr.	Class A common stock	—	—	*	—
	Class B common stock	4,098	(4) 5,155	*	60,207 (4)
Shari Redstone	Class A common stock	—	—	*	—
	Class B common stock	1,500	(1)(4)(5) —	*	105,553 (4)
Nicole Seligman	Class A common stock	—	—	*	—
	Class B common stock	500	(1)(4) —	*	4,332 (4)
Current directors and executive officers as a group (12 persons)	Class A common stock	15	—	*	—
	Class B common stock	298,585	(2) 1,083,164	*	231,699
Sumner M. Redstone <sup>(6)</sup>	Class A common stock	39,442,372	(7) —	79.8	% —
	Class B common stock	371,300	(7) —	*	—
National Amusements, Inc.	Class A common stock	39,442,332	(7) —	79.8	% —
	Class B common stock	371,300	(7) —	*	—
Mario J. Gabelli <sup>(8)</sup> GAMCO Investors, Inc.	Class A common stock	5,033,625	—	10.2	% —

\*Represents less than 1% of the outstanding common stock of the class.

(1) Includes for Mr. Bakish, 242 Class B shares held by his children; for Shari Redstone, 1,500 Class B shares held in trusts for the benefit of her children, for which she is co-Trustee; and for Nicole Seligman, 500 Class B shares held



indirectly as Trustee of a trust.

- (2) Includes shares held in our 401(k) plan.
- (3) The following Class B phantom stock units credited to the respective executive officer under the Excess 401(k) Plan for Designated Senior Executives are excluded from the “Number of Equity Shares” column and the “Percentage of Class” column and included in the “Common Stock Equivalents” column:  
Davis: 1,572 phantom stock units  
Lea: 1,124 phantom stock units
- (4) The following vested Class B RSUs include (1) RSUs credited to the respective director for deferred cash compensation under the Deferred Compensation Plan for Outside Directors and/or (2) RSUs resulting from annual RSU grants to the respective director under the RSU Plan for Outside Directors, in each case the settlement of which the director elected to defer. These shares are excluded from the “Number of Equity Shares” column and the “Percentage of Class” column and included in the “Common Stock Equivalents” column:
  - Falcone Sorrell: 20,601 vested RSUs
  - May: 4,332 vested RSUs
  - Nelson: 4,332 vested RSUs
  - Norville: 29,646 vested RSUs
  - Phillips: 60,207 vested RSUs
  - Shari Redstone: 105,553 vested RSUs
  - Seligman: 4,332 vested RSUs
- (5) Ms. Redstone is a stockholder of NAI and has an indirect minority beneficial interest in the Viacom shares owned by NAI.
- (6) The address for Mr. Redstone is c/o Viacom Inc., 1515 Broadway, New York, New York 10036-5794.

Table of Contents

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

(7) Mr. Redstone is the beneficial owner of the controlling interest in NAI, through his control of the Sumner M. Redstone National Amusements Trust (the “SMR Trust”), which owns 80% of the voting interest of NAI. The shares of NAI held by the SMR Trust are voted solely by Mr. Redstone until such time as his incapacity or death. Except for 40 Class A shares owned directly by Mr. Redstone, all of the shares of Class A common stock and Class B common stock reported above are beneficially owned by NAI and a wholly-owned subsidiary of NAI. As the beneficial owner of the controlling interest in NAI, Mr. Redstone beneficially owns all such shares. Mr. Redstone is neither a Viacom executive officer (or other employee) nor a member of the Board.

Based on information received from NAI, approximately 34.2% of the Viacom Class A shares beneficially owned by NAI, or 27.3% of the total Class A shares outstanding and 3.4% of the total Class A and Class B shares outstanding, are pledged to NAI’s lenders. Approximately 65.7% of the Viacom Class A shares beneficially owned by NAI, or 52.5% of the total Class A shares outstanding, are not pledged. The purpose of the pledge is to secure certain indebtedness of NAI.

The address for NAI and its subsidiaries is 846 University Avenue, Norwood, Massachusetts 02062.

- (8) According to Amendment No. 5 to a Schedule 13D filed on October 2, 2015 with the SEC by GAMCO Investors, Inc. and related entities. The address for Mario J. Gabelli and GAMCO Investors, Inc. is One Corporate Center, Rye, New York 10580.
- (9) This column represents the following economic interests not otherwise included in the table above that relate to the value of, or will be paid out upon settlement with, Viacom common stock: Class B phantom stock units credited to the respective executive officer under the Excess 401(k) Plan for Designated Senior Executives (see footnote (3)), and vested Class B RSUs credited to the respective director under the Deferred Compensation Plan for Outside Directors and under the RSU Plan for Outside Directors (see footnote (4)).

Table of Contents

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC and NASDAQ. Executive officers, directors and greater than 10% beneficial owners are required by the Exchange Act to furnish us with copies of all Section 16(a) forms they file. As an administrative matter, we assist our

executive officers and directors by monitoring transactions and filing Section 16 reports on their behalf. Based on our records, compliance program, and review of written representations, we believe that during fiscal year 2018 our executive officers, directors and greater than 10% beneficial owners complied with all applicable Section 16(a) filing requirements.

30 VIACOM INC. 2019 Proxy Statement

---

Table of Contents

**RELATED PERSON TRANSACTIONS**

RELATED PERSON TRANSACTIONS

NAI, directly and indirectly, is the controlling stockholder of both Viacom and CBS Corporation. NAI owns shares in Viacom representing approximately 79.8% of the voting interest in Viacom and approximately 10% of Viacom's combined common stock. NAI is controlled by Sumner M. Redstone, our Chairman Emeritus, who is the Chairman and Chief Executive Officer of NAI, through the Sumner M. Redstone National Amusements Trust (the "SMR Trust"), which owns shares in NAI representing 80% of the voting interest of NAI. The shares representing the other 20% of the voting interest of NAI are held through a trust controlled by Shari Redstone, who is Mr. Redstone's daughter, the non-executive Vice Chair of our Board of Directors and a director nominee identified in this proxy statement, the non-executive Vice Chair of CBS's board of directors, and the President and a member of the board of Directors of NAI. The shares of NAI 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, Ms. Redstone will also become a trustee of the SMR Trust and the shares of NAI 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, both of whom are also members of the boards of directors of NAI. In addition, Mr. Redstone serves as Chairman Emeritus of CBS. The current Board of Directors of NAI includes Mr. Redstone, Ms. Redstone and Mr. Andelman.

We consider NAI, CBS Corporation and Mr. Redstone, as well as our directors (including Ms. Redstone) and executive officers, certain of their family members and certain entities with which they and their family members are affiliated, to be "related persons."

Policy on Oversight of Related Person Transactions

The Governance and Nominating Committee maintains a written policy on its review, approval and ratification of transactions with related persons. The policy generally groups these transactions into four categories: (1) transactions requiring the advance approval of the Committee, (2) transactions that the Chair of the Committee is authorized to approve, (3) certain ordinary course transactions below established financial thresholds, and other designated categories of transactions, that are deemed pre-approved by the Committee and (4) certain transactions requiring reporting to the Committee.

Regardless of whether a transaction is approved by the Chair of the Committee or deemed pre-approved, all transactions with related persons, including NAI, CBS Corporation and their respective subsidiaries, in any amount, are required to be reported periodically to the full Governance and Nominating Committee.

Generally, the Governance and Nominating Committee deems pre-approved any transaction or series of transactions between Viacom and an entity for which a related person is an executive or employee (except NAI and CBS Corporation) that is entered into in the ordinary course of our business and where the aggregate amount of all such transactions on an annual basis is less than 1% of the annual consolidated gross revenues of the other entity.

Ordinary course transactions with NAI or CBS Corporation, or any of their respective subsidiaries, where the amount exceeds \$10 million or \$25 million, respectively, require pre-approval of the Governance and Nominating Committee.

The Committee reviews and discusses with management the determination on whether a transaction with a related person involves a direct or indirect material interest.

Table of Contents

**RELATED PERSON TRANSACTIONS**

Related Person Transactions in Fiscal Year 2018

Transactions with National Amusements, Inc.

NAI licenses films in the ordinary course of business for its motion picture theaters from all major studios, including Paramount. Payments made to us in connection with these licenses for fiscal year 2018 amounted to approximately \$7.6 million and are continuing in fiscal year 2019 as a result of this ongoing relationship. NAI also licenses films from a number of unaffiliated companies, and Paramount expects to continue to license films to NAI on similar terms in the future. In addition, NAI and Paramount have co-op advertising arrangements, which are

continuing in fiscal year 2019, and occasionally engage in other ordinary course transactions (e.g., movie ticket purchases and various promotional activities) from time to time. In connection with these arrangements and transactions, Paramount paid NAI a total of approximately \$115,000 in fiscal year 2018. We believe that the terms of these transactions between NAI and Paramount were no more or less favorable to Paramount than transactions between unaffiliated companies and NAI.

Transactions with CBS Corporation

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

Our Filmed Entertainment segment earns revenues and recognizes expenses associated with its distribution of certain television products into the home entertainment market on behalf of CBS. Pursuant to its agreement with CBS, Paramount distributes CBS’s library of television and other content on DVD and Blu-ray disc on a worldwide basis. Under the terms of the agreement, Paramount is entitled to retain a fee based on a percentage of gross receipts and is generally responsible for all out-of-pocket costs, which are recoupable prior to any participation amounts paid. Paramount also earns revenues from CBS through leasing of studio space and licensing of certain film products.

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

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

The following table summarizes the transactions with CBS reported in our consolidated financial statements contained in our Annual Report on Form 10-K for fiscal year 2018, which are calculated under accounting principles generally accepted in the United States of America (“GAAP”).

	Year Ended
(in millions)	September 30, 2018
<b>Consolidated Statements of Earnings</b>	
Revenues	\$ 117
Operating expenses	142
<b>Consolidated Balance Sheets</b>	
Accounts receivable	\$ 7
Participants’ share and residuals, current	58
Program obligations, current	38
Program obligations, noncurrent	32
Other liabilities	2
Total due to CBS	\$ 130

#### Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee during fiscal year 2018 has ever been an officer or employee of ours or any of our subsidiaries or had any relationship requiring disclosure under the SEC’s rules regarding related person transactions.

During fiscal year 2018, no Viacom executive officer served as a director or member of the compensation committee of any other registrant of which an executive officer served on our Board of Directors or Compensation Committee.

Table of Contents

**COMPENSATION COMMITTEE REPORT**

COMPENSATION COMMITTEE REPORT

The following Compensation Committee Report does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent Viacom specifically incorporates such information by reference.

The Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis section of this proxy statement. Based on its review and discussions with management, the Compensation Committee recommended to the Viacom Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

MEMBERS OF THE COMPENSATION COMMITTEE

Judith McHale, Chair  
Thomas May  
Deborah Norville  
Nicole Seligman



Table of Contents

**EXECUTIVE COMPENSATION**

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Our NEOs and Compensation Committee

Our Fiscal Year 2018 Named Executive Officers

Our NEOs for fiscal year 2018 were:

Mr. Bakish, President and Chief Executive Officer, and a member of the Board;  
Wade C. Davis, Executive Vice President, Chief Financial Officer;  
Christa A. D'Alimonte, Executive Vice President, General Counsel and Secretary;  
Doretha (DeDe) F. Lea, Executive Vice President, Global Government Affairs; and  
Scott M. Mills, Executive Vice President, Chief Administrative Officer until January 1, 2018, when he became President of BET Networks, a division of Viacom.

Our Compensation Committee

During fiscal year 2018, the Compensation Committee (the "Committee" in this section) was comprised of Judith A. McHale (Chair), Thomas J. May, Deborah Norville and Nicole Seligman, each of whom is an independent director, and three of whom joined our Board in August 2016.

The Committee makes compensation decisions for our NEOs, our executive officers and certain other key executives. The Committee has the sole decision-making authority for the compensation of our NEOs and, under its Charter, may not delegate this authority in connection with any material element of NEO compensation.

The Committee retains the services of Pearl Meyer, an independent compensation consultant with particular expertise in compensation matters for media and entertainment companies. Pearl Meyer is engaged by, and reports directly to, the Committee, and the Committee has the sole authority to hire or fire Pearl Meyer and to approve its fee arrangements. Pearl Meyer assists the Compensation Committee in

fulfilling its responsibilities, including advising on proposed compensation packages for top executives, compensation program design and market practices generally. A representative of Pearl Meyer attends Committee meetings, reviews compensation data with the Committee and participates in general discussions regarding executive compensation issues. The Committee has authorized Pearl Meyer to interact with management at the Committee's direction, as needed. Pearl Meyer is included in discussions with management and, when applicable, the Committee's outside legal counsel on matters being brought to the Compensation Committee for consideration.

The Committee also considers input from management, as discussed in “Additional Detail Regarding Compensation Program Design” below.

While the Committee considers input from Pearl Meyer and management, the Committee’s decisions ultimately reflect many factors and considerations, as discussed below.

## A Year of Strategic Execution

### Our Strategic Priorities

In fiscal year 2018, we executed against three strategic priorities:

- driving share and margins in our core business;
- accelerating our transition to next-generation platforms and marketing solutions; and
- diversifying beyond our core business, by extending the reach of our brands in the physical world through consumer products, live events, recreation and other similar experiences.

### Viacom’s Performance in Fiscal Year 2018

In fiscal year 2018, our Board and senior management team continued to refine and execute our business strategy despite significant industry-wide headwinds that included declines in cable subscriber and viewership universe estimates. We

delivered a turnaround of our core business and grew full-year consolidated operating income for the first time since fiscal year 2014. Our international media networks business achieved record revenue and profitability, and our cost transformation initiatives

Table of Contents

**EXECUTIVE COMPENSATION**

gave rise to approximately \$100 million in savings in fiscal year 2018.

We took a number of actions in fiscal year 2018 to turn around our core business and evolve the company for growth in fiscal year 2019. Specifically:

We continued to execute on our “Flagship” programming strategy, increasing our share of viewership in our core domestic and international media networks business and achieving six straight quarters of year-over-year share growth across our flagship networks. We held the number one share of U.S. basic cable viewing across key audiences, with particular strength at MTV, BET and Comedy Central, in the fourth quarter and the year, and our brands had six of the ten highest-rated original cable series among Adults 18-34 in the fourth quarter. We launched Paramount Network in the second fiscal quarter of 2018, and its programming achieved critical acclaim and strong viewership in its first year. We continued to build on Nickelodeon’s strength among kids with new leadership and initiatives in consumer products and successful live events.

Our strategic execution at Paramount Pictures resulted in a resurgence that was evident in its box office results, thriving television production business at Paramount Television, and seven straight quarters of year-over-year adjusted operating income improvement. New management successfully rebuilt Paramount’s content engine to service its slate strategy of making films for someone or making films for everyone. Paramount entered into new multi-year relationships with Hasbro, deepened collaboration with content creators across the company and enhanced utilization of valuable Viacom properties and brands, including at MTV, BET and Nickelodeon. In the year, Paramount Television revenues grew 127% to over \$400 million in fiscal year 2018 with popular programming launching on key content platforms.

We launched a global, cross-portfolio studio production initiative to leverage our considerable intellectual property library to produce new, first-run, episodic content for third-party distributors. This initiative has been driven by the launch of Viacom International Studios, leveraging our international brands and platforms, including at Elephant House Studios in the UK and our newly-established domestic studios housed under Nickelodeon and MTV.

We launched Viacom Digital Studios to accelerate the production of original programming for consumption across the leading social platforms to build loyalty for, and engagement with, our flagship brands. We acquired Awesomeness, which creates programming for various social and subscription video-on-demand platforms and produces premium original series and films through its Emmy Award-winning dedicated television and film studios.

We secured agreements with key distribution partners to strengthen our core distribution business. In most of these deals, we modernized rights grants beyond linear to deliver a better consumer experience. In addition, we strategically expanded our distribution relationships to capitalize on our advanced advertising and content capabilities.

We continued to innovate in advertising sales, pioneering new methods to improve monetization and measurement of viewing of, and audience engagement with, content across all platforms. Our advanced marketing solutions (“AMS”) portfolio both utilizes advanced addressable video inventory to allow dynamic ad insertion and advanced targeting and provides our marketing partners with a variety of consulting and creative services and associated activations. In the fourth quarter, AMS revenue grew 32% year-over-year, and in fiscal year 2018 AMS grew to be 10% of our advertising sales business.

