

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**FORM 10-K**

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

For fiscal year ended December 31, 2019

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 001-09553

**ViacomCBS Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**04-2949533**

(I.R.S. Employer Identification No.)

1515 Broadway

New York, New York 10036

(212) 258-6000

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

**Securities Registered Pursuant to Section 12(b) of the Act:**

Title of Each Class	Trading Symbols	Name of Each Exchange on Which Registered
Class A Common Stock, \$0.001 par value	VIACA	The Nasdaq Stock Market LLC
Class B Common Stock, \$0.001 par value	VIAC	The Nasdaq Stock Market LLC

**Securities Registered Pursuant to Section 12(g) of the Act:**

None  
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act of 1933). Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes  No

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes  No

As of June 28, 2019, which was the last business day of the registrant's most recently completed second fiscal quarter, the market value of the shares of the registrant's Class A Common Stock, \$0.001 par value ("Class A Common Stock"), held by non-affiliates was approximately \$243,415,727 (based upon the closing price of \$50.04 per share as reported by the New York Stock Exchange on that date) and the market value of the shares of the registrant's Class B Common Stock, \$0.001 par value ("Class B Common Stock"), held by non-affiliates was approximately \$16,424,348,923 (based upon the closing price of \$49.90 per share as reported by the New York Stock Exchange on that date); and the aggregate market value of the shares of both Class A Common Stock and Class B Common Stock held by non-affiliates was \$16,667,764,650.

As of February 14, 2020, 52,268,438 shares of Class A Common Stock and 561,471,552 shares of Class B Common Stock were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of ViacomCBS Inc.'s Notice of 2020 Annual Meeting of Stockholders and Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A of the Securities Exchange Act of 1934 (Part III).

**VIACOMCBS INC.**  
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## PART I

### Item 1. Business.

#### OVERVIEW

ViacomCBS Inc. (“ViacomCBS”) is a leading global media and entertainment company that creates content and experiences for audiences worldwide. We operate through the following four segments:

- **TV Entertainment.** Our *TV Entertainment* segment creates and acquires programming for distribution and viewing on multiple media platforms, including our broadcast network, through multichannel video programming distributors (“MVPDs”) and virtual MVPDs, and our streaming services, as well as for licensing to third parties both domestically and internationally. *TV Entertainment* consists of the CBS Television Network™, CBS Television Studios®, CBS Television Distribution®, CBS Interactive®, CBS Sports Network®, CBS Television Stations™ and CBS-branded streaming services CBS All Access® and CBSN®, among others.
- **Cable Networks.** Our *Cable Networks* segment creates and acquires programming for distribution and viewing on multiple media platforms, including our cable networks, through MVPDs and virtual MVPDs, and our streaming services, as well as for licensing to third parties both domestically and internationally. *Cable Networks* consists of our premium subscription cable networks Showtime®, The Movie Channel® and Flix®, and a subscription streaming offering of Showtime; our basic cable networks Nickelodeon®, MTV®, BET®, Comedy Central®, Paramount Network®, Nick Jr.®, VH1®, TV Land®, CMT®, Pop TV™ and Smithsonian Channel™, among others, as well as the international extensions of these brands operated by ViacomCBS Networks International™ (“VCNI”); international broadcast networks, Network 10®, Channel 5® and Telefe®; and Pluto TV™, a leading free streaming TV platform in the United States (“U.S.”).
- **Filmed Entertainment.** Our *Filmed Entertainment* segment develops, produces, finances, acquires and distributes films, television programming and other entertainment content in various markets and media worldwide primarily through Paramount Pictures®, Paramount Players™, Paramount Animation® and Paramount Television Studios™.
- **Publishing.** Our *Publishing* segment publishes and distributes Simon & Schuster consumer books domestically and internationally and includes imprints such as Simon & Schuster®, Scribner™, Atria Books® and Gallery Books®.

For the year ended December 31, 2019, contributions to our consolidated revenues from our segments were as follows: *TV Entertainment* 43%, *Cable Networks* 45%, *Filmed Entertainment* 10% and *Publishing* 3%.

Owners of our Class A Common Stock are entitled to one vote per share. Our Class B Common Stock does not have voting rights. ViacomCBS Class A and Class B Common Stock are listed on The Nasdaq Stock Market LLC.

As of December 31, 2019, National Amusements, Inc. (“NAI”), a closely held corporation that owns and operates movie screens in the U.S., the United Kingdom (“UK”) and South America and manages additional movie screens in South America, directly or indirectly owned approximately 79.4% of our voting Class A Common Stock, and approximately 10.2% of our Class A Common Stock and Class B Common Stock on a combined basis. NAI is not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended.

We were organized as a Delaware corporation in 1986. Our principal offices are located at 1515 Broadway, New York, New York 10036. Our telephone number is (212) 258-6000 and our website is [www.viacbs.com](http://www.viacbs.com). Information included on or accessible through our website is not intended to be incorporated into this Annual Report on Form 10-K. On December 4, 2019, Viacom Inc. (“Viacom”) merged with and into CBS Corporation (“CBS”), with CBS continuing as the surviving company (the “Merger”), pursuant to an Agreement and Plan of Merger dated as of August 13, 2019, as amended on October 16, 2019 (the “Merger Agreement”). At the effective time of the Merger, we changed our

name to “ViacomCBS Inc.” Unless the context requires otherwise, references in this document to “ViacomCBS,” “Company,” “we,” “us” and “our” mean ViacomCBS Inc. and our consolidated subsidiaries, to “CBS” mean CBS Corporation and its consolidated subsidiaries prior to the Merger and to “Viacom” mean Viacom Inc. and its consolidated subsidiaries prior to the Merger.

## TV ENTERTAINMENT

### Overview

Our *TV Entertainment* segment consists of the CBS Television Network, our domestic broadcast network; CBS Television Studios and CBS Television Distribution, our television production and syndication operations; CBS Interactive, our online content services for information and entertainment; our CBS-branded streaming services CBS All Access, CBSN, CBS Sports HQ<sup>®</sup> and ET Live<sup>®</sup>; CBS Sports Network, our cable network focused on college athletics and other sports; and CBS Television Stations, our 29 owned broadcast television stations.

Our *TV Entertainment* segment’s revenues are generated primarily from advertising sales, the licensing and distribution of its content and affiliate revenues comprised of station affiliation fees, retransmission fees and subscription fees, as further described below. In 2019, our *TV Entertainment* segment advertising revenues, content licensing revenues and affiliate revenues were approximately 50%, 26% and 21%, respectively, of total revenues for this segment. Our *TV Entertainment* segment generated 43%, 41% and 39% of our consolidated revenues in 2019, 2018 and 2017, respectively.



The CBS Television Network, through CBS Entertainment<sup>™</sup>, CBS News<sup>®</sup> and CBS Sports<sup>®</sup>, distributes a comprehensive schedule of news and public affairs broadcasts, sports and entertainment programming to more than 200 domestic television station affiliates reaching throughout the U.S., including 15 of our owned and operated television stations, and to affiliated stations in certain U.S. territories. The CBS Television Network primarily derives revenue from the sale of advertising time for its network broadcasts and affiliation fees from television stations affiliated with the CBS Television Network.

CBS Entertainment is responsible for acquiring or developing and scheduling the entertainment programming presented on the CBS Television Network, which includes primetime comedy and drama series, reality-based programming, specials, children’s programs, daytime dramas, game shows and late-night programs such as *The Late Show with Stephen Colbert*. During 2019, the CBS Television Network broadcast the Tony Awards<sup>®</sup>, the Kennedy Center Honors and the Grammy Awards<sup>®</sup>. CBS won 21 awards at the 46<sup>th</sup> Annual Daytime Emmy<sup>®</sup> Awards in May 2019.