We launched a global consumer products group to manage our consumer products business across the company, with oversight of product and business development, licensing, merchandising, retail sales and marketing.

We launched a program of cost transformation initiatives to improve our margins, including an organizational realignment of support functions across our Media Networks segment, new sourcing and procurement policies, real estate consolidation and technology enhancements. We achieved more than \$100 million in savings in fiscal year

2018, and expect the initiatives to result in approximately \$300 million of run-rate savings in fiscal 2019 and beyond. We drove a significant reduction in our leverage, reducing debt by approximately \$1 billion by using our excess cash to redeem notes and debentures.

And we continued to consolidate and mobilize an improved senior management team, with new leadership at key brands and business units.

Table of Contents

**EXECUTIVE COMPENSATION**

Our Rationalized Compensation Approach

Our Compensation Philosophy

We compete for talented executives in a highly-compensated industry globally, with the majority of our executives located in the New York and Los Angeles markets.

The goal of our compensation programs is to provide competitive compensation packages that (1) help ensure we have the talented executives and employees we need to achieve our strategic operating and financial goals and deliver financial returns to our stockholders over both the short term and the long term, and (2) compensate our executives and employees in a way that appropriately encourages and rewards their performance. To achieve this, our compensation packages are designed to reward (i) company performance as measured by strategic, operating and financial results, (ii) individual contributions to those results and (iii) stock price growth on both an absolute and a relative basis. The Committee seeks to ensure that a large portion of our NEOs' compensation is performance-based and/or equity-linked rather than fixed pay elements, and awards are balanced between short-term and long-term compensation to incentivize our executives to achieve strong operating and financial results, while achieving long-term strategic objectives that drive stockholder value.

With each compensation decision, the Committee takes a holistic approach and considers information and recommendations from several sources. The Committee considers:

- the executive's individual performance and qualifications;
- the executive's professional experience, tenure and accomplishments at our company and/or within the industry;
- the company's recent performance;
- the executive's compensation history at our company;
- compensation levels of executives at comparable levels within the company;
- past and evolving practices of our media and entertainment industry peer companies and other comparable public companies;
- competitive conditions, management development and succession planning activities;
- input from Pearl Meyer; and
- input from management.

Our Continuing Shift to Components that Emphasize Performance-Based over Fixed Compensation

In fiscal year 2018, we continued to shift our executive compensation to further emphasize performance-based over fixed compensation and align compensation levels with the company’s overall

strategy. Specifically, among other things, steps taken include:

Pay Mix	To better align pay with performance, over time we are shifting executive compensation packages towards increasing equity-based compensation and decreasing cash compensation.
Bonus	Our Short-Term Incentive Plan (“STIP”) design is tailored to each business unit to better align with unit-specific priorities and business variability. The selection of metrics, their weighting and the payout curves vary by business unit. This provides employees with a clearer and more direct understanding of how they can impact STIP outcomes.
Performance Share Units (“PSUs”)	We modified the mix of equity awards for our NEOs and other designated senior executives to include PSUs in addition to stock options and RSUs, as part of a continuing shift towards performance-based pay for the company’s leadership. In addition, for the PSUs awarded in fiscal year 2018, 75% of the total target award was based on the internal metric of fully-diluted adjusted earnings per share (“EPS”), and the remaining 25% was based on the external metric of total shareholder return (“TSR”) performance of the company’s Class B common stock in comparison to the TSR performance of the companies in the S&P 500. Payout is capped at 200%. Executives receiving PSUs are also required to hold any shares resulting from settlement of the PSUs for a period of six months. For additional information regarding the PSU awards, see “Fiscal Year 2018 Named Executive Officer Compensation and our Pay-for-Performance Approach – Equity Awards – Performance Share Units.”

### The Components of our Compensation Program

Our compensation program includes annual base salaries, a cash bonus plan that rewards annual performance, a long-term equity plan, health and retirement benefits and severance and restrictive

covenants. Each component is designed to serve a specific purpose. The Committee considers each component individually and in light of the overall

Table of Contents**EXECUTIVE COMPENSATION**

value of the compensation package as part of its pay-for-performance approach.

Each of our NEOs has an employment agreement in which the Committee sets the components of compensation and initial compensation levels.

Component	Compensation Profile	Rationale
Base Salary	Fixed; Merit increases reflect performance	Rewards individual experience, performance and tenure, and considers competitive internal and external market data
Annual Cash	Performance-based	Rewards annual company operating and strategic performance and individual performance during the year
<b>Bonus</b>		
Long-Term Equity Awards	Performance-based and/or linked to stock performance	<p>Contain multi-year vesting periods and/or performance conditions designed to motivate employees to focus on long-term growth and create stockholder value. Stock options have no value if our stock price does not increase over the exercise price. Performance Share Units and Restricted Share Units help support long-term retention of executive talent.</p> <ul style="list-style-type: none"> <li>•Stock options: vest in equal annual installments over 4 years</li> <li>•Performance Share Units: vest at the end of a performance period of 3 years, provided performance targets are met</li> <li>•Restricted Share Units: vest in equal annual installments over 4 years</li> </ul>
Health and Retirement	Fixed	Support the health and safety of our employees and provide mechanisms for retirement savings. Our NEOs and other executives participate in the same health and retirement benefits as the rest of our employee population.
<b>Benefits</b>		
Severance and Restrictive Covenants	Contingent	Provide cash payments upon termination without “cause” or resignation for “good reason” (as defined in the executive’s employment agreement) capped at two times base salary and target bonus. No severance payment is made if an employee leaves voluntarily or is terminated for “cause.” Severance protections are designed to attract and retain talent in a competitive marketplace, allow executives to think and act without the distraction of possible termination (balanced by our ability to terminate without “cause”) and provide

consideration for restrictive covenants.

## Base Salary

Base salaries for our NEOs and other executive officers are generally reviewed annually by the Committee and increased at its discretion if individual performance and competitive considerations warrant.

## Annual Performance-Based Cash Bonus

Our annual bonuses are paid under our STIP, which is a broad-based program that we use to incentivize and reward management at all levels to obtain superior operating, strategic and individual results during a particular year. Prior to the start of fiscal year 2018, the Board approved a fiscal year 2018 budget that, consistent with prior years, contained challenging targets to drive growth. The Committee then established 2018 bonus targets that were directly linked to achievement of the budget's goals as well as specific qualitative objectives. A participant's ability to realize a bonus at target is directly linked to the company's achievement of results at budget.

Our NEOs participate in the Senior Executive STIP, a plan that contains a separate performance goal and, for fiscal year 2018, was designed to comply with the provisions on performance-based compensation of Section 162(m) of the Internal Revenue Code ("Section 162(m)") that were in effect for fiscal year 2018. This performance goal was achieved in fiscal year 2018, since our operating income for STIP purposes of \$2.571 billion exceeded the performance

target set for the Senior Executive STIP of \$1.555 billion. The Senior Executive STIP provides for a maximum allowable bonus amount of eight times base salary or \$50,000,000, whichever is lower, if the performance target is achieved and certified by the Committee. The Committee then applies its negative discretion to set actual bonuses, based on an award structure and performance goals that are the same as the STIP. In no event may the actual bonus that we pay an NEO exceed the maximum allowable amount. Based on the achievement of the performance goals set by the Committee, as well as individual performance, cash bonus amounts can range from 0% to 200% of an individual's target annual bonus amount.

The Tax Cuts and Jobs Act eliminated our ability to deduct compensation paid to a participant that exceeds the \$1,000,000 limit under Section 162(m). Accordingly, in November 2018, the Senior Executive STIP was amended to remove the procedural requirements mandated by Section 162(m). The Senior Executive STIP continues to contain provisions establishing a maximum allowable



Table of Contents

**EXECUTIVE COMPENSATION**

bonus for each participant.

The design of our STIP and Senior Executive STIP programs are reviewed and approved by the

Committee each year. In fiscal year 2018, approximately 5,020 of our 10,400 employees participated in the STIP and Senior Executive STIP.

Equity Awards

Our Long-Term Management Incentive Plan (“LTMIP”) is a broad-reaching program that motivates management to focus on long-term growth and the performance of our stock price, while supporting long-term retention through multi-year vesting schedules for equity awards. Equity awards link the value the executive receives to the value of our company as measured by our stock price and company performance and ensures that our executives’ interests are aligned with those of our stockholders. In fiscal year 2018, approximately 1,450 employees participated in the LTMIP.

The Committee approves all equity awards to NEOs, including those granted to our Chief Executive Officer. The Committee determines, either by employment agreement or at the time of grant, the appropriate type, combination and value of each equity award. The target values for our NEO equity awards are specified in their employment agreements.

The Committee believes it is appropriate for our NEOs to receive annual equity awards that are comprised of a mix of stock options, PSUs and Restricted Share Units (“RSUs”). In determining the appropriate mix of the awards to each NEO, the Committee considers a number of factors, including:

- The potential dilutive effect to stockholders of RSUs versus stock options.
  - The accounting expense associated with stock options, RSUs and PSUs.
  - The stock price performance because stock options provide no value to the NEO if the future stock price does not appreciate above the stock price at grant.
  - The degree to which the executive has corporate oversight and responsibilities since PSUs, which are earned based on the performance of our stock relative to a broad market index at the end of a three-year period, are an effective tool to align executives with long-term objectives and shareholder value.
  - Retentive value, especially in down markets, since RSUs vest based on continued service and always have value equal to our stock price. Therefore, RSUs provide greater retentive value than stock options or PSUs in down markets.
- In November 2017, as part of the Committee’s review of the company’s executive compensation program and a continuing shift towards performance-based and equity-linked compensation packages for the company’s leadership, the Committee determined to award PSUs to a broader group of executives than simply Mr. Bakish, and approved a portion of the fiscal year 2018 LTMIP awards in the form of PSUs to Messrs. Bakish, Davis and Mills and Mes. D’Alimonte and Lea and other members of Mr. Bakish’s senior leadership team.

For Mr. Bakish, the Committee believes that a mix of 50% stock options and 50% PSUs for his annual LTMIP awards appropriately balances the goals of providing performance incentives, retention value and stockholder alignment with the cost of the awards to us. In determining that Mr. Bakish should receive only stock options and PSUs for his mix of annual LTMIP awards, the Committee considered his greater responsibility for long-term business strategy, his relative ability to impact stockholder value and the company's historical mix of equity awards for the CEO role.

For each of Messrs. Davis and Mills and Ms. D'Alimonte and Lea, the Committee believes that a mix of 30% stock options, 35% PSUs and 35% RSUs is the appropriate balance for their annual equity awards. The Committee believes this mix of equity incentives supports its emphasis on performance-based pay, while also providing retentive value.

For additional information regarding various components of our compensation program, see the section titled "Additional Detail Regarding Compensation Program Design."

As the Committee is focused on ensuring that a large portion of our NEOs' compensation packages is performance-based, the Committee generally does not consider past wealth accumulation in connection with its compensation decisions. The Committee believes that executives and employees should not be penalized in future years for strong performance in prior years; that all employees, regardless of individual financial situation, should have a compensation package that is competitive for their respective positions; and that the company's ability to retain employees is diminished if pay is not at competitive levels.

Table of Contents

**EXECUTIVE COMPENSATION**

A Robust Clawback Policy

Since 2006, the Committee has had a policy under which it can require, at any time, any of our employees or former employees to return all or a portion of the bonus and/or equity compensation the employee receives. This can occur if any of the performance goals or quantitative factors considered in determining the amount of the award are restated in a manner that would have affected the amount if known prior to the grant or, with respect to bonus

amounts, if such restatement alters the Committee's assessment of the employee's or former employee's individual performance in a manner that warrants reduction. The Committee may also require employees to return certain compensation as a result of their material breach of certain restrictive covenants under various agreements. Our incentive plans expressly reserve these powers to the Committee.

Prohibition Against Pledges and Hedges of Viacom Stock

Our executive officers are prohibited from hedging or pledging any Viacom securities that they hold directly. In addition, all of our employees are

prohibited from engaging in short sales of our stock and may not hedge or pledge equity compensation.

No Single Trigger Change-in-Control Provisions or Excise Tax Gross-Ups

As further discussed in the section "Payments Upon Termination or Change-In-Control," we do not have any plans or arrangements that provide for payments or accelerated vesting of incentives solely in

connection with a change in control of Viacom. We also do not provide excise tax gross-ups to any of our executives in the event of a change in control or for any other purpose.

Safeguards Regarding the Timing of Equity Grants

We protect against issues associated with timing of equity awards by granting them on an annual basis at regular Committee meetings generally scheduled more than a year in advance. The sizes of the annual equity grants, and stock option exercise prices, are determined based on the closing price of our Class B common stock on the date of grant. From 2006 through fiscal year 2017, the Committee made our annual equity grants to senior executives and other employees at the meeting of the Committee that took place in May or June of each year, other than PSU grants, which were historically made on January 1 pursuant to the terms of the applicable executive's employment agreement.

In November 2017, the Committee determined to approve future annual LTMIP awards at the meeting of the Committee that takes place in November of each year in order to align all grants with the start of the new fiscal year. In November 2017, the Committee approved the annual PSU awards for

fiscal year 2018, and determined that, for the 2018 transition year, the remaining LTMIP grants for fiscal year 2018 would be made on January 31, 2018 (the same date as the annual RSU grants to our directors). Beginning with fiscal year 2019, the Committee will approve our annual equity awards at the meeting of the Committee that takes place in November of each year, with the grants to be made on November 30<sup>th</sup>.

For certain newly hired executives, and rarely upon entering into new or amended employment agreements with existing executives, the Committee may award off-cycle equity grants. In the case of stock options and RSUs, these grants are generally made 10 days after the later of Committee approval, the execution of the employment agreement by both parties or commencement of employment and have an exercise price or value, as applicable, based on the closing price of our Class B common stock on the date of grant.

#### Prohibition Against Repricing of Stock Options

The repricing of stock options is prohibited under our LTMIP.

#### Significant Executive Stock Ownership

Each member of our executive team has significant Viacom equity holdings, with multi-year vesting schedules, and is, therefore, appropriately incentivized to manage the business in line with

stockholders' interests. As such, we do not feel that specified executive stock ownership requirements are necessary.

Table of Contents

**EXECUTIVE COMPENSATION**

Our Stockholders' Views

The Committee considers our stockholders' views about our compensation program to be important when determining executive compensation. At our 2017 Annual Meeting of Stockholders, we held a stockholder advisory vote on the compensation of our NEOs, as disclosed in our 2017 proxy statement. 96% of our stockholders approved the compensation of the NEOs. The Committee has considered the results of the vote and concluded that our executive compensation program provides a competitive pay-

for-performance package that effectively incentivizes our NEOs and encourages long-term retention.

At our 2017 Annual Meeting of Stockholders, our stockholders also approved a frequency of every three years to conduct the advisory vote on executive compensation, as permitted under SEC rules, and we will hold the next such advisory vote at the 2020 Annual Meeting. We will hold the next advisory vote on the frequency of the executive compensation advisory vote at the 2023 Annual Meeting.

Fiscal Year 2018 Named Executive Officer Compensation and our Pay-for-Performance Approach

Fiscal Year 2018 Named Executive Officer Compensation

Base Salary and Target Annual Cash Bonus

In fiscal year 2018, Mr. Bakish's annual base salary remained \$3,000,000 and his target annual bonus remained \$7,000,000.

In fiscal year 2018, Mr. Davis' and Mr. Mills' annual base salaries remained \$1,750,000 and their target annual bonuses remained \$2,500,000.

Effective January 1, 2018, Ms. D'Alimonte's base salary was increased to \$1,060,000 from \$1,000,000 and her target annual bonus remained 100% of base salary.

Effective January 1, 2018, Ms. Lea's annual base salary was increased to \$911,550 from \$885,000 and her target annual bonus remained 80% of her base salary.

The base salaries and target bonuses for these executives reflected the Compensation Committee's evaluation of the respective NEO's role and performance, competitive market data and other factors.

## Committee Determination of Fiscal Year 2018 Bonus Awards

The Committee approves individual bonus amounts for the executives within its oversight, which includes all of the NEOs. Each NEO's fiscal year 2018 bonus award reflects (1) a business performance multiplier that is based on achievement of company financial and qualitative performance goals and (2) an individual performance multiplier that is based on the Committee's assessment of the executive's performance.

### Business Performance

The business performance goals for our NEOs for fiscal year 2018 related to achievement of operating income (weighted 50%), free cash flow (weighted 20%) and qualitative objectives (weighted 30%).

Operating income and free cash flow performance goals were used because they encourage executives to achieve superior operating results while appropriately managing costs. When setting the range of performance goals for operating income and free cash flow before the start of the fiscal year, the Committee considered our financial results from the prior year and our annual operating budget for the coming year, as approved by the Board. The budget reflected desired

growth rates, strategic initiatives, the economic environment and other business fundamentals, on an individualized basis for corporate and each division.

We believe our budgeting process is rigorous and results in goals that are meaningful and challenging, the achievement of which is designed to drive stockholder value.

The Committee used this information to set operating income and free cash flow performance grids for corporate and each of the divisions.

The payout range on the grids was 25% to 200% of the target annual bonus amount, with performance at budget resulting in a payout factor of 100% (before the respective weightings are applied). The Committee set the required performance necessary to achieve a payout factor on each grid from 25% to 200% in a manner that is designed to, within reasonable limits, encourage achievement that exceeds target goals and penalize underachievement.

Table of Contents**EXECUTIVE COMPENSATION**

The qualitative objectives for our NEOs in fiscal year 2018 were also set before the start of the fiscal year: (i) achievement of fiscal year 2018 restructuring initiative goals; (ii) implementation of Viacom's strategic plan, including a Media Networks revitalization and corresponding ratings improvement, successful launch of Viacom Digital Studios and support of Paramount's turnaround; and (iii) achievement of diversity and inclusion goals. When determining the final bonus amounts, the Committee reviewed actual fiscal year financial performance compared to the financial goals set by the Committee prior to the commencement of the year, as well as Mr. Bakish's and senior management's assessment of the achievement of the qualitative objectives.

Under the STIP and Senior Executive STIP, the Committee may consider other financial or qualitative objectives significant to the year, such as the extent to which the performance targets were met in ways that related to the fundamentals of the business and furthered our long-term interests, as well as the appropriateness of excluding unusual expenses or impacts on financial results that it believes have the effect of distorting the performance goals.

For fiscal year 2018, the Committee increased our operating income for STIP purposes applicable to our NEOs to \$3.055 billion (from our adjusted operating income as reported in our financial statements of \$2.795 billion) and decreased our free cash flow for STIP purposes applicable to our NEOs to \$1.597 billion (from our reported free cash flow of \$1.644 billion). The adjustments principally reflected the exclusion of restructuring and related costs, including severance charges, exit costs principally resulting from vacating certain leased properties and related costs principally comprised of third-party professional services, as well as the elimination of certain benefits realized from the rate reduction under the Tax Cuts and Jobs Act.

The following table sets forth the business performance goals that applied to our NEOs other than Mr. Mills in fiscal year 2018, with the bottom of the performance range equal to a payout factor of 25% of target and the top of the range equal to a payout factor of 200% of target. Based on Viacom's financial performance for the year, the Committee determined that the business performance multiplier applicable to participants in the Senior Executive STIP for fiscal year 2018 other than Mr. Mills was 119.6%, as shown in the table. The business performance multiplier applicable to Mr. Mills for fiscal year 2018 was 128.6%, which was the business performance multiplier for BET.

	Performance Range	Performance Target	Fiscal 2018 Performance	Resulting Performance	Weighting Factor	Weighted Performance
Performance Goals	(in millions)	(in millions)	(in millions)	Factor		
Operating income for STIP Purposes	\$2,177-3,732	\$ 3,110	\$ 3,055	96 %	50 %	47.8 %
Free cash flow for STIP Purposes	\$624-1,747	\$ 1,248	\$ 1,597 <sup>(1)</sup>	170 %	20 %	34.3 %
Qualitative objectives	N/A	N/A	N/A	125 %	30 %	37.5 %
Business performance multiplier						119.6 %

<sup>(1)</sup>We define free cash flow, which is a non-GAAP measure, as net cash provided by operating activities minus capital expenditures, as applicable.

#### Individual Performance

Once the bonus pools were established, individual bonus amounts were increased above or decreased below target based on individual performance. Mr. Bakish made specific bonus recommendations for each of the executives within the Committee's oversight, including the NEOs, other than himself. The Committee established certain bonus amounts for each of the executives listed below based on the business performance multiplier and their individual accomplishments.

In addition to the accomplishments and other considerations discussed earlier in this section:

Mr. Bakish continued to provide strategic leadership and management for our company during a uniquely challenging time of uncertainty and transition. He and his senior executive team:

- executed a turnaround of the core business, including revitalization of the media networks business, ratings improvement and aggregate share growth across flagship networks and resurgence at Paramount with notable improvement in operating income;
- delivered on key operational goals such as mobilizing a new senior management team with continued changes across the company, including at senior levels and at key brands;



Table of Contents

**EXECUTIVE COMPENSATION**

delivered a turnaround in affiliate sales with the achievement of favorable affiliation renewals in addition to new distribution partnerships;  
continued to execute the company's multiplatform strategy by launching new products and services;  
drove the company to a leadership position in the development of new audience measurement and monetization tools and in developing a rapidly growing line of business at AMS;  
continued to expand our international operations while delivering a record year in revenue and profitability;  
invested in far-ranging new business initiatives such as cross-company studio production and consumer products initiatives, scaling the number and size of the company's live events;  
launched Viacom Digital Studios, a new business unit enhancing the company's digital profile, which has notably improved the digital consumption of our flagship brands;  
implemented a cost transformation initiative resulting in over \$100 million in savings in fiscal year 2018; and  
continued to execute a company-wide leadership development initiative and foster a diverse and inclusive corporate culture.

Mr. Davis participated in and advised the senior management team, led and continues to lead the company through a critical transition, and:

provided leadership of the company's finance, corporate development, data, investor relations and technology functions;

continued to strengthen and streamline our finance organization and processes;

played a key part in developing and executing the company's cost transformation initiatives, including execution against 300 initiatives focused on headcount, sourcing, travel and entertainment, resulting in more than \$100 million in savings in fiscal year 2018 and approximately \$300 million of run-rate savings expected in 2019 and beyond;

oversaw a variety of potential and completed transactions;

managed the company's data strategy in developing new systems and tools for audience measurement and engagement

managed various initiatives to significantly decrease the company's leverage;

led the financial team in overseeing financial performance and capital structure; and

contributed to the company's successful renewals and commercial relationships with distribution partners.

Ms. D'Alimonte participated in and advised the senior management team, led and continues to lead the company through a critical transition, and:

provided expert counsel to the Board and senior management on a wide variety of complex legal matters, including with respect to corporate governance, key strategic transactions and favorable renewals and commercial relationships with distribution partners;

provided strategic leadership to the company's litigation team, which resolved a number of key litigations on terms favorable to the company;

assumed leadership of the company's human resources, facilities and security functions following Mr. Mills' transition to BET Networks;

held a leadership position on the company's Global Inclusion Advisory Committee;

expanded the company's pro bono initiatives; and

enhanced the collaboration, collegiality and continuing education of the company's legal affairs team.

Ms. Lea participated in and advised the senior management team, led and continues to lead the company through a critical transition, and:

provided leadership of the company's worldwide government relations function, overseeing the development and execution of government relations strategy for the company both domestically and internationally;

advocated public policy positions for the content distribution and film industries at the international, national, state and local levels;

worked extensively on corporate tax reform and television and film production tax credits; and

provided political, policy and regulatory expertise to our executives, including strategic regulatory advice with respect to acquisitions and other strategic investments.

Until January 1, 2018, Mr. Mills participated in and advised the senior management team, led the company through a critical transition, and:

42 VIACOM INC. 2019 Proxy Statement

---

Table of Contents**EXECUTIVE COMPENSATION**

provided leadership of the company's human resources, facilities and security functions; led the company's talent management strategy, including several leadership transitions and a myriad of other organizational changes; and managed the company's strategic real estate initiatives.

For the remainder of fiscal year 2018, Mr. Mills led BET Networks, achieving strong ratings and share growth, driving positive advertising sales performance and securing significant savings through various cost transformation efforts.

Each NEO's definitive performance multiplier used to determine his or her bonus was the product of the NEO's business performance multiplier and individual performance multiplier, as follows:

NEO	Business Performance Multiplier	Individual Performance Multiplier	Definitive Performance Multiplier
Robert M. Bakish	119.6%	112%	133.9%
Wade C. Davis	119.6%	100%	119.6%
Christa A. D'Alimonte	119.6%	100%	119.6%
Doretha (DeDe) F. Lea	119.6%	107%	127.9%
Scott M. Mills	128.6%	100%	128.6%

The Committee also determined to award a one-time special bonus in the amount of \$500,000 to each of Mr. Davis and Ms. D'Alimonte to recognize their significant contributions to the execution of the Company's strategic priorities in fiscal year 2018.

## Equity Awards

Our annual equity awards to NEOs under the LTMIP in fiscal year 2018 were granted at the target values under their employment agreements, except for Ms. D'Alimonte, whose target annual equity award was increased to \$1,100,000 from \$800,000, effective January 1, 2018, in consideration of her increased role and responsibilities.

In fiscal year 2018, the target values under the employment agreements for the NEOs other than

Ms. D'Alimonte were as follows: for Mr. Bakish, \$10,000,000; for Mr. Davis and Mr. Mills, \$2,250,000; and for Ms. Lea, \$700,000.

PSUs were granted to the NEOs at the meeting of the Compensation Committee that took place in November 2017, and Mr. Bakish also received his stock options at that time. Stock options and RSUs were granted to the NEOs (other

than Mr. Bakish) on January 31, 2018.

VIACOM INC. 2019 Proxy Statement 43

---

Table of Contents**EXECUTIVE COMPENSATION**

NEO	Award Type	Award Percentage of Target Value	Number of Class B Shares Underlying Award <sup>(1)</sup>	Vesting or Performance Period	Exercise Price/Performance Conditions <sup>(2)</sup>
Robert M. Bakish	Stock Options <sup>(3)</sup>	50%	734,214	4 years	\$26.17
	PSUs <sup>(3)</sup>	50%	188,453	3 years	EPS performance (75%) and TSR performance relative to S&P 500 companies (25%)
Wade C. Davis	Stock Options <sup>(4)</sup>	30%	68,528	4 years	\$33.42
	RSUs <sup>(4)</sup>	35%	23,564	4 years	Time-vesting only
	PSUs <sup>(3)</sup>	35%	29,682	3 years	EPS performance (75%) and TSR performance relative to S&P 500 companies (25%)
Christa A. D'Alimonte	Stock Options <sup>(4)</sup>	30%	38,423	4 years	\$33.42
	RSUs <sup>(4)</sup>	35%	13,212	4 years	Time-vesting only
	PSUs <sup>(3)</sup>	35%	10,554	3 years	EPS performance (75%) and TSR performance relative to S&P 500 companies (25%)
Doretha (DeDe) F. Lea	Stock Options <sup>(4)</sup>	30%	21,320	4 years	\$33.42
	RSUs <sup>(4)</sup>	35%	7,331	4 years	Time-vesting only
	PSUs <sup>(3)</sup>	35%	9,235	3 years	Performance relative to S&P 500 companies
Scott M. Mills	Stock Options <sup>(4)</sup>	30%	68,528	4 years	\$33.42
	RSUs <sup>(4)</sup>	35%	23,564	4 years	Time-vesting only
	PSUs <sup>(3)</sup>	35%	29,682	3 years	EPS performance (75%) and TSR performance relative to S&P 500 companies (25%)

<sup>(1)</sup>The number of stock options granted is determined using the Black-Scholes valuation method on the date of grant. Stock options have an eight-year term until expiration. The number of RSUs granted is determined by dividing the value of the award by the closing market price of our Class B common stock on January 31, 2018, which was the date of grant (\$33.42). For PSUs, the number shown in the above table equals the target number of PSUs awarded, and was determined using the target value for each NEO and, for the TSR shares, the grant date fair value on November 20, 2017 (the date of grant) and, for the EPS shares, the fair market value (the closing price of the Class B common stock of \$26.17 per share) on the date of grant.

<sup>(2)</sup>Stock option exercise price is equal to the closing market price of our Class B common stock on the date of grant (\$26.17 for the stock options granted on November 20, 2017 and \$33.42 for the stock options granted on January 31, 2018).

<sup>(3)</sup>Granted on November 20, 2017.

<sup>(4)</sup>Granted on January 31, 2018.

Performance Share Units

PSU awards are made in the form of a target grant. The target number of PSUs awarded to an executive in fiscal year 2018 was equal to the target award value for each NEO divided by, for the TSR shares, the grant date fair value on November 20, 2017 (the date of grant) and, for the EPS shares, the fair market value (the closing price of the Class B common stock) on the date of grant. The number of shares of Class B common stock an executive can ultimately receive at the end of the measurement period depends on the company's performance against pre-determined performance targets. In fiscal year 2018, these performance targets were re-designed to better incentivize our senior executives to achieve our internal financial goals through effective implementation of the company's strategy, and also provide them a better understanding of, and greater control over, the ultimate payout of the award. Accordingly, we made a portion of the target award dependent on the achievement of the company's fully-diluted adjusted earnings per share from continuing operations ("EPS") against target and

decreased the percentage of the award based on the external metric of TSR performance of the company's Class B common stock in comparison to the TSR performance of common stock of the companies comprising the S&P 500 Index ("the reference group"). Specifically, (1) 75% of the target award depends on the company's EPS against target (the "EPS Shares"), and (2) 25% of the target award depends on the percentile ranking of the TSR of our Class B common stock measured against the TSR of the common stock of the reference group at the start of the measurement period (the "TSR Shares"), as compared to 100% of the target award having been TSR-based in fiscal year 2017. The maximum payout is 200% of the target award. At the time of the November 20, 2017 grants, we did not have an EPS target beyond fiscal year 2018 and the Committee determined at that time to utilize an EPS target for fiscal year 2018 as well as a cumulative EPS target for fiscal year 2019 and fiscal year 2020.

Table of Contents**EXECUTIVE COMPENSATION**

The payout schedules for the award are as follows:

TSR Relative to S&P 500 FY 2018-2020 25% of PSU Target Value	+	Fully Diluted EPS from Continuing Operations vs Target for FY 2018 25% of PSU Target Value	+	Fully Diluted EPS from Continuing Operations vs. Target for FY 2019-20 50% of PSU Target Value
---	---	---	---	---

Example assuming 100,000 target PSUs (25,000 target TSR shares and 75,000 target EPS shares):

	TSR Percentile	PSUs Earned		EPS vs. Target	PSUs Earned		EPS vs. Target	PSUs Earned	
		% of Target	# of PSUs		% of Target	# of PSUs		% of Target	# of PSUs
Below Threshold	<25th	0%	0	<80%	0%	0	<80%	0%	0
Threshold	25th	25%	6,250	80%	50%	12,500	80%	50%	25,000
Target	50th	100%	25,000	100%	100%	25,000	100%	100%	50,000
Max	100th	200%	50,000	≥120%	200%	50,000	≥120%	200%	100,000

For achievement at intermediate points between threshold and target or between target and max, the number of shares to be delivered will be interpolated.

#### Compensation Decisions Reflected our Pay-For-Performance Approach

The tables below compare target compensation for our NEOs for fiscal year 2018 to actual compensation and show how much of our NEO compensation is performance-based and/or equity-linked, in each case demonstrating the impact of our pay-for-performance approach.

Table of Contents**EXECUTIVE COMPENSATION**

## Percentage of Total Compensation that is Performance-Based and/or Equity-Linked

The following table shows the percentage of each NEO's total target compensation that is performance-based and/or equity-linked.