CBS News operates a worldwide news organization, providing the CBS Television Network and CBS News Radio<sup>®</sup> with regularly scheduled news and public affairs broadcasts, including *60 Minutes*, *48 Hours*, *CBS Evening News*, *CBS This Morning*, *CBS Sunday Morning* and *Face the Nation* as well as special reports.

CBS Sports broadcasts on the television network include PGA Tour golf tournaments, the Masters and the PGA Championship; the NCAA Division I Men’s Basketball Tournament and certain regular-season men’s college basketball games, including games from the Big Ten Conference; regular-season college football games, including games from the Southeastern Conference; and the NFL’s American Football Conference (“AFC”) regular-season, post-season wild card playoff, divisional playoff and championship games. In 2019, the CBS Television Network broadcast certain games under our agreement with the NFL to broadcast the AFC package through the 2022 season, which also includes the Super Bowl, which is broadcast on the CBS Television Network on a rotating basis with other networks. Our most recent Super Bowl broadcast was in February 2019 and our next Super Bowl broadcast will be in February 2021.

CBS Television Network content also is exhibited via the Internet, including through CBS.com™, CBSSports.com® and related software applications (“apps”); our streaming services, such as CBSN and CBS All Access, which are further described below; and virtual MVPDs, such as AT&T TV Now, Hulu with Live TV and YouTube TV.

The CW, a broadcast network and our 50/50 joint venture with Warner Bros. Entertainment, airs programming, including *Charmed* and *The Flash*. Eight of our owned television stations are affiliates of The CW. Certain of The CW’s series are streamed on Netflix, a subscription video-on-demand service (“SVOD”), and are also available via The CW app on multiple digital platforms.



CBS Television Studios and CBS Television Distribution produce, acquire and/or distribute programming, including series, specials, news and public affairs, and generate revenue principally from the licensing and distribution of such programming. The programming is produced primarily for broadcast on network television, exhibition on basic cable and premium subscription services, streaming services or distribution via first-run syndication. First-run syndication is programming exhibited on television stations without prior exhibition on a network or cable service. We subsequently distribute programming after its initial exhibition on a network, basic cable network or premium subscription service for domestic exhibition on television stations, cable networks or streaming services (known as “off-network syndicated programming”). Off-network syndicated programming and first-run syndicated programming distributed domestically, as well as programming distributed internationally, can sometimes be sold in successive cycles of sales known as “first cycle” sales, “second cycle” sales, and so on, which may occur on exclusive or non-exclusive bases.

Programming that our production group produced or co-produced and is broadcast on network television includes, among others, *FBI* (CBS), *Evil* (CBS) and *Nancy Drew* (The CW). In off-network syndication, we distribute series, such as *Hawaii Five-O*, *Criminal Minds*, *Blue Bloods* and *NCIS: New Orleans* as well as a library of older television programs. We also produce and/or distribute first-run syndicated series such as *Jeopardy!*, *Entertainment Tonight*, *Inside Edition*, *Dr. Phil* and *Judge Judy* and produce several series for streaming on CBS All Access, including *The Good Fight*, *Star Trek: Discovery*, *Why Women Kill* and *Star Trek: Picard*. We also distribute syndicated and other programming internationally.



CBS Interactive is one of the leading global publishers of premium content on the Internet, delivering this content via web properties, mobile properties and apps on mobile, as well as Internet-connected television and other device platform apps. CBS Interactive is ranked among the top Internet properties in the world according to comScore Media Metrix. CBS Interactive’s leading brands serve targeted audiences with text, video, audio, and mobile content spanning technology, entertainment, sports, news, business, gaming and music categories. CBS Interactive generates revenue principally from the sale of advertising and sponsorships, in addition to subscription fees, license fees and e-commerce activities.

CBS Interactive operates CBS.com, the online destination for CBS Television Network programming. Further extending the CBS.com experience, we offer a CBS app for on-demand streaming of various programs from our current network and library programming to users on multiple digital platforms. CBS Interactive operates CBSNews.com, the online destination for CBS News content, and offers an app for on-demand screening of current and library news programming and the content published on the website. CBS Interactive also operates CBSSportsDigital™, the online destination for CBS Sports content, including CBSSports.com, which provides sports content, fantasy sports, and community and e-commerce features, and a related app for on-demand viewing of certain sports events broadcast on CBS and other sports information; Max Preps; and 247Sports.

CBS Interactive also owns and operates other digital properties, including: CNET, one of the preeminent digital properties for technology and consumer electronics information; CNET en Espanol<sup>®</sup>; TVGuide Digital<sup>™</sup>; GameSpot<sup>®</sup>; Last.fm<sup>®</sup>; and MetroLyrics.com<sup>®</sup>.

Under CBS Interactive, Viacom Digital Studios (“VDS”) and its international extension, Viacom Digital Studios International, produces original content for consumption across leading social platforms to build engagement with certain of our *Cable Networks* brands. VidCon<sup>®</sup>, an innovative conference and festival celebrating online video, drives additional growth at VDS and our live events business.

## CBS ALL ACCESS

Our CBS-branded streaming subscription services and advertiser-supported services feature general entertainment, news, sports and/or children’s programming and generate revenue from subscription fees and the sale of advertising on such services, respectively. The services are offered to customers through mobile and connected devices and third-party platforms. The below-described services are operated under CBS Interactive in collaboration with our other businesses.

CBS All Access is a streaming subscription service, which includes a commercial-free option for on-demand content. CBS All Access offers an extensive on-demand selection of both current and library programming and original series, such as *The Good Fight*, *Star Trek: Discovery*, *Star Trek: Picard*, *Why Women Kill* and *The Twilight Zone* series; and CBSN’s live and original news reporting and our other streaming services, as described further below, as well as the ability to stream live programming from local CBS Television Stations and certain CBS television station affiliates. All NFL games broadcast by the CBS Television Network as well as other CBS Television Network programming are streamed on CBS All Access platforms. CBS All Access also offers children’s programming, including original series and select Nickelodeon programming. CBS All Access is available at CBS.com and on multiple digital platforms and through CBS apps in the U.S. and Canada. A version of CBS All Access has launched internationally in Canada and 10 All Access in Australia includes programming from our Network 10 channels and certain of our other programming.

CBSN is a streaming live, advertiser-supported news network available 24 hours a day, seven days a week (“24/7”). Local versions of CBSN complement CBSN and stream local news from our owned television stations in major markets, including New York, Los Angeles, Philadelphia, San Francisco, Boston and Minneapolis. CBSN is available at CBSNews.com and on multiple digital platforms through the CBS News app and through CBS Television Stations’ websites and mobile apps.

CBS Sports HQ is a streaming live, advertiser-supported sports news and highlights service available 24/7; and ET Live is a streaming advertiser-supported service based on the Entertainment Tonight brand covering entertainment stories and trends available 24/7.

Through the CBS Audience Network<sup>™</sup>, we deliver video content from our digital properties and television stations and affiliated television stations under an advertiser-supported distribution model to third-party digital properties. The growing slate of our content available online includes full episodes, clips and highlights based on our programming as well as original made-for-the-web content.



CBS Sports Network is a 24/7 cable program service that provides a diverse slate of sports and related content, with a strong focus on college sports. CBS Sports Network derives revenue from carriage fees from MVPDs and virtual MVPDs and advertising sales. The network televises over 700 live professional, amateur and collegiate events

annually, highlighted by Division I college football and basketball games, including games from the Big East Conference and Mountain West Conference. WNBA games and professional bull riding (PBR) and motor sports events. In addition, the network showcases a variety of original programming, including documentaries, features and studio shows, highlighted by *NFL Monday QB*, *That Other Pre-Game Show (TOPS)*, *Time to Schein* and a first of its kind all-female panel sports talk show, *We Need to Talk*. CBS Sports Network also provides ancillary coverage for CBS Sports relating to major events, such as the NCAA Division I Men's Basketball Tournament, Masters and PGA Championship, and for Showtime Networks relating to *Showtime Championship Boxing*. CBS Sports Network produces weekday simulcasts of the radio shows *Boomer and Gio*, *Tiki and Tierney* and *The Jim Rome Show*.