## Employment Agreement Terms — Fiscal Year 2018

NEO	Target Annual Compensation				% of Target Compensation That Is Performance-Based and/or Equity-Linked <sup>(2)</sup>	
	Base Salary	Target Bonus	Equity Award Value <sup>(1)</sup>	Target Compensation		
Robert M. Bakish	\$3,000,000	\$7,000,000	\$ 10,000,000	\$ 20,000,000	85	%
Wade C. Davis	1,750,000	2,500,000	2,250,000	6,500,000	73	%
Christa A. D'Alimonte	1,060,000	1,060,000	1,100,000	3,220,000	67	%
Doretha (DeDe) F. Lea	911,550	729,240	700,000	2,340,790	61	%
Scott M. Mills	1,750,000	2,500,000	2,250,000	6,500,000	73	%

<sup>(1)</sup>Mr. Bakish received his target annual equity awards in the form of stock options and PSUs and Messrs. Davis and Mills and Mses. D'Alimonte and Lea received their target annual equity awards in the form of stock options, PSUs and RSUs. There is no guarantee that the executives will realize the target value of their equity awards, as the amount the executive ultimately realizes will depend on the market value of our stock at the time of exercise or settlement and, in the case of PSUs, our performance over the three-year performance period.

<sup>(2)</sup>Performance-based compensation includes target annual bonus amounts, stock options and PSU awards, each of which represents a form of compensation for which a set level of company or stock performance is required to realize compensation from the award. Equity-linked compensation includes RSUs, for which continued employment is the sole criterion for receipt, but which have a value to the NEO that fluctuates with our stock price.

The following charts show the pay mix for Mr. Bakish, as our Chief Executive Officer, and for our other NEOs during fiscal year 2018 and illustrate the amount of target compensation that is performance-based and/or equity-linked.

## Target Versus Actual Bonus Amounts

The following table shows our NEOs' target and actual annual bonus amounts for each of fiscal years 2018, 2017 and 2016, illustrating how performance and other considerations that are reflected in the Committee's decisions can result in the achievement of actual bonus amounts at, above and below target.



Edgar Filing: Viacom Inc. - Form DEF 14A

	FY 2018		FY 2017		FY 2016	
	Actual	Target	Actual	Target	Actual	Target
NEO	Bonus	Bonus	Bonus	Bonus	Bonus	Bonus
Robert M. Bakish	\$9,376,640	\$7,000,000	\$7,000,000	\$7,000,000		
Wade C. Davis	2,990,000	2,500,000	2,500,000	2,500,000	\$1,375,000	\$2,500,000
Christa A. D'Alimonte	1,267,760	1,060,000	757,692	757,692		
Doretha (DeDe) F. Lea	933,223	729,240	708,000	708,000	374,000	680,000
Scott M. Mills	3,215,000	2,500,000	2,500,000	2,500,000	1,375,000	2,500,000

46 VIACOM INC. 2019 Proxy Statement

---

Table of Contents

**EXECUTIVE COMPENSATION**

Additional Detail Regarding Compensation Program Design

The following section provides additional detail on our compensation program.

Use of Employment Agreements and Severance and Restrictive Covenants

Employment agreements are standard in our industry for top executives and are important for recruiting purposes as well as for their restrictive and other covenants. Each of our NEOs has an employment agreement in which the Committee sets the components of compensation and initial compensation levels. Compensation levels are generally reviewed annually to ensure they continue to reflect the executive's performance as well as remain competitive.

The Committee believes that providing certain severance benefits is important to attract and retain high-caliber executives in our industry and provide consideration for the executive's commitments under the employment agreement.

Our NEO employment agreements provide for cash payments upon termination without "cause" or resignation for "good reason" (as defined in the employment agreements). These payments are capped at the lesser of two times the sum of the annual base salary and target bonus amount in the year of termination or the remaining cash

compensation payable under the agreement. No payment is made if an employee leaves voluntarily or is terminated for "cause."

Receipt of severance is conditioned on the employee's signing a release of claims and continuing compliance with certain restrictive and other covenants. Typical post-termination covenants in our employment agreements include commitments not to compete with our company during the term of the agreement, not to solicit our employees to leave our company within a specified time frame, and to cooperate with Viacom and its attorneys in connection with legal matters.

The key terms of our NEO employment agreements are described in the narrative following the "Fiscal Year 2018 Summary Compensation Table" and in the section "Payments Upon Termination or Change-In-Control." "Payments Upon Termination or Change-In-Control" also includes detail on the severance obligations we may have to our NEOs upon termination of employment.

Benefits

We provide traditional benefit plans and programs to our executives and employees on the same relative basis with few exceptions, which are described under “Perquisites” below. These plans include:

a tax-qualified defined contribution 401(k) Plan, with a company match and profit-sharing contributions, and an Excess 401(k) Plan with a company match;

a tax-qualified defined benefit Pension Plan (frozen as of December 31, 2012) and a related Excess Pension Plan (frozen as of April 1, 2009);

a bonus deferral plan, which allows an executive to defer a portion of his or her annual cash bonus amount; and health coverage, life insurance, disability benefits and other similar benefits.

For more detail on our benefit plans, see the narratives following the “Fiscal Year 2018 Pension Benefits” and “Fiscal Year 2018 Nonqualified Deferred Compensation” tables.

### Perquisites

We generally provide few perquisites to our NEOs. However, we and the Committee believe that some perquisites are appropriate for the reasons discussed below. We report perquisites in footnote (4) to the “Fiscal Year 2018 Summary Compensation Table.” The executives are taxed as appropriate on these perquisites, and we do not gross up our NEOs for these or any other taxes.

Our NEOs may be eligible to use the Viacom aircraft for personal use, and we consider amounts related to such travel to be a perquisite.

A car and driver in New York are provided to Mr. Bakish for security reasons and are occasionally used for business purposes by other executives. Any personal use of the car and driver by an executive, including for commuting, is considered a perquisite.

Under their employment agreements, certain of our NEOs receive life insurance benefits in amounts that are higher than the life insurance benefits we provide to employees generally. This incremental amount is considered a perquisite.

Our NEOs also receive occasional tickets to company events and, for business purposes, an NEO’s spouse may accompany the executive from time to time to these events. The NEOs also receive, from time to time, DVDs and merchandise related to our businesses. These items involve a de minimis or no incremental cost to us, and we believe they serve a legitimate business purpose.

Table of Contents

**EXECUTIVE COMPENSATION**

The Entertainment Industry and Use of Peer Company Data

The Committee considers information about the practices of our media and entertainment industry peer companies and other comparable public companies, as well as evolving market practices, because it believes that reviewing this information is appropriate to ensure that it makes informed compensation decisions. The Committee does not benchmark the compensation of any executive over which it has oversight to any particular percentile, or range of percentiles, of peer company data. Rather, the Committee considers the compensation levels for similar executive positions at our peer companies as only one factor in its decision-making process. One reason for this is that the structure and organization of other companies, as well as the duties, responsibilities, tenure and talents of executives at other companies, often vary considerably.

During fiscal year 2018, Pearl Meyer advised the Committee based on an analysis of information about the other major diversified media and entertainment industry companies: Comcast Corporation, Discovery Communications, The Walt Disney Company, Twenty-First Century Fox, Inc., Time Warner Inc. and CBS Corporation. The Committee also considered advice based on a broad industry peer group, which was

comprised of the following companies in fiscal year 2018: Altria Group, Inc., AT&T Inc., Cablevision Systems Corporation, CBS Corporation, Cisco Systems, Inc., The Coca-Cola Company, Comcast Corporation, Dell, Inc., Discovery Communications, General Electric Company, Hewlett-Packard Company, International Business Machines Corporation, PepsiCo, Inc., The Procter & Gamble Company, Twenty-First Century Fox Inc., Sprint Corporation, TEGNA Inc., Verizon Communications Inc., The Walt Disney Company and Yahoo! Inc.

In addition, the Committee generally monitors compensation best practices and considers alternatives for compensation program design using the Committee members' own experience and judgment, as well as by reference to the experience and practices of other large public companies and expert commentary. The Committee does not refer to any set group of companies for this purpose.

The Committee intends to review its use of peer groups and their composition in fiscal year 2019 to ensure their continued alignment with our business strategy.

Management's Role

The Committee interacts with management regarding our executive compensation policies and programs. For our NEOs other than the Chief Executive Officer, the proposed terms of new employment agreements and annual merit

compensation reviews, if any, are initially discussed by the Chief Executive Officer and the Chief People Officer, with input from the executive to whom the NEO directly reports (if other than the Chief Executive Officer). The proposed terms of employment agreements and merit increases are presented to the Committee for consideration and approval.

The Chief Executive Officer, the Chief People Officer and the Chief Financial Officer also participate in STIP and LTMIP design discussions, including forming recommendations with respect to performance targets, the results of which are presented to the Committee for consideration and determination. The Chief Executive Officer and Chief People Officer may provide input to the Committee and/or the Board, as appropriate, from time to time on benefits, retirement programs and other matters related to our Human Resources function.

Table of Contents

**EXECUTIVE COMPENSATION**

Tax Deductibility of Performance-Based Compensation and Other Tax Considerations

Where appropriate, and after taking into account various considerations, we generally structure our executive employment agreements and compensation programs to allow us to take a tax deduction for the compensation we pay to our executives. Any individual base salary we pay over \$1,000,000 is not tax deductible. The performance-based compensation we paid in the form of annual cash bonus amounts under our Senior Executive STIP during fiscal year 2018 was designed to comply with the requirements of Section 162(m) and therefore be tax deductible.

In addition, in fiscal year 2018, our stock option and PSU grants under the LTMIP contained performance and/or market conditions and were designed to be Section 162(m) compliant. RSUs with time-vesting only were not tax deductible to the extent they result

in compensation that exceeds the \$1,000,000 limit under Section 162(m).

The Tax Cuts and Jobs Act eliminated our ability to deduct compensation that exceeds the \$1,000,000 limit under Section 162(m). Accordingly, in November 2018, the Senior Executive STIP was amended to remove the procedural requirements mandated by Section 162(m). The Senior Executive STIP continues to contain provisions establishing a maximum allowable bonus for each participant.

Our deferred compensation arrangements, including those in our employment agreements and compensation and benefit plans, are designed to comply with Section 409A of the Internal Revenue Code.

Table of Contents**EXECUTIVE COMPENSATION**

## Fiscal Year 2018 Summary Compensation Table

The following table presents information on the total compensation for our NEOs in fiscal years 2018, 2017 and 2016.

Name and Principal Position	Fiscal Year	Salary (\$)	Stock Awards (\$) <sup>(1)</sup>	Option Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(2)</sup>	Change in	Non- qualified Deferred Compensation (\$) <sup>(3)</sup>	All Other Compensation (\$) <sup>(4)</sup>	Total (\$)
						Pension Value and			
Robert M. Bakish President and Chief Executive Officer	2018	\$3,000,000	\$2,499,880	\$4,999,997	\$9,376,640	\$—	\$78,644	\$19,955,161	
	2017	\$2,769,231	\$5,795,228 <sup>(5)</sup>	\$4,675,003	\$7,000,000	\$8,650	\$67,046	\$20,315,158	
Wade C. Davis Executive Vice President,	2018	\$1,750,000	\$1,181,247	\$675,001	\$3,490,000	\$—	\$27,840	\$7,124,088	
	2017	\$1,750,000	\$1,350,015	\$900,001	\$2,500,000	\$290	\$25,638	\$6,525,944	
Christa A. D'Alimonte Executive Vice President,	2018	\$1,043,846	\$581,553	\$378,467	\$1,767,760	\$—	\$25,638	\$3,797,264	
General Counsel and Secretary	2017	\$822,933	\$480,007	\$320,001	\$757,692	\$—	\$25,494	\$2,406,127	

Edgar Filing: Viacom Inc. - Form DEF 14A

Doretha (DeDe) F. Lea	2018	\$904,402	\$367,496	\$210,002	\$933,223	\$—	\$24,592	\$2,439,715
	2017	\$875,577	\$420,014	\$280,002	\$708,000	\$6,477	\$28,761	\$2,318,831
	2016	\$843,365	\$419,999	\$280,001	\$374,000	\$146,273	\$22,288	\$2,085,926

Executive Vice  
President,

Global  
Government  
Affairs

Scott M. Mills	2018	\$1,750,000	\$1,181,247	\$675,001	\$3,215,000	\$—	\$28,761	\$6,850,009
	2017	\$1,750,000	\$1,350,015	\$900,001	\$2,500,000	\$948	\$28,933	\$6,529,897
Former Executive Vice President, Chief Administrative Officer	2016	\$1,750,000	\$1,349,996	\$899,998	\$1,375,000	\$4,830	\$26,079	\$5,405,903

(1) Reflects the aggregate grant date fair value of the equity awards granted in the respective year calculated in accordance with FASB ASC Topic 718 – Stock Compensation, not including assumed forfeitures. Includes annual equity awards granted under our LTMIP as part of our annual equity program. See “Compensation Discussion & Analysis” for a detailed discussion of our equity program and the individual awards. Grant date fair value assumptions are consistent with those disclosed in the Equity-Based Compensation Note to our Consolidated Financial Statements in our Annual Reports on Form 10-K for fiscal years 2018, 2017 and 2016.

(2) Reflects annual cash bonus amounts under the Senior Executive STIP for performance during the respective year. Fiscal year 2018 amounts for each of Mr. Davis and Ms. D’Alimonte also reflect a one-time special bonus in the amount of \$500,000 to recognize their significant contributions to the Company in fiscal year 2018.

(3) For fiscal years 2016 and 2017, figures reflect change in pension value only. For fiscal year 2018, each of the NEOs who have an accumulated pension benefit had a negative change in pension value as follows: \$(44,699) for Mr. Bakish, \$(15,297) for Mr. Davis, \$(36,967) for Ms. Lea and \$(321) for Mr. Mills.

(4) All Other Compensation includes the following amounts received in fiscal year 2018 by the NEOs:

	Additional Compensation Company Profit				Perquisites		
	Match in		Sharing				
	in	Excess	Plan in		Life	Car	
	401(k)	401(k)	401(k)		Insurance <sup>(a)</sup>	Service <sup>(b)</sup>	Total
Robert M. Bakish	\$8,417	\$13,183	\$4,050	\$4,992	\$48,002	\$78,644	
Wade C. Davis	\$8,417	\$13,183	\$4,050	\$2,190	\$—	\$27,840	
Christa A. D’Alimonte	\$7,325	\$14,263	\$4,050	\$—	\$—	\$25,638	
Dorethea (DeDe) F. Lea	\$13,471	\$7,071	\$4,050	\$—	\$—	\$24,592	
Scott M. Mills	\$13,407	\$8,250	\$4,050	\$3,054	\$—	\$28,761	



- (a) Represents the incremental cost of the life insurance policy we provide in accordance with the terms of each NEO's respective employment agreement above the cost of life insurance that we provide to employees generally.
- (b) Represents incremental costs in connection with personal use of car service, including amounts attributable to commuting expenses. For security reasons, we provide Mr. Bakish with a car and driver in New York for use by him and other executives.

An executive's spouse or other guests may accompany him or her on business travel, including travel on company aircraft, in company-paid car service, and sharing a hotel room. No amounts are included in the table above for such events since there is little or no incremental cost to us. Other items that may be considered perquisites and for which there is a de minimis or no incremental cost to us include meals provided by our corporate kitchen upon an executive's request (we do not have an executive dining room), access to the executive fitness room (non-staffed) and occasional receipt of tickets, DVDs and other merchandise related to our businesses.

- (5) Reflects the fair value of Mr. Bakish's PSUs on the date of grant of January 9, 2017, as described in footnote (1). The number of PSUs comprising Mr. Bakish's target award was determined using the target value of \$3,375,000 and the fair value on January 3, 2017, which was the first business day of the performance period, which resulted in an incremental \$470,239 in value to Mr. Bakish.

50 VIACOM INC. 2019 Proxy Statement

---

Table of Contents

**EXECUTIVE COMPENSATION**

Compensation of Viacom's Named Executive Officers

Additional detail on the compensation of our NEOs, including decisions made on fiscal year 2018 compensation, can be found in "Compensation Discussion and Analysis."

Robert M. Bakish

Mr. Bakish has been our President and Chief Executive Officer, and a member of the Board, since December 12, 2016. Prior to that, he served as Acting President and Chief Executive Officer ("Acting CEO") of Viacom, beginning November 15, 2016. Mr. Bakish joined Viacom in 1997 and has held leadership positions throughout the organization, including serving as President and Chief Executive Officer of VIMN and its predecessor company, MTV Networks International, from 2007 to 2016.