The CBS Television Stations group consists of our 29 owned broadcast television stations, all of which operate under licenses granted by the Federal Communications Commission ("FCC") pursuant to the Communications Act of 1934, as amended (the "Communications Act"). The licenses are renewable every eight years. The CBS Television Stations Group principally derives revenue from the sale of advertising on our television stations and fees for authorizing the MVPDs' and vMVPDs' carriage of our television stations, which are also known as retransmission fees.

Our television stations are located in the 6 largest, and 15 of the top 20, television markets in the U.S. We own multiple television stations within the same designated market area ("DMA") in 10 major markets. These multiple station markets are: New York (market #1), Los Angeles (market #2), Philadelphia (market #4), Dallas-Fort Worth (market #5), San Francisco-Oakland-San Jose (market #6), Boston (market #9), Detroit (market #14), Miami-Ft. Lauderdale (market #16), Sacramento-Stockton-Modesto (market #20) and Pittsburgh (market #24). Our television stations enable us to reach a wide audience within and across geographically diverse markets in the U.S. The stations produce news and broadcast public affairs, sports and other programming to serve their local markets and offer CBS, The CW or MyNetworkTV programming and syndicated programming.

CBS All Access offers streamed live programming from local CBS Television Stations and most CBS television station affiliates. Local versions of CBSN offer streamed local news from our owned television stations in certain local markets. Our television stations have local websites which promote the stations' programming. We also have agreements for the streaming of our owned television stations on virtual MVPDs. Our owned stations broadcast free, advertiser-supported digital channels using available broadcast spectrum, including local CBS and syndicated programming, Start TV™, a national entertainment program service featuring classic television content focused on female audiences, which is an approximately 50/50 joint venture with Weigel Broadcasting, and Dabl featuring lifestyle programming.

*Television Stations, Local Websites and CBSN Streaming Services*

The following table sets forth information regarding our owned television stations and related local websites and CBSN streaming services, as of February 18, 2020, within U.S. television markets:

<b>Television Market and Market Rank<sup>(1)</sup></b>	<b>Stations</b>	<b>Type</b>	<b>Network Affiliation</b>	<b>Local Websites and CBSN Streaming Services<sup>(2)</sup></b>
New York, NY (#1)	WCBS-TV	UHF	CBS	newyork.cbslocal.com
	WLNY-TV	UHF	Independent	<i>CBSN New York</i>
Los Angeles, CA (#2)	KCAL-TV	VHF	Independent	losangeles.cbslocal.com
	KCBS-TV	UHF	CBS	<i>CBSN Los Angeles</i>
Chicago, IL (#3)	WBBM-TV	VHF	CBS	chicago.cbslocal.com
Philadelphia, PA (#4)	KYW-TV	UHF	CBS	philadelphia.cbslocal.com
	WPSG-TV	UHF	The CW	<i>CBSN Philly</i>
Dallas-Fort Worth, TX (#5)	KTVT-TV	UHF	CBS	dfw.cbslocal.com
	KTXA-TV	UHF	Independent	
San Francisco, CA (#6)	KPIX-TV	UHF	CBS	sanfrancisco.cbslocal.com
	KBCW-TV	UHF	The CW	<i>CBSN Bay Area</i>
Boston, MA (#9)	WBZ-TV	UHF	CBS	boston.cbslocal.com
	WSBK-TV	UHF	MyNetworkTV	<i>CBSN Boston</i>
Atlanta, GA (#10)	WUPA-TV	UHF	The CW	atlanta.cbslocal.com
Tampa-St. Petersburg, FL (#12)	WTOG-TV	UHF	The CW	tampa.cbslocal.com
Seattle-Tacoma, WA (#13)	KSTW-TV	VHF	The CW	seattle.cbslocal.com
Detroit, MI (#14)	WKBD-TV	UHF	The CW	detroit.cbslocal.com
	WWJ-TV	UHF	CBS	
Minneapolis, MN (#15)	WCCO-TV	UHF	CBS	minnesota.cbslocal.com
	KCCW-TV <sup>(3)</sup>	VHF	CBS	<i>CBSN Minnesota</i>
Miami-Ft. Lauderdale, FL (#16)	WFOR-TV	UHF	CBS	miami.cbslocal.com
	WBFS-TV	UHF	MyNetworkTV	
Denver, CO (#17)	KCNC-TV	UHF	CBS	denver.cbslocal.com
Sacramento, CA (#20)	KOVR-TV	UHF	CBS	sacramento.cbslocal.com
	KMAX-TV	UHF	The CW	
Pittsburgh, PA (#24)	KDKA-TV	UHF	CBS	pittsburgh.cbslocal.com
	WPCW-TV	VHF	The CW	
Indianapolis, IN (#25)	WBXI-CA <sup>(4)</sup>	UHF	Independent	
Baltimore, MD (#26)	WJZ-TV	VHF	CBS	baltimore.cbslocal.com

(1) Television market (DMA) rankings based on Nielsen Media Research Local Market Universe Estimates, September 2019.

(2) Our television stations' websites and the local versions of CBSN feature and promote the stations' programming and provide news, traffic, weather, entertainment and sports information, among other services for their local communities.

(3) KCCW-TV is operated as a satellite station of WCCO-TV.

(4) WBXI-CA is a Class A low power television station. Class A low power television stations do not implicate the FCC's ownership rules.



## CABLE NETWORKS

### Overview

Our *Cable Networks* segment provides entertainment content, services and related branded products for consumers in targeted demographics attractive to advertisers, content distributors and retailers. The *Cable Networks* segment also delivers advertising and marketing services, including those under our advanced marketing solutions portfolio, which 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. The *Cable Networks* segment also licenses its brands and properties for consumer products and recreation experiences, produces live events and creates original programming for third-party distributors.

Our *Cable Networks* segment includes our premium subscription cable networks, Showtime, The Movie Channel and Flix; our basic cable networks, including Nickelodeon, MTV, BET, Comedy Central, Paramount Network, Nick Jr., VH1, TV Land, CMT, Pop TV and Smithsonian Channel; and the international extensions of our multimedia brands, and our program services created specifically for international audiences such as public service broadcaster (“PSB”) Channel 5<sup>®</sup> and Milkshake!<sup>®</sup> in the UK, Televisión Federal S.A., or Telefe<sup>®</sup>, in Argentina, COLORS<sup>®</sup> in India, Paramount Channel<sup>™</sup> in various countries and international broadcast network Network 10<sup>®</sup> in Australia.

Our *Cable Networks* segment also develops and operates an extensive portfolio of digital and mobile experiences, including our streaming subscription offering of Showtime (“Showtime OTT”), Noggin, Nickelodeon’s preschool streaming subscription service, BET+, a subscription streaming service focused on Black audiences and consumers of Black culture, and Smithsonian Channel Plus.

Our studio production business is a global network of production studios producing premium episodic and film content across both our owned and operated platforms and for third parties. This business is primarily driven by Paramount Television Studios, Awesomeness, Nickelodeon, MTV and Comedy Central and utilizes our considerable intellectual property library to create long-form episodic content for third-party platforms.

Our *Cable Networks* segment’s revenues are generated primarily from affiliate revenues comprised of fees from MVPDs and virtual MVPDs for carriage of our cable networks and subscription fees from our streaming services; advertising sales; and the licensing of its content and brands. In 2019, our *Cable Networks* segment affiliate revenues, advertising revenues and content licensing revenues were approximately 49%, 41% and 10%, respectively, of total revenues for this segment. Our *Cable Networks* segment generated 45%, 46% and 47% of our consolidated revenues in 2019, 2018 and 2017, respectively.