From October 31, 2016 until December 12, 2016, Mr. Bakish served as President and Chief Executive Officer of our Global Entertainment Group ("GEG CEO"). In his role as GEG CEO, Mr. Bakish received an annual base salary of \$2,750,000 per year, his target annual cash bonus was \$3,500,000 and his target annual equity award was \$3,250,000. The annual equity award that would normally have been made in May 2017 was made on an accelerated basis on November 10, 2016. In his role as Acting CEO from November 15, 2016 until he became President and Chief Executive Officer effective December 12, 2016, Mr. Bakish received an annual base salary of the greater of (i) \$2,500,000 per year and (ii) \$500,000 per month of service, pro-rated for

partial months of service. This was in addition to the salary he received for his role as GEG CEO. Mr. Bakish was not entitled to a bonus in his role as Acting CEO; however, for the period he served as Acting CEO, the company performance multiplier applied to the target annual bonus he was eligible to receive as GEG CEO was the company performance multiplier applied to participants in the Viacom Senior Executive STIP, and his actual bonus was determined in the manner set forth in such plan. Mr. Bakish was not entitled to an annual equity award in his role as Acting CEO.

In connection with his appointment as President and Chief Executive Officer effective December 12, 2016, we entered into a new employment agreement with Mr. Bakish, with an employment term through December 31, 2019, an annual base salary of \$3,000,000, a target annual bonus of \$7,000,000 and a target annual equity award of \$10,000,000.

Mr. Bakish's compensation reflects the Compensation Committee's evaluation of Mr. Bakish's performance, competitive market data and other factors.

Wade C. Davis

Mr. Davis has been our Executive Vice President, Chief Financial Officer since November 2012. Prior to that, he served as Executive Vice President, Strategy and Corporate Development beginning in August 2009, as Senior Vice President, Mergers & Acquisitions and Strategic Planning from January 2007 to August 2009 and as Senior Vice President of Mergers & Acquisitions beginning January 1, 2006.

Effective November 27, 2014, we entered into a new employment agreement with Mr. Davis, with an employment term through November 26, 2018. His annual base salary was increased to \$1,350,000 from \$1,250,000, his target annual bonus was increased to \$2,000,000 from \$1,550,000 and his target annual equity award was increased to \$1,650,000 from \$1,200,000.

In connection with an expansion of his role and increased responsibilities, effective May 11, 2015, Mr. Davis' annual base salary was increased to \$1,750,000, his target annual bonus amount was increased to \$2,500,000 and his target annual equity award was increased to \$2,250,000.

Effective November 1, 2018, we entered into a letter agreement with Mr. Davis, extending Mr. Davis's term of employment to November 30, 2019 and increasing his target annual equity award to \$2,750,000.

Mr. Davis' compensation reflects the Compensation Committee's evaluation of Mr. Davis' performance, competitive market data and other factors.

Christa A. D'Alimonte

Ms. D'Alimonte has been our Executive Vice President, General Counsel and Secretary since April 15, 2017. Prior to that, she served as our Senior Vice President, Deputy General Counsel and Assistant Secretary beginning in November 2012.

In connection with her appointment as Executive Vice President, General Counsel and Secretary, we entered into a new employment agreement with Ms. D'Alimonte, with an employment term through April 14, 2020, an annual base salary of \$1,000,000, a

VIACOM INC. 2019 Proxy Statement 51

---

Table of Contents

**EXECUTIVE COMPENSATION**

target annual bonus of 100% of base salary and a target annual equity award of \$800,000.

Effective January 1, 2018, Ms. D'Alimonte's annual base salary was increased to \$1,060,000 and her target annual equity award was increased to \$1,100,000.

Ms. D'Alimonte's compensation reflects the Compensation Committee's evaluation of her performance, competitive market data and other factors.

Doretha (DeDe) F. Lea

Ms. Lea has been our Executive Vice President, Global Government Affairs since January 2013, having previously served as Executive Vice President, Government Relations of Viacom and Former Viacom beginning in November 2005. Prior to that, she was Senior Vice President, Government Relations of our predecessor beginning in September 2005.

Effective January 1, 2016, Ms. Lea's annual base salary was \$850,000, her target annual bonus was 80% of her base salary and her target annual equity award was \$700,000.

Effective November 14, 2016, we entered into a new employment agreement with Ms. Lea, with an employment term through September 30, 2020. Effective January 1, 2017, her annual base salary was increased to \$885,000.

Effective January 1, 2018, Ms. Lea's annual base salary was increased to \$911,550.

Ms. Lea's compensation reflects the Compensation Committee's evaluation of Ms. Lea's performance, competitive market data and other factors.

Scott M. Mills

Mr. Mills was our Executive Vice President and Chief Administrative Officer from May 2015 until January 1, 2018 when he assumed the role of President of BET Networks. Prior to May 2015, he served as Executive Vice President, Human Resources and Administration beginning in October 2012. From 1997 to 2012, Mr. Mills served in several positions at BET Networks, including as its President and Chief Operating Officer.

Effective October 1, 2014, we entered into an employment agreement with Mr. Mills, with an employment term through September 30, 2018. His annual base salary was increased to \$1,350,000 from \$1,250,000, his target annual bonus was increased to \$2,000,000 from \$1,550,000 and his target annual equity award was increased to \$1,650,000

from \$1,200,000.

In connection with an expansion of his role and increased responsibilities, effective May 11, 2015, Mr. Mills' annual base salary was increased to \$1,750,000, his target annual bonus amount was increased to \$2,500,000 and his target annual equity award was increased to \$2,250,000.

Effective January 1, 2018, Mr. Mills assumed the role of President of BET Networks. In connection with his new role, Mr. Mills entered into a new employment agreement with a term through June 30, 2020. Under the agreement, his annual base salary, target annual bonus and target annual equity award values remained unchanged.

Mr. Mills' compensation reflects the Compensation Committee's evaluation of Mr. Mills' performance, competitive market data and other factors.

#### Generally Applicable Employment Agreement Provisions

The employment agreements of Messrs. Bakish, Davis and Mills and Mses. D'Alimonte and Lea generally permit the executive to participate in all arrangements for benefits, business expenses and perquisites available to senior executives of Viacom.

Provisions on termination of employment under various circumstances, including treatment of equity awards and other holdings and applicable restrictive covenants, are discussed in the section entitled "Payments Upon Termination or Change-In-Control."

Table of Contents**EXECUTIVE COMPENSATION**

## Fiscal Year 2018 Grants of Plan-Based Awards

The table below presents information on estimated future payouts of our equity grants under our LTMIP to our NEOs in fiscal year 2018 and our non-equity incentive compensation plan awards under our Senior Executive STIP. In November 2017, as part of the Compensation Committee's review of the company's executive compensation program, the Committee determined to approve future annual LTMIP awards at the meeting of the Committee that takes place in November of each year, and to award PSUs to a broader group of executives than simply Mr. Bakish. The Compensation Committee also approved at that time the annual PSU awards for fiscal year 2018, including to Messrs. Bakish, Davis and Mills and Mses. D'Alimonte and Lea, with a grant date of November 20, 2017, and determined that, for the 2018 transition year, the remaining LTMIP grants for fiscal year 2018 would be made on January 31, 2018 (the same date as the annual RSU grants to our directors). The PSUs awarded for fiscal year 2018 have a three-year performance period beginning October 1, 2017.

Grant Date	Date of Board Action, if Different From Grant Date <sup>(1)</sup>	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold (\$) <sup>(2)</sup>	Target (\$)	Maximum (\$)	Type Of Award	Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Units (#) <sup>(4)</sup>	All Other Securities or Underlying Options: Number of Options (#) <sup>(4)</sup>	Price of Stock Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) <sup>(5)</sup>
						Threshold (#) <sup>(3)</sup>	Target (#)	Maximum (#)				
11/20/17	11/9/17	\$1,750,000	\$7,000,000	\$14,000,000	PSU (EPS)	23,880	47,760	95,520				\$1,249,800
					PSU (TSR)	11,290	45,159	90,318				\$1,250,000
					SO				734,214	\$26.17	\$4,999,900	
11/20/17	11/9/17				PSU (EPS)	3,761	7,522	15,044				\$196,850
1/31/18	1/17/18	\$625,000	\$2,500,000	\$5,000,000	PSU (TSR)	1,778	7,113	14,226				\$196,880
					RSU; SO				23,564	68,528	\$33.42	\$1,462,500
11/20/17	11/9/17				PSU (EPS)	1,338	2,675	5,350				\$70,005
					PSU (TSR)	632	2,529	5,058				\$70,003

1/31/18	1/17/18				RSU; SO					13,212	38,423	\$33.42	\$820,011
		\$265,000	\$1,060,000	\$2,120,000									
F. Lea	11/20/17	11/9/17			PSU (EPS)	1,170	2,340	4,680					\$61,238
					PSU (TSR)	553	2,213	4,426					\$61,256
1/31/18	1/17/18				RSU; SO					7,331	21,320	\$33.42	\$455,000
		\$182,310	\$729,240	\$1,458,480									
11/20/17	11/9/17				PSU (EPS)	3,761	7,522	15,044					\$196,850
					PSU (TSR)	1,778	7,113	14,226					\$196,880
1/31/18	1/17/18				RSU; SO					23,564	68,528	\$33.42	\$1,462,500
		\$625,000	\$2,500,000	\$5,000,000									

(1) Date of Compensation Committee approval of awards.

(2) Threshold amount is equal to 25% of the target award, which is the minimum amount that could be paid if any bonus amount were earned. Performance below the 25% threshold earns a bonus amount of \$0.

(3) For PSUs, the threshold amount is equal to 25% of the target award, which is the minimum amount that will be paid if the market condition for the PSU awards is met, and the maximum award is 200% of the target award. The target number of PSUs was determined by dividing the target value of the award by, for the TSR shares, the grant date fair value on November 20, 2017 (the date of grant) and, for the EPS shares, the fair market value (the closing price of the Class B common stock) on the date of grant.

(4) The number of RSUs granted is determined by dividing the target value of the award by the closing market price of our Class B common stock on the date of grant. The number of stock options granted is determined using the Black-Scholes valuation method on the date of grant.

(5) Grant date fair value assumptions are consistent with those disclosed in the Equity-Based Compensation Note to our Consolidated Financial Statements in our Annual Report on Form 10-K for fiscal year 2018. For PSUs, the grant date fair value takes into consideration the performance and/or market conditions applicable to the grant, and makes certain assumptions about the performance of our stock and that of the companies in the reference group for PSUs over the measurement period. Factors such as market volatility and/or possibility of a payout above target can cause dramatic changes in the accounting expense for PSUs. Accordingly, the expense shown in this column may be significantly higher than the value of the awards determined in accordance with the respective NEO employment agreements.

(6) We believe it is relevant for investors' understanding of our NEOs' compensation to present the current value of the awards compared to the grant date fair value, which is the total accounting expense for the fiscal year 2018 awards that we will recognize over a period of years. This information is for illustrative purposes to demonstrate the compensation the executive might realize from the awards if they were vested and settled or, for stock options, vested and exercised, using our Class B common stock price of \$33.76 as of September 30, 2018. The actual market value of the awards fluctuates daily with the price of our stock. In addition, our stock options and RSUs vest over a period of four years and our PSUs have measurement periods of three years; therefore, it is impossible to predict what their actual value will be upon vest.

VIACOM INC. 2019 Proxy Statement 53

Table of Contents**EXECUTIVE COMPENSATION**

## Outstanding Equity Awards at Fiscal Year End

The following table presents information on the outstanding equity awards, including which portions were vested or unvested, held by our NEOs as of September 30, 2018. Market value amounts are based on the closing price of our Class B common stock of \$33.76 on September 30, 2018.

Name	Award Date	Option Awards		Option Awards		Stock Awards		Equity	Equity
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Have Not Vested (#)	Stock That Have Not Vested (\$)	Market Value of Shares or Units of Stock That Have Not Vested	Unearned Shares, Units or Other Rights That Have Not Vested
Robert M. Bakish	05/25/11	69,930	0	\$49.9500	05/25/19				
	05/23/12	79,051	0	\$47.2100	05/23/20				
	05/22/13	61,444	0	\$69.5600	05/22/21				
	05/21/14	48,309	0	\$84.4600	05/21/22				
	05/20/15	54,894	18,299 (1)	\$65.9200	05/20/23				



Edgar Filing: Viacom Inc. - Form DEF 14A

05/18/16	52,023	52,023	(2)	\$38.8600	05/18/24		
11/10/16	32,083	96,249	(3)	\$38.0100	11/10/24		
01/09/17	84,375	253,125	(4)	\$38.3400	01/09/25		
11/20/17	0	734,214	(5)	\$26.1700	11/20/25		
05/20/15						4,551	(6) \$153,642
05/18/16						17,370	(7) \$586,411
11/10/16						38,477	(8) \$1,298,984
01/09/17							20,660 (9) \$697,482
11/20/17							133,085 (10) \$4,492,941

Wade C.  
Davis

05/25/11	12,238	0		\$49.9500	05/25/19		
05/23/12	16,799	0		\$47.2100	05/23/20		
05/22/13	36,866	0		\$69.5600	05/22/21		
05/21/14	28,986	0		\$84.4600	05/21/22		
05/20/15	61,756	20,586	(1)	\$65.9200	05/20/23		
05/18/16	52,023	52,023	(2)	\$38.8600	05/18/24		
05/18/17	32,991	98,974	(11)	\$33.9900	05/18/25		
01/31/18	0	68,528	(12)	\$33.4200	01/31/26		
05/20/15						5,120	(6) \$172,851
05/18/16						17,370	(7) \$586,411
05/18/17						29,789	(13) \$1,005,677
01/31/18						23,564	(14) \$795,521
11/20/17							20,961 (10) \$707,638

Christa A.  
D'Alimonte

05/22/13	7,680	0		\$69.5600	05/22/21		
05/21/14	6,039	0		\$84.4600	05/21/22		
05/20/15	8,234	2,745	(1)	\$65.9200	05/20/23		
05/18/16	6,936	6,937	(2)	\$38.8600	05/18/24		
05/18/17	11,730	35,191	(11)	\$33.9900	05/18/25		
01/31/18	0	38,423	(12)	\$33.4200	01/31/26		
05/20/15						683	(6) \$23,058
05/18/16						2,316	(7) \$78,188
05/18/17						10,592	(13) \$357,586
01/31/18						13,212	(14) \$446,037
11/20/17							7,454 (10) \$251,630

Doretha  
(DeDe) F.  
Lea

05/25/11	6,119	0		\$49.9500	05/25/19		
05/23/12	13,168	0		\$47.2100	05/23/20		
05/22/13	16,129	0		\$69.5600	05/22/21		
05/21/14	16,908	0		\$84.4600	05/21/22		
05/20/15	19,213	6,405	(1)	\$65.9200	05/20/23		
05/18/16	16,185	16,185	(2)	\$38.8600	05/18/24		
05/18/17	10,264	30,792	(11)	\$33.9900	05/18/25		
01/31/08	0	21,320	(12)	\$33.4200	01/31/26		
05/20/15						1,593	(6) \$53,780
05/18/16						5,404	(7) \$182,439
05/18/17						9,268	(13) \$312,888

Edgar Filing: Viacom Inc. - Form DEF 14A

01/31/18	7,331	(14)	\$247,495		
11/20/17				6,521	(10) \$220,157
54 VIACOM INC. 2019 Proxy Statement					

---

Table of Contents**EXECUTIVE COMPENSATION**

Name	Option Awards				Stock Awards			Equity
	Award Date	Number of Underlying Options (#)	Number of Securities Exercisable	Option Exercise Price (\$)	Option Expiration Date	Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Scott M. Mills	05/25/11	25,018	0	\$49.9500	05/25/19			
	05/23/12	37,708	0	\$47.2100	05/23/20			
	05/22/13	33,794	0	\$69.5600	05/22/21			
	05/21/14	28,986	0	\$84.4600	05/21/22			
	05/20/15	61,756	20,586	(1) \$65.9200	05/20/23			
	05/18/16	52,023	52,023	(2) \$38.8600	05/18/24			
	05/18/17	32,991	98,974	(11) \$33.9900	05/18/25			
	01/31/18	0	68,528	(12) \$33.4200	01/31/26			
	05/20/15					5,120	(6) \$172,851	
	05/18/16					17,370	(7) \$586,411	
	05/18/17					29,789	(13) \$1,005,677	
	01/31/18					23,564	(14) \$795,521	
	11/20/17							20,961 (10) \$707,638

- (1) Remaining portion of stock option grant vests on May 20, 2019.
- (2) Remaining stock option grant vests in equal annual installments on May 18, 2019 and 2020.
- (3) Remaining stock option grant vests in equal annual installments on November 10, 2018, 2019 and 2020.
- (4) Remaining stock option grant vests in equal annual installments on January 9, 2019, 2020 and 2021.
- (5) Stock option grant vests in equal annual installments on November 20, 2018, 2019, 2020 and 2021.
- (6) Remaining RSUs vest on May 20, 2019.
- (7) Remaining RSUs vest in equal installments on May 18, 2019 and 2020.
- (8) Remaining RSUs vest in equal installments on November 10, 2018, 2019 and 2020.
- (9) Represents the threshold amount, or 25%, of the target award (82,640 PSUs), which is the minimum amount that could be paid if the market condition for the PSU award is met. PSUs vest after the end of the measurement period on December 31, 2019 subject to satisfaction of the market condition for the measurement period and certification by the Compensation Committee.
- (10) Represents the threshold amount, or 25% of the target TSR Shares and 50% of the target fiscal year 2019-2020 EPS Shares, which is the minimum amount that could be paid if the market and performance conditions for those portions of the PSU awards is met, and, since the performance period is complete, 155% of the target fiscal year 2018 EPS shares. PSUs vest after the end of the measurement period on September 30, 2020 subject to satisfaction of the market and performance conditions for the measurement period and certification by the Compensation Committee.
- (11) Remaining stock option grant vests in equal annual installments on May 18, 2019, 2020 and 2021.
- (12) Stock option grant vests in equal annual installments on January 31, 2019, 2020, 2021 and 2022.
- (13) Remaining RSUs vest in equal installments on May 18, 2019, 2020 and 2021.
- (14) RSUs vest in equal annual installments on January 31, 2019, 2020, 2021 and 2022.