Our most significant *Cable Networks* brands are discussed below.



Our three commercial-free, premium subscription program services in the U.S. are Showtime (including Showtime OTT), which offers original scripted and unscripted series, recently released and other theatrical feature films, documentaries, sports-related programming, comedy and other specials, and special events; The Movie Channel, which offers recently released and other theatrical feature films and related programming; and Flix, which offers theatrical feature films primarily from the last several decades.

Programming highlights in 2019 included Showtime original series *Billions*, *Ray Donovan*, *The L Word: Generation Q* and *Shameless*, limited series *The Loudest Voice*, documentary features including *Hitsville: The Story*

of *Motown*, documentary series including *The Circus: Inside the Wildest Political Show on Earth*, and various sports-related programs and documentary series including *Inside the NFL*. As of December 31, 2019, subscriptions to Showtime (including Showtime OTT) totaled approximately 27 million in the U.S., certain U.S. territories and Bermuda.

Showtime OTT allows subscribers to view on-demand programming as well as the live telecast of the east and west coast feeds of Showtime, and is available for purchase (without an MVPD video subscription) at [showtime.com](http://showtime.com)<sup>™</sup>, through the Showtime app and from multiple digital platforms. Showtime Anytime<sup>®</sup>, an authenticated version of Showtime, is available online and, via certain Internet-connected devices, through the Showtime Anytime app, free of charge to Showtime subscribers as part of their Showtime subscription through participating distributors.

Showtime Networks also produces and/or provides special events on a pay-per-view basis available for purchase by both Showtime subscribers and non-subscribers through the Showtime app and third-party distributors, including the Manny Pacquiao vs. Adrien Broner boxing match in January 2019.



Nickelodeon, now in its 40<sup>th</sup> year, is one of the most globally recognized and widely distributed multimedia entertainment brands for kids and family. Nickelodeon has been the number-one-rated ad-supported basic cable network for 24 consecutive years among kids 2 to 11. Nickelodeon features leading original and licensed series for kids across animation, live-action and preschool genres, and during the evening and overnight hours, the linear cable channel airs as Nick at Nite and features licensed family comedies. Nick Jr. entertains and educates preschoolers, engaging them with characters they love, building their imaginations and gaining key cognitive and social-emotional skills. Other Nickelodeon brands include TeenNick, Nicktoons and Nick Music.

Programming highlights in 2019 included *Ryan's Mystery Playdate*, *SpongeBob SquarePants*, *PAW Patrol*, *The Loud House*, *The Casagrandes*, *Henry Danger*, *Bubble Guppies*, *Blue's Clues & You* and *Are You Smarter Than a 5th Grader?* with John Cena and tentpole events such as *Kids' Choice Awards*.

Nickelodeon is a key part of our global consumer products licensing business, licenses its brands for recreation experiences such as hotels and theme parks, and has numerous live and location-based experiences, such as *JoJo Siwa's D.R.E.A.M. The Tour*, a multi-city live concert tour, its *SlimeFest* music festival in Chicago, multiple *PAW Patrol* live tours around the world, and *Kids' Choice Awards* events in various international markets. In 2019, we acquired the entity holding global intellectual property rights to the Garfield franchise, including related to content, consumer products and location-based experiences. Noggin, Nickelodeon's preschool subscription streaming service featuring over 1,000 full-length library episodes, interactive videos and short-form educational content, has an Amazon Prime Video Channel. In partnership with Paramount, Nickelodeon Movies<sup>™</sup> produces branded films based on some of Nick's most iconic franchises and characters.