Table of Contents**EXECUTIVE COMPENSATION**

## Option Exercises and Stock Vested in Fiscal Year 2018

The following table presents information on the vesting of restricted share units held by our NEOs during fiscal year 2018. Our NEOs did not exercise any stock options in fiscal year 2018.

Name	Option Awards		Stock Awards <sup>(1)</sup>	
	Number of Shares	Value Realized on	Number of Shares	Value Realized on
	Acquired on	Exercise	Acquired on	Exercise
	Exercise	Exercise	Vesting	Vesting
	(#)	(\$)	(#)	(\$)
Robert M. Bakish	—	—	29,613 <sup>(2)</sup>	777,265
Wade C. Davis	—	—	25,866 <sup>(3)</sup>	705,038
Christa A. D'Alimonte	—	—	5,815 <sup>(4)</sup>	158,494
Doretha (DeDe) F. Lea	—	—	8,628 <sup>(5)</sup>	235,288
Scott M. Mills	—	—	25,866 <sup>(6)</sup>	705,038

<sup>(1)</sup>Represents the gross number of shares acquired and the gross value received on vesting, without reduction for the number of shares withheld to pay applicable withholding taxes. Shares and value net of withholding are discussed in the footnotes below.

<sup>(2)</sup>Represents (i) the vesting of the last 25% of Mr. Bakish's May 21, 2014 grant of 14,208 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.45, (ii) the vesting of the third 25% of Mr. Bakish's May 20, 2015 grant of 18,204 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24, (iii) the vesting of the second 25% of Mr. Bakish's May 18, 2016 grant of 34,740 RSUs in accordance with terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24, and (iv) the vesting of the first 25% of Mr. Bakish's November 10, 2016 grant of 51,302 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$24.89. Mr. Bakish received a total of 18,537 shares net of withholding, or \$487,933 in value.

<sup>(3)</sup>Represents (i) the vesting of the last 25% of Mr. Davis' May 21, 2014 grant of 8,525 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.45, (ii) the vesting of the third 25% of Mr. Davis' May 20, 2015 grant of 20,479 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24, (iii) the vesting of the second 25% of Mr. Davis' May 18, 2016 grant of 34,740 RSUs in accordance with terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24, and (iv) the vesting of the first 25% of Mr. Davis' May 18, 2017 grant of 39,718 RSUs in accordance with the terms of the grant, valued at the closing

price of our Class B common stock on the date of vesting of \$27.24. Mr. Davis received a total of 15,983 shares net of withholding, or \$435,654 in value.

- <sup>(4)</sup>Represents (i) the vesting of the last 25% of Ms. D'Alimonte's May 21, 2014 grant of 1,776 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.45, (ii) the vesting of the third 25% of Ms. D'Alimonte's May 20, 2015 grant of 2,731 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24, (iii) the vesting of the second 25% of Ms. D'Alimonte's May 18, 2016 grant of 4,632 RSUs in accordance with terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24, and (iv) the vesting of the first 25% of Ms. D'Alimonte's May 18, 2017 grant of 14,122 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24. Ms. D'Alimonte received a total of 3,594 shares net of withholding, or \$97,958 in value.
- <sup>(5)</sup>Represents (i) the vesting of the last 25% of Ms. Lea's May 21, 2014 grant of 4,973 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.45, (ii) the vesting of the third 25% of Ms. Lea's May 20, 2015 grant of 6,371 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24, (iii) the vesting of the second 25% of Ms. Lea's May 18, 2016 grant of 10,808 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24, and (iv) the vesting of the first 25% of Ms. Lea's May 18, 2017 grant of 12,357 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24. Ms. Lea received a total of 5,757 shares net of withholding, or \$156,995 in value.
- <sup>(6)</sup>Represents (i) the vesting of the last 25% of Mr. Mills' May 21, 2014 grant of 8,525 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.45, (ii) the vesting of the third 25% of Mr. Mills' May 20, 2015 grant of 20,479 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24, (iii) the vesting of the second 25% of Mr. Mills' May 18, 2016 grant of 34,740 RSUs in accordance with terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24, and (iv) the vesting of the first 25% of Mr. Mills' May 18, 2017 grant of 39,718 RSUs in accordance with the terms of the grant, valued at the closing price of our Class B common stock on the date of vesting of \$27.24. Mr. Mills received a total of 15,983 shares net of withholding, or \$435,654 in value.

56 VIACOM INC. 2019 Proxy Statement

---

Table of Contents**EXECUTIVE COMPENSATION**

## Fiscal Year 2018 Pension Benefits

We provide pension benefits through the Viacom Pension Plan and the Viacom Excess Pension Plan. However, effective December 31, 2012 and April 1, 2009, respectively, the Viacom Pension Plan and the Viacom Excess Pension Plan were closed and frozen, and no additional benefits were accrued after these dates. The table below presents certain information with respect to these plans.

Name	Plan Name	Number of Years Benefit Service	Present Value of Accumulated Benefit	Payments During Last Fiscal Year
		(#)	(\$) <sup>(1)</sup>	(\$)
Robert M. Bakish	Viacom Pension Plan	14 years, 11 months	(2) \$ 404,289	—
	Viacom Excess Pension Plan	11 years, 2 months	(2) 892,586	—
			\$ 1,296,875	
Wade C. Davis	Viacom Pension Plan	6 years, 2 months	(3) \$ 102,292	—
	Viacom Excess Pension Plan	2 years, 5 months	(3) 134,425	—
			\$ 236,717	
Christa A. D'Alimonte	Viacom Pension Plan	—	(4) \$ —	—
	Viacom Excess Pension Plan	—	(4) —	—
			\$ —	
Doretha (DeDe) F. Lea	Viacom Pension Plan	13 years, 2 months	(5) \$ 341,592	—
	Viacom Excess Pension Plan	9 years, 5 months	(5) 579,250	—

				\$ 920,842
Scott M. Mills		3 years, 0		
	Viacom Pension Plan	months	(6)	\$ 40,093
	Viacom Excess Pension Plan		(6)	—
				\$ 40,093

- (1) Present Value of Accumulated Benefit as of September 30, 2018 is determined assuming commencement of benefits at age 65 (or immediate commencement if over 65) with an interest adjustment during the deferral period from September 30, 2018 until age 65, but no pre-retirement mortality assumption. The present value for the Viacom Pension Plan reflects a discount rate of 4.39%, and the Viacom Excess Pension Plan reflects a discount rate of 4.36%. The mortality table used is the RP-2014 Mortality Table regressed to base year 2006, projected generationally from 2006 with Modified Scale MP-2017. The 0.75% ultimate level is reduced after age 85 to 0.60% at age 95, then to 0 by age 115. The Viacom Pension Plan payment form assumptions are that 70% of retirement eligible participants elect lump sums and 30% elect life annuities and that 75% of vested eligible participants elect lump sums and 25% elect life annuities. The Viacom Excess Pension Plan assumes the grandfathered benefit under Section 409A of the Code is payable in the same form of payment as the benefit under the Viacom Pension Plan. The benefit accumulated after the implementation of Section 409A of the Code assumes 100% of participants elect life annuities. The lump sum rate assumption is based on the Buck Above Median Yield Curve as of September 30, 2018 and the IRS Section 417(e) prescribed mortality for 2019 under the Pension Protection Act.
- (2) Mr. Bakish commenced participation in the Viacom Pension Plan and the Viacom Excess Pension Plan on February 1, 1998.
- (3) Mr. Davis commenced participation in the Viacom Pension Plan and the Viacom Excess Pension Plan on November 1, 2006.
- (4) Ms. D'Alimonte did not become eligible to participate in the Viacom Pension Plan or the Viacom Excess Pension Plan before the plans were closed and frozen and, therefore, she does not have a pension benefit.
- (5) Ms. Lea commenced participation in the Viacom Pension Plan and the Viacom Excess Pension Plan on November 1, 1998.
- (6) Mr. Mills commenced participation in the Viacom Pension Plan on January 1, 2010.

#### The Viacom Pension Plan

The Viacom Pension Plan was frozen as of December 31, 2012. It had been established for all eligible Viacom employees who satisfied age and service requirements, including certain of the NEOs.

The Pension Plan offers optional forms of annuity payments that a participant may elect upon retirement. The single life annuity is the normal form of payment for a single participant and the 50% joint and survivor annuity is the normal form of payment for a married participant. A reduction is applied to the

single life annuity benefit if an optional form is elected. The 50% joint and survivor annuity and all optional forms of payment under the Pension Plan are the actuarial equivalent of the single life annuity benefit. The Pension Plan also offers a lump-sum distribution option and allows payment of benefits at any time following termination of employment regardless of age, with reduced benefits to reflect the participant's age if under 65.



Total Benefit

A participant's total benefit is equal to the sum of the following:

(1) Benefits Accumulated On or Before December 31, 2009

As of December 31, 2009, all benefits determined under the existing benefit formula were frozen. On or before December 31, 2009, an eligible employee's retirement benefit was calculated based upon the

VIACOM INC. 2019 Proxy Statement 57

---

Table of Contents

**EXECUTIVE COMPENSATION**

employee's years of benefit service (up to a maximum of 30 years), final average compensation and covered compensation amount, and using the plan formula in place, as of December 31, 2009. Final average compensation is eligible salary, commissions, overtime and eligible bonus for the highest 60 consecutive months out of the final 120 months of employment on the earlier of termination of employment or December 31, 2009. Covered compensation is the average of the Social Security Wage Bases during the 35-year period that ends with the year the employee reaches the Social Security Retirement age or December 31, 2009, if earlier. The pension plan formula as of December 31, 2009, which provides a monthly benefit payable in the form

of a single life annuity at a normal retirement age of 65, was as follows:

1.25% times final average compensation up to the covered compensation amount times benefit service (up to 30 years)

plus

1.75% times final average compensation above the covered compensation amount times benefit service (up to 30 years).

For purposes of this benefit formula, under the Viacom Pension Plan certain participants receive credit for years of service under the Former Viacom pension plan.

(2) Benefits Accumulated January 1, 2010 Through December 31, 2012

For the period January 1, 2010 through December 31, 2012, pension benefits accumulated under a benefit formula that provided a single-sum benefit payable at the normal retirement age of 65, equal to 10% of the participant's post-2009 accumulated compensation. Accumulated compensation is the total of the participant's eligible

salary, eligible bonus, commissions and overtime from January 1, 2010 through December 31, 2012, adjusted annually during employment by a wage inflation factor. The wage inflation factor is based on the annual increase in the Social Security Wage Base, with an annual cap of 4%.

Viacom Pension Plan Frozen on December 31, 2012

The Pension Plan was frozen effective December 31, 2012. Participants as of December 31, 2012

remained entitled to the benefits already earned and have not earned additional benefits since that date.

## The Viacom Excess Pension Plan

We established the Viacom Excess Pension Plan to provide benefits to participants in the Pension Plan whose annual base salary exceeds the IRS's annual compensation limit. Effective April 1, 2009, we discontinued further accruals under the Excess Pension Plan.

Benefits under the Excess Pension Plan are calculated using the Pension Plan formula and eligible compensation in excess of the annual compensation limit. The overall accrued benefit for each participant was calculated as of March 31, 2009, the date we ceased accruals under the plan. The maximum amount of total compensation earned on or before March 31, 2009 that was taken into account under the Pension Plan and the Excess Pension Plan was generally limited to \$750,000.

Participants will receive the portion of their pension benefits accrued and vested under the Excess Pension Plan prior to January 1, 2005 coincident with and in the same form as their benefit from the Pension Plan. Payment of the portion of their benefit accrued and vested after December 31, 2004 will begin generally as of the later of the first day of the month coincident with or next following six months after termination of employment or the first day of the month coincident with or next following their attainment of age 55 and will be paid in the form of an annuity.

We generally do not grant employees extra years of benefit service under the Pension Plan or the Excess Pension Plan for purposes of calculating a pension benefit.

Table of Contents**EXECUTIVE COMPENSATION**

## Fiscal Year 2018 Nonqualified Deferred Compensation

In addition to our tax-qualified 401(k) Plan, we maintain certain nonqualified deferred compensation plans. The Viacom Excess 401(k) Plans and the Viacom Bonus Deferral Plans are available to certain employees whose income exceeds certain statutory limits for the 401(k) Plan.

In fiscal year 2018, Messrs. Bakish, Davis and Mills and Meses. D'Alimonte and Lea contributed to the

Excess 401(k) Plan, and Mr. Mills deferred bonus amounts under the Bonus Deferral Plan. Mr. Bakish and Ms. Lea previously deferred bonus amounts under the Bonus Deferral Plan. The table below presents, on an aggregate basis, contributions to these plans in fiscal year 2018, earnings in fiscal year 2018, and the balances in the plans as of September 30, 2018.

Name	Plan	Company				
		Executive Contributions in FY 2018 (\$) <sup>(1)</sup>	Contributions in FY 2018 (\$) <sup>(2)</sup>	Aggregate Earnings in FY 2018 (\$) <sup>(3)</sup>	Aggregate Withdrawals/ Distributions (\$9/30/18 (\$)	Aggregate Balance at 9/30/18 (\$)
Robert M. Bakish	Excess 401(k)	\$ 431,500	\$ 13,183	\$ 1,147,058	\$ —	\$ 10,067,910
	Bonus Deferral	\$ —	\$ —	\$ 519,369	\$ —	\$ 4,402,385
		\$ 431,500	\$ 13,183	\$ 1,666,427	\$ —	\$ 14,470,295
Wade C. Davis	Excess 401(k)	\$ 244,000	\$ 13,183	\$ 2,487	\$ —	\$ 2,616,843
Christa A. D'Alimonte	Excess 401(k)	\$ 95,135	\$ 14,263	\$ 30,650	\$ —	\$ 564,042
Doretha (DeDe) F. Lea	Excess 401(k)	\$ 32,006	\$ 7,071	\$ 83,875	\$ —	\$ 715,580
	Bonus Deferral	\$ —	\$ —	\$ 3,176	\$ —	\$ 26,818
		\$ 32,006	\$ 7,071	\$ 87,051	\$ —	\$ 742,398
Scott M. Mills	Excess 401(k)	\$ 222,857	\$ 8,250	\$ 89,693	\$ —	\$ 1,766,154
	Bonus Deferral	\$ 375,000	\$ —	\$ 70,035	\$ —	\$ 1,493,736
		\$ 597,857	\$ 8,250	\$ 159,728	\$ —	\$ 3,259,890

- (1) Amounts represent contributions by Messrs. Bakish, Davis and Mills and Meses. D'Alimonte and Lea under our Excess 401(k) Plan for Designated Senior Executives and bonus amounts deferred by Mr. Mills under our Bonus Deferral Plan, all of which are also reflected in the Fiscal Year 2018 Summary Compensation Table.
- (2) Amounts represent company match under the Excess 401(k) Plan for Designated Senior Executives. These amounts are also included in the "All Other Compensation" column in the Fiscal Year 2018 Summary Compensation Table.
- (3) Except as otherwise noted, amounts deferred under our Deferral Plans are deemed invested in the same investment alternatives that the NEO has elected for his or her tax-qualified 401(k) plan or, if no election has been made, in the 401(k) plan's default investment option. Amounts are net of deductions for annual fees. Since these amounts are not preferential, they are not included in the Fiscal Year 2018 Summary Compensation Table.

#### The Viacom Excess 401(k) Plans

We have established Excess 401(k) Plans to provide benefits to employees who are participants in the tax-qualified 401(k) Plan and whose annual base salary exceeds the annual compensation limit set forth in the Code. For calendar year 2018, the compensation limit for the tax-qualified 401(k) Plan was \$275,000. We maintain an account in the name of each participant and that account is credited with the amount of the participant's deferral. A participant may elect to defer between 1% and 15% of eligible compensation on a before-tax basis. Eligible compensation for Excess 401(k) Plan participants is, in general, a participant's base pay including all pre-tax elective contributions made on behalf of a participant either to a company "qualified cash or deferred arrangement" (as defined under Section 401(k) of the Code and applicable regulations), a "cafeteria plan" (as defined under Section 125 of the Code and applicable regulations), or a "qualified transportation fringe" (as defined under Section 132(f) of the Code and the applicable regulations). Eligible compensation does not include

deferred compensation or cash bonuses under our STIP. Deferrals to the Excess 401(k) Plans begin once Code limits have been reached in the tax-qualified 401(k) Plan.

In fiscal year 2018, we matched 100% of the first 1% and 50% of the next 5% of eligible compensation contributed by a participant on a pre-tax basis. Matching contributions credited under the Excess 401(k) Plans in the aggregate for any participant were subject to an eligible compensation limit of \$500,000. Participants become fully vested in the matching contribution after two years of service. Participant accounts under the Excess 401(k) Plans are credited (or charged) with earnings, gains or losses based on the investment performance of the funds selected by the participant for amounts contributed to the qualified 401(k) Plan. For purposes of vesting, participants receive credit for years of service credited under the Former Viacom 401(k) plan.

Table of Contents

**EXECUTIVE COMPENSATION**

The Bonus Deferral Plans

Our Bonus Deferral Plans are voluntary unfunded nonqualified deferred compensation plans for the benefit of senior executives who are designated as eligible to participate in the Excess 401(k) Plans (whose annual base salary exceeds the annual compensation limit applicable to the tax-qualified 401(k) Plan). A participant can elect before the end of each fiscal year to defer a portion (from 1% to 15%) of his or her annual bonus amount earned during the next succeeding fiscal year. We maintain an account

in the name of each participant and that account is credited with the amount of the participant's bonus deferral. Participant accounts under the Bonus Deferral Plans are credited (or charged) with earnings, gains or losses based on the investment performance of the funds selected by the participant for amounts contributed to the tax-qualified 401(k) Plan. We do not make matching contributions in the Bonus Deferral Plans.

Distributions and Withdrawals under the Excess 401(k) Plans and Bonus Deferral Plans

The vested portion of each participant's accounts in the Excess 401(k) Plans and the Bonus Deferral Plans is distributed in cash after termination of employment in accordance with the participant's payment election. Participants are required to make a joint payment election for all amounts deferred under the plans.

For amounts earned, deferred and vested prior to January 1, 2005, participants elected to have these amounts paid in a single lump sum in January of the first, second, third, fourth or fifth year following termination of employment, or in up to five annual installments in amounts designated by the participants beginning in the January following the year of termination. If no election is made, a participant is deemed to have elected a lump sum payment in January of the year following termination of employment. If a participant elects to receive annual installment payments over a period of two or more years, the annual payments will be made in substantially equal annual installments, unless the participant designates at the time of making his or her payment option election a specific percentage of his or her account to be distributed in each year. All specified percentages must be a whole multiple of

10%, and the total of all designated percentages must be equal to 100%. For all amounts earned, deferred and vested prior to January 1, 2005, participants can change their payment elections up to three times during their term of employment. Payments of pre-2005 amounts will be made in accordance with the most recent payment election made more than six months before termination of employment.

For amounts earned, deferred or vested after December 31, 2004, the payment options are the same as those set forth above, except that a participant will not be able to receive any payment from post-2004 accounts until the later of the January 31 following his or her termination of employment or six months following termination of employment. No

changes can be made to the joint payment election made for post-2004 deferrals.

A participant who suffers an unforeseeable emergency as defined in Section 409A of the Code may receive a withdrawal of all or part of the vested portion of his or her accounts in the Excess 401(k) Plans and/or the Bonus Deferral Plans to the extent permitted under Section 409A of the Code.

#### The Deferred Compensation Plan

The Deferred Compensation Plan was established for employees who have a deferred compensation arrangement in their employment contract. The amounts deferred are dictated by the specific employment contract. Participant accounts under the deferred compensation plan are credited (or charged) with earnings, gains or losses based on the investment performance of the funds selected by the participant for amounts contributed to the qualified

401(k) Plan. We do not make matching contributions in the Deferred Compensation Plan. Payment of amounts accrued under the Deferred Compensation Plan are made in accordance with the participant's employment agreement, which generally provides that the amounts be paid after the participant ceases to be an employee in a timeframe designed to comply with the requirements of Section 409A of the Code unless a grandfather provision applies.

Table of Contents**EXECUTIVE COMPENSATION**

## Payments Upon Termination or Change-In-Control

## Overview

Our employment agreements and certain of our plans require us to provide compensation and other benefits to our NEOs if their employment terminates under certain circumstances. Specifically:

we limit cash severance to 2x the sum of the annual base salary and target bonus amount;  
we do not have any “single trigger” plans or other arrangements that provide for benefits,  
payments

or accelerated vesting of equity awards solely upon a  
change-in-control; and

our employment agreements specify that we may terminate the executive with or without “cause” and define certain events that may permit the executive to resign for “good reason.”

The following table summarizes our general approach to contractual severance upon the occurrence of various events. Individual NEO employment agreements may contain variations to the general approach. See “Specific Employment Agreement Provisions” below for additional detail.

	Cash Severance	Unvested Equity Awards	Vested Equity Awards	Other Benefits	Accrued Benefits <sup>(1)</sup>
Termination for “Cause” or Resignation without “Good Reason”	None	Forfeited	Stock options forfeited if termination “for cause” and generally exercisable for a set time if resignation without “good reason”	None, except as required by law; retiree medical if certain conditions met	Payable through date of termination
Termination without “Cause” or Resignation	Generally capped at 2x base and bonus amount; benefits may be reduced if less than 2 years	Generally accelerated vesting of at least a portion of awards	Stock options generally exercisable for a set time	Company-paid health and welfare and life insurance benefits for a set period; retiree medical possible	Payable through date of termination/resignation



for “Good Reason”	remain in contract				
Retirement	None	Stock options and RSUs forfeited; PSUs paid in accordance with terms and conditions	Stock options generally exercisable for 3 years	Retiree medical if certain conditions met	Payable through date of retirement
Death	None	Stock options and RSUs forfeited; PSUs paid in accordance with terms and conditions	Stock options generally exercisable for a set time	Life insurance at specified amounts paid by our insurer	Payable through date of death
Long-term Disability	None	No impact	No impact	Long-term disability amounts paid <sup>(2)</sup>	Payable through date of disability

<sup>(1)</sup> Reflects accrued salary and bonus amounts, retirement plan obligations and other accrued amounts that were fully earned and vested, and not otherwise forfeited, as of the executive’s termination date. Certain of these accrued obligations are discussed in the “Fiscal Year 2018 Pension Benefits” and “Fiscal Year 2018 Nonqualified Deferred Compensation” tables.

<sup>(2)</sup> See “Disability Benefits” below for additional detail.

Potential Payments as of September 30, 2018, Upon Termination Without “Cause” or Resignation for “Good Reason”

The following table sets forth the maximum cash amounts and the value of other benefits that each of our NEOs who were employed as of September 30, 2018 would have received from the company if a termination without “cause” or resignation for “good

reason” had occurred effective September 30, 2018. Any actual amounts the NEOs would receive would vary depending on any actual date of termination or resignation, the company’s performance and other factors.

Table of Contents**EXECUTIVE COMPENSATION**

NEO	Payable by Viacom			Total
	Salary <sup>(1)</sup>	Bonus <sup>(1)</sup>	Benefits <sup>(2)</sup>	
Robert M. Bakish	\$3,773,077	\$8,763,359	\$53,520	\$12,589,956
Wade C. Davis	\$2,052,885	\$2,919,847	\$32,504	\$5,005,236
Christa A. D'Alimonte	\$1,638,923	\$1,630,458	\$41,384	\$3,310,765
Doretha (DeDe) F. Lea	\$1,833,618	\$1,447,962	\$64,094	\$3,345,674
Scott M. Mills	\$3,075,962	\$4,370,229	\$57,242	\$7,503,433

- (1) Cash severance capped under employment agreement at two times the sum of base salary and target bonus amount. Amounts are reduced if less than two years remain on the employment agreement. Amounts shown do not include salary and bonus earned prior to separation.
- (2) Continuation of health and welfare benefits and life insurance premiums.

The following table sets forth the market value of outstanding equity awards that would have accelerated in connection with a termination without “cause” or resignation for “good reason” effective September 30, 2018, assuming the Class B shares underlying the awards were sold on September 30, 2018. The table values RSUs as of September 30, 2018. The closing price of our Class B common stock on September 30, 2018 was \$33.76.

NEO	Market Value of Accelerated Equity Awards
Robert M. Bakish	\$ 6,535,974
Wade C. Davis	\$ 383,803
Christa A. D'Alimonte	\$ 547,380
Doretha (DeDe) F. Lea	\$ 691,554
Scott M. Mills	\$ 2,222,916

## Specific Employment Agreement Provisions of Our NEOs

## Termination Without “Cause” or Resignation for “Good Reason”

## Cash Severance

Subject to an overall cap of 2x the sum of annual base salary and target bonus amount, salary is payable at specified rate for the longer of 1 year or the end of the contract term, and annual bonus or pro-rated bonus amount (as applicable) is payable at the lesser of target amount or corporate multiplier if under 100% through the end of the contract term.

Offset: The company has the right to offset severance with respect to periods following 12 months after termination to the extent they are receiving other compensation for their services.

#### Unvested Equity Awards

PSUs: Outstanding PSUs will be paid out in accordance with the terms and conditions underlying each PSU award.  
Stock Options and RSUs: Unvested stock options that would have vested during the contract term will vest and remain exercisable for six months (or until their expiration date, if earlier). Unvested RSUs that would have vested during the contract term will vest.

#### Vested Equity Awards

Vested stock options will remain exercisable for six months (or until their expiration date, if earlier).

#### Termination due to Death, Permanent Disability or Retirement

##### Unvested Equity Awards

PSUs: Outstanding PSUs will be paid out in accordance with the terms and conditions underlying each PSU award.  
Stock Options and RSUs: If due to death or permanent disability, unvested stock options and RSUs will be forfeited. If due to retirement, unvested stock options that would have vested during the contract term will vest and remain exercisable for three years (or until their expiration date, if earlier).

Table of Contents

**EXECUTIVE COMPENSATION**

Vested Equity Awards

Vested stock options will remain exercisable for two years, in the event of death, and three years, in the event of retirement as defined in the plan (or, in each case, until their expiration date, if earlier).

Pension Benefits

Entitlement to pension benefits is described under the heading “Fiscal Year 2018 Pension Benefits.”

Definition of “Cause”

Under the NEOs’ employment agreements, we generally would have “cause” to terminate employment in any of the following circumstances: (i) engaging in embezzlement, fraud or other conduct that would constitute a felony; (ii) engaging in conduct that would constitute a financial crime, material act of dishonesty or material unethical business conduct, involving Viacom, (iii) engaging in the willful unauthorized disclosure of confidential information; (iv) failure to obey a material lawful directive that was appropriate to the NEO’s position from an executive or executives in the NEO’s reporting line; (v) committing a material breach of the NEO’s employment agreement; (vi) failure (except in the event of disability) or refusal to substantially

perform material obligations under the NEO’s employment agreement; (vii) willful failure to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities, after being instructed by Viacom to cooperate; (viii) willful destruction or failure to preserve documents or other material known to be relevant to such an investigation; or (ix) willful inducement of others to engage in the conduct described in subparagraphs (i) through (viii) above or to otherwise breach their obligations to Viacom. We are required to notify the NEO after any event that constitutes “cause” before terminating the NEO’s employment, and in general he has 10 business days after receiving notice to cure the event.

Resignation for “Good Reason”

Our NEO employment agreements include a provision permitting the executive to terminate employment for “good reason,” including in any of the following circumstances: (i) if we assign the NEO duties inconsistent with the NEO’s current position or duties; (ii) if we withdraw material portions of the

NEO’s duties; or (iii) if we materially breach our material obligations under the NEO’s employment agreement. The executives generally are required to notify us within 30 days after the occurrence of any event that constitutes “good reason,” and in general we have 30 business days to cure the event.

#### Restrictive Covenants

Our NEO employment agreements contain several important restrictive covenants with which an executive must comply following termination of employment. For example, the entitlement of our NEOs to payment of any unpaid portion of the severance amount indicated in the table as owing following a termination without “cause” or resignation for “good reason” is conditioned on the executive’s compliance with covenants not to engage in any business that competes with Viacom and not to solicit certain of our employees. In some cases, Viacom may offset continuing compensation.

The employment agreements for each of the NEOs also contain covenants regarding cooperation in litigation proceedings and non-disparagement, covenants regarding non-disclosure of confidential information and recognition of Viacom’s ownership of works of authorship resulting from their services (both of unlimited duration) and covenants concerning the executive’s ability to prepare or assist in the preparation of certain creative works.

#### Disability Benefits

In the event an NEO becomes disabled during the term of employment, the NEO may participate in our short-term disability program for up to 26 weeks, and may then participate in our long-term disability program. In addition to any accrued benefits and target annual bonus payable, our NEOs would participate in our short-term disability program on the

same basis as any other employee, earning 100% of base salary for the first 13 weeks of participation in the short-term disability program and 80% of base salary for the second 13 weeks. They would receive payments from our long-term disability insurer up to a maximum amount per month, until age 65.



Table of Contents

**EXECUTIVE COMPENSATION**

Risk Assessment of Compensation Programs

We annually review with our Compensation Committee and its independent compensation consultant our company-wide compensation programs to assess whether they encourage our employees to take unnecessary or excessive risks that could have a material adverse effect on our business. We have concluded that our programs are appropriately tailored to encourage employees to grow our business, but not incentivize them to do so in a way that poses unnecessary or excessive material risk to us. For example, our STIP and LTMIP, which are our two primary, company-wide compensation plans, balance each other by providing compensation that rewards short-term and long-term performance. The STIP balances risk by considering a mix of performance goals, capping the maximum payout a participant can receive and allowing the Compensation Committee to determine the final amounts of all bonuses in its sole discretion. The LTMIP provides balanced incentives through a mix of

equity awards such as stock options, PSUs and RSUs, which have varying vesting schedules and levels of performance and/or market conditions to encourage long-term growth and provide retentive value. Our equity awards include forfeiture conditions, and we have various policies, such as our “clawback” policy, that are designed to discourage undue risk-taking or manipulation of financial reporting. In addition, a portion of the compensation packages of our advertising sales executives is based in part on the level of advertising revenues generated during the fiscal year and the amount of such commission payments is capped. Finally, advice from the Compensation Committee’s independent compensation consultant on proposed compensation packages and compensation program design also serves to mitigate any risk that could be encouraged by our compensation programs.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

## EQUITY COMPENSATION PLAN INFORMATION

During fiscal year 2018, we granted equity awards to employees under the Viacom Inc. 2016 Long-Term Management Incentive Plan, and to Outside Directors under the Viacom Inc. 2011 RSU Plan for Outside Directors, as amended and restated as of January 1, 2016, and as further amended and restated as of October 31, 2016.

The following table sets forth certain information as of September 30, 2018 concerning the shares of

Class B common stock authorized for issuance under these equity compensation plans. No shares of Class A common stock are authorized for issuance under these plans. As of September 30, 2018, we had no equity compensation plans under which shares may be issued that have not been approved by our stockholders.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights		Weighted-average exercise price of outstanding options (excluding securities	Number of securities remaining available for future issuance under equity compensation plans	
				warrants and rights	otherwise reflected in this table)
Equity compensation plans approved by security holders:					
LTMIP	18,769,778	(1)	\$ 50.43	23,328,970	(2)
Director Plans	274,278	(3)	\$ 45.06	328,055	(4)
Total	19,044,056		\$ 50.43	23,657,025	



Edgar Filing: Viacom Inc. - Form DEF 14A

- (1) Includes, as of September 30, 2018, 3,034,318 shares reserved for issuance upon settlement of outstanding RSUs and PSUs. Assumes PSU awards are paid at target, except for awards for which the performance period has been completed.
- (2) Reflects, as of September 30, 2018, shares reserved for future grants of stock options, RSUs, PSUs and/or other equity awards.
- (3) Includes, as of September 30, 2018, 269,123 shares reserved for issuance upon settlement of outstanding RSUs.
- (4) Reflects, as of September 30, 2018, shares reserved for future grants of stock options and RSUs.

Table of Contents

**CEO PAY RATIO**

CEO PAY RATIO

Under applicable SEC rules, we are required to provide the ratio of the annual total compensation of Mr. Bakish, our President and Chief Executive Officer (the “CEO”), to the median annual total compensation of all our employees (the “CEO Pay Ratio”).

Our total employee population for purposes of calculating the CEO Pay Ratio as of July 31, 2018 (the “determination date”) consisted of 21,878 individuals. This population is larger than our employee population reported in our Annual Report on Form 10-K for the fiscal year ended September 30, 2018 because, in accordance with SEC rules, it is comprised of full-time, part-time and project-based employees, approximately 74% of whom worked in the United States and approximately 26% of whom worked outside the United States.

Of these employees, more than 40% were project-based employees, some of whom may have worked as little as one day. SEC rules do not permit us to annualize the compensation paid to these workers (or to part-time or temporary employees) as if they were full-time employees, which has the effect of reducing the level of our median employee’s annual total compensation relative to what it would have been had the rules permitted us to annualize compensation across our entire workforce or to use only full-time employees. In fact, the annual total compensation of our median project-based employee was less than \$3,000.

For the fiscal year ended September 30, 2018:

- The annual total compensation of our CEO was \$19,955,161;
- The annual total compensation of our median employee, who is a project-based employee in the United States, was \$25,469; and
- The ratio of the annual total compensation of our CEO to the annual total compensation of our median employee was 784:1.

The CEO Pay Ratio presented above is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K. To identify, and to determine

the annual total compensation of, the median employee, we used the following methodology:

- We collected the total compensation of all employees as of the determination date.
- After excluding 1,085 employees pursuant to the de minimis exemption under Item 402(u), our employee population consisted of 20,793 employees. The excluded jurisdictions and the numbers of employees excluded from each jurisdiction are as follows: Italy (150), Germany (148), Brazil (144), Singapore (123), Mexico (106), South Africa (98), Japan (54), Russia (52), Sweden (42), China (35), Canada (31), United Arab Emirates (17), Portugal (15), Hong

Kong (12), Philippines (12), Colombia (11), New Zealand (10), Denmark (8), Nigeria (4), Czech Republic (3), South Korea (3), Finland (2), Ireland (2), India (1), Malaysia (1) and Norway (1).

• We used W-2 Box 1 amounts (and the foreign equivalent for our non-U.S. employees) as our consistently applied compensation measure to identify the median employee.

• Exchange rates were applied as of the determination date to convert all non-U.S. currencies into U.S. dollars.

• Once our median employee was identified, we calculated the annual total compensation of the median employee using the same methodology that we used to determine the annual total compensation of the CEO – pursuant to Item 402(c)(2) of Regulation S-K.

Because the SEC rules for identifying the median employee and calculating the pay ratio allow companies to use different methodologies, to apply one or more specified exclusions and to make reasonable estimates and assumptions that reflect their compensation practices, the CEO Pay Ratio is not comparable to the pay ratio reported by other companies, as other companies have different employment and compensation practices, as well as different employee populations, and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratio.

Table of Contents

**REPORT OF THE AUDIT COMMITTEE**

REPORT OF THE AUDIT COMMITTEE

The following Report of the Audit Committee does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent Viacom specifically incorporates such information by reference.

The Audit Committee is composed of four Outside Directors and operates under a written charter that it reviews at least annually and that was last amended in September 2017. The Board has determined that each of the four current members of the Audit Committee is independent, is “financially sophisticated” under NASDAQ listing standards and qualifies as an “audit committee financial expert” under the regulations promulgated under the Securities Act.

The Audit Committee oversees the accounting and financial reporting processes of Viacom and the integrated audits of Viacom’s consolidated financial statements, including the quality and integrity of Viacom’s financial statements and related disclosures. The Audit Committee also assists the Board’s oversight of:

Viacom’s compliance with legal and regulatory requirements;  
the qualifications, performance and independence of Viacom’s independent auditor, PricewaterhouseCoopers LLP (“PwC”); and  
the performance of Viacom’s internal audit function.

The Audit Committee oversees PwC’s work and, at least annually, determines its fees, evaluates its performance and assesses its independence. PwC reports directly to the Audit Committee, and the Audit Committee retains the authority to terminate the relationship at any time.

As part of its oversight duties, the Audit Committee reviews with PwC the scope, planning and staffing of the annual audit and has the sole authority to pre-approve, and does pre-approve, all services provided by PwC.

As part of its evaluations of PwC’s performance, the Audit Committee takes into account relevant factors such as the experience, qualifications, rotation requirements and performance of the senior members of the independent audit team and the opinions of members of management, including the Senior Vice President, Chief Audit and Compliance Officer.

As part of PwC’s independence assessments, the Audit Committee discusses with PwC any disclosed relationships between PwC and the company and reviews with the lead audit partner whether any of the senior audit team members receives any discretionary compensation from the audit firm with respect to non-audit services performed by PwC. The Audit Committee also:

reviews and discusses with management and PwC Viacom’s annual audited financial statements, quarterly financial statements and earnings releases;  
reviews Viacom’s risk assessment and risk management processes, including with respect to cyber security;  
reviews the internal audit function’s organization, responsibilities, audit plan, results, budget and staffing;

reviews with management and PwC the effectiveness of Viacom's internal control over financial reporting and disclosure controls and procedures;  
reviews with management material legal matters and the effectiveness of Viacom's procedures to ensure compliance with legal and regulatory requirements; and  
has established procedures for (a) the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by Viacom employees of concerns regarding questionable accounting or auditing matters.  
The Audit Committee discusses certain matters with PwC on a regular basis, including Viacom's critical accounting policies, certain communications between PwC and management, and PwC's independence and qualifications. The Audit Committee also receives reports throughout the year from the Senior Vice President, Chief Audit and Compliance Officer with respect to, among other things, the results of internal audits and compliance practices.

Viacom's management is responsible for the preparation of its consolidated financial statements, the financial reporting processes and maintaining effective internal control over financial reporting. The independent auditor is responsible for performing an integrated audit of the consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board ("PCAOB") and expressing an opinion on the

Table of Contents

**REPORT OF THE AUDIT COMMITTEE**

conformity of the audited consolidated financial statements to GAAP and the effectiveness of the company's internal control over financial reporting. The Audit Committee monitors and oversees these processes.

As part of its oversight role, the Audit Committee has reviewed and discussed with management and with PwC Viacom's audited consolidated financial statements for the fiscal year ended September 30, 2018 and disclosures under "Management's Discussion and Analysis of Results of Operations and Financial Condition" in Viacom's Annual Report on Form 10-K for the fiscal year ended September 30, 2018. The Audit Committee has also discussed with PwC all required communications, including the matters required to be discussed pursuant to PCAOB Auditing Standard No. 16 (Communications with Audit Committees). In addition, the Audit Committee has received the written disclosures and the letters from PwC required

by PCAOB Rules 3524 (Audit Committee Pre-Approval of Certain Tax Services), 3525 (Audit Committee Pre-Approval of Non-audit Services Related to Internal Control Over Financial Reporting) and 3526 (Communication with Audit Committees Concerning Independence) and has discussed with PwC the firm's independence from Viacom in compliance with Rule 3520 (Auditor Independence).

Based on the Audit Committee's review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in Viacom's Annual Report on Form 10-K for the fiscal year ended September 30, 2018.

**MEMBERS OF THE AUDIT COMMITTEE**

Ronald Nelson, Chair

Thomas May

Judith McHale

Charles E. Phillips, Jr.

Table of Contents**SERVICES PROVIDED BY THE INDEPENDENT AUDITOR AND FEES PAID****SERVICES PROVIDED BY THE INDEPENDENT AUDITOR AND FEES PAID**

## Audit Committee Pre-Approval of Services Provided by PwC

All audit and non-audit services provided to us by PwC in fiscal year 2018 were pre-approved by either our full Audit Committee or the Chair of the Audit Committee. Under our pre-approval policies and procedures in effect during fiscal year 2018, the Audit Committee Chair was authorized to pre-approve the engagement of PwC to provide certain specified audit and non-audit services, and the engagement of any

accounting firm to provide certain specified audit services, up to a maximum amount of \$200,000 per engagement, with the total amount of such authorizations outstanding that have not been reported to the Audit Committee not to exceed an aggregate of \$750,000. The Audit Committee receives reports on the engagements approved by the Chair, if any, pursuant to this delegation.

## PwC Fees

The following table presents the fees paid by Viacom and its subsidiaries for services rendered by PwC for the fiscal years ended September 30, 2018 and September 30, 2017.

	FY 2018	FY 2017
Audit Fees <sup>(1)</sup>	\$11,730,975	\$11,524,975
Audit-Related Fees <sup>(2)</sup>	\$495,050	\$661,521
Tax Fees <sup>(3)</sup>	\$1,544,479	\$1,973,110
All Other Fees <sup>(4)</sup>	\$663,942	\$468,666
<b>Total</b>	<b>\$14,434,446</b>	<b>\$14,628,272</b>

(1)

Edgar Filing: Viacom Inc. - Form DEF 14A

Represents audit fees billed for each of fiscal years 2018 and 2017, which reflect the integrated audit of our financial statements, statutory audits and services provided in connection with our debt offerings, comfort letters and SEC filings.

- (2) Represents audit-related fees billed in each of fiscal years 2018 and 2017, which are principally related to reviews of accounting information systems, compliance services and agreed upon procedures.
- (3) Represents tax fees billed in each of fiscal years 2018 and 2017, which are principally related to consulting and certain domestic and international tax compliance services.
- (4) Represents all other fees billed in each of fiscal years 2018 and 2017, which are principally related to advice with respect to the European Union's General Data Protection Regulation.



Table of Contents

**ITEM 2 — RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT AUDITOR**

ITEM 2 – RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT AUDITOR

The Audit Committee has appointed PricewaterhouseCoopers LLP (“PwC”) as the independent auditor of our consolidated financial statements for our fiscal year ending September 30, 2019, subject to stockholder ratification.

The Audit Committee is directly responsible for the appointment, compensation and oversight of our independent auditor and has reviewed PwC’s independence from us, as described in the “Report of the Audit Committee.” In appointing PwC as our independent auditor for our fiscal year 2019, and in recommending that our stockholders ratify the appointment, the Audit Committee has considered, among other things, whether the non-audit services provided by PwC were compatible with maintaining PwC’s independence from us and has determined that such services do not impair PwC’s independence. In addition, in connection with the

mandated rotation of PwC’s lead engagement partner, the Audit Committee and the Audit Committee Chair were directly involved in the selection of PwC’s new lead engagement partner beginning in 2018.

PwC has served as our independent auditor since 2005. In order to assure continuing auditor independence, the Audit Committee periodically considers whether there should be a rotation of the independent auditor, and the members of the Audit Committee believe that the continued retention of PwC to serve as our independent auditor is in the best interests of Viacom and its stockholders.

Representatives of PwC are expected to be present at the Annual Meeting and will be given an opportunity to make a statement if they desire to do so. They will also be available to respond to questions at the Annual Meeting.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors recommends a vote “FOR” the ratification of the appointment of PricewaterhouseCoopers LLP to serve as our independent auditor for our fiscal year 2019. In accordance with the Board’s recommendation, the

proxy holders will vote the shares of Class A common stock covered by valid and timely received proxies “FOR” this proposal, unless the stockholder gives instructions to the contrary.

Table of Contents

**OTHER MATTERS**

OTHER MATTERS

As of the date of this proxy statement, management does not intend to present and has not been informed that any other person intends to present any matter for action not specified in this proxy statement. If any other matters properly come before the Annual Meeting, the proxy holders will act on those matters in accordance with their best judgment.

In order for proposals by stockholders to be considered for inclusion in the proxy card and proxy statement relating to the 2020 Annual Meeting of Stockholders, such proposals must be received on or before September 27, 2019 at our principal executive offices at 1515 Broadway, New York, NY 10036-5794, attention: Christa A. D'Alimonte, Secretary.

By Order of the Board of Directors,

CHRISTA A. D'ALIMONTE

Executive Vice President, General Counsel and Secretary

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting

We have sent or are sending the Notice of Internet Availability of Proxy Materials, which indicates that this Notice of 2019 Annual Meeting of Stockholders and Proxy Statement, our Stockholder Letter and our Annual Report on Form 10-K for the fiscal year ended September 30, 2018, with financial statements and schedules thereto, will be made available at <http://proxymaterials.viacom.com>. If you wish to receive paper or e-mail copies of any of these materials, please follow the instructions on your Notice of Internet Availability of Proxy Materials. These materials are also available on our website at [www.viacom.com](http://www.viacom.com).

Table of Contents

---

Table of Contents

VIACOM INC. 1515 Broadway New York, New York 10036 2018 Annual Meeting Proxy Card The undersigned hereby appoints ROBERT M. BAKISH and CHRISTA A. D'ALIMONTE, and each of them, as proxy holders with full power of substitution, to represent and to vote on behalf of the undersigned all of the shares of Class A Common Stock of Viacom Inc. represented by this proxy at the 2018 Annual Meeting of Stockholders to be held on Thursday, March 8, 2018 at Viacom's corporate headquarters at 1515 Broadway, New York, New York, beginning at 9:00 a.m., Eastern Standard Time, and at any adjournments or postponements thereof, on the items of business set forth on the reserve side as more fully described in the Notice of 2018 Annual Meeting of Stockholders and Proxy Statement. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF VIACOM INC. THIS PROXY, WHEN PROPERLY EXECUTED AND TIMELY RECEIVED PRIOR TO THE MEETING, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. You are encouraged to specify your choices by marking the appropriate boxes, but you need not mark any boxes if you wish to vote in accordance with the Board of Directors' recommendations. The Board of Directors recommends a vote FOR each of the directors in item 1 and FOR item 2. Therefore, unless otherwise specified, the vote represented by this proxy will be cast FOR each of the directors in item 1 and FOR item 2. The proxy holders are directed to vote as specified on the reverse side hereof and in their discretion on all other matters. Attention 401(k) plan participants: If you hold shares of Viacom Inc. Class A Common Stock through the Viacom 401(k) plan, you should complete, sign and return this proxy card to instruct the trustee of the plan how to vote these shares. Your proxy must be received no later than 11:59 p.m., Eastern Standard Time, on March 5, 2018 so that the trustee of the plan (who votes the shares on behalf of plan participants) has adequate time to tabulate the voting instructions. Your voting instructions will be kept confidential. Address Changes/Comments: (If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.) Viacom Inc. c/o Broadridge 51 Mercedes Way Edgewood, NY 11717