Awesomeness creates programming for various social and SVOD platforms and produces premium original series and films through its Emmy<sup>®</sup>-winning dedicated television and film studios. Awesomeness' portfolio is strengthened by a branded content sales team, a creator network, a creative agency and a roster of talent relationships. Programming highlights in 2019 included *PEN15*, which was nominated for a 2019 Emmy<sup>®</sup> for outstanding writing for a comedy series, season two of *Light as a Feather* on Hulu, and *The Perfect Date* and *Trinkets* on Netflix.



MTV is the leading global youth media brand, with operations spanning cable and mobile networks, live events, theatrical films and MTV Studios.

Programming highlights in 2019 included new series launches *The Hills: New Beginnings* and *Double Shot at Love with DJ Pauly D and Vinny*, returning favorites *Teen Mom*, *MTV Floribama Shore*, *Ridiculousness*, *Wild 'N Out*, *Are You The One?*, *Siesta Key*, *The Challenge* franchise and *Jersey Shore: Family Vacation*. The signature MTV hit *Jersey Shore* format has been adapted for our international audiences, with multiple versions around the world, including as *Geordie Shore* in the UK (now in its 20<sup>th</sup> season) and *Acapulco Shore* in Mexico, and some of our international programming formats have been imported to the U.S., such as *Ex on the Beach*, which originated in the UK and has become a global franchise with 14 local adaptations airing worldwide.

MTV's signature programming event, the *MTV Video Music Awards*, in 2019 drew 5.5 million viewers across its live linear simulcast and 269 million video views from the launch of the VMA website through the day of the show. MTV's annual tentpole programming events also include the *MTV European Music Awards*, *MTV Movie and TV Awards*, *MTV MIAWs* (celebrating the best in Latin music and the digital world of the millennial generation) and *MTV Fandom Awards*. In July 2019, MTV hosted its 13<sup>th</sup> annual *Isle of MTV Malta* concert and *Malta Music Week* events.



BET is a leading consumer brand in the urban marketplace, and the nation's leading provider of entertainment, music, news and public affairs programming to African American audiences. Other BET brands include BET Her, the first network designed for black women, delivering a wide variety of culturally relevant programming, BET Gospel, featuring gospel music and spiritual programming, and BET Hip Hop, spotlighting hip hop music programming and performances.

Programming highlights in 2019 included new series launches *American Soul* and *Boomerang*, and returning favorites such as *Martin*, *House of Payne* and *Meet the Browns*. BET's tentpoles and live events in 2019 included the seventh annual *BET Experience*, BET's weekend-long celebration of music, entertainment and Black culture featuring the *2019 BET Awards*, which aired as the number one cable awards show for the fifth consecutive year among adults 18 to 49; *Black Girls Rock*; and *BET Hip Hop Awards*. BET's programming received seven NAACP Image Awards nominations and two wins in 2019.

BET has a multi-year content partnership with award-winning writer, director, producer, actor and playwright Tyler Perry, that extends through 2024 and spans television, film and short-form video. In October 2019, *The Oval* and *Sistas* premiered, the first two series in the multi-year partnership. In 2019, BET and Tyler Perry launched BET+, an online SVOD service focused on Black audiences and consumers of Black culture and featuring more than 1,000 hours of advertising-free premium content, including original programming from Tyler Perry and exclusive series and other content from leading Black content creators.



Comedy Central is a leading destination for comedic talent and all things comedy, providing viewers access to a world of funny, provocative and relevant comedy, ranging from award-winning late-night, scripted and animated series, to stand-up specials, short-form and sketch.

Programming highlights in 2019 included the launch of *South Side*, the network's highest-rated series premiere since 2012 among African Americans 18 to 49; returning hits *The Daily Show with Trevor Noah*, *Drunk History* and digital original *Hack Into Broad City*, each of which received several Emmy<sup>®</sup> nominations for outstanding series in their respective categories in 2019, *South Park*, which was renewed in September 2019 for three additional seasons, and the premieres of the critically-acclaimed scripted series *The Other Two* and sketch comedy *Alternatino with Arturo Castro*.

Comedy Central also produces nationwide stand-up events and festivals, operates a Grammy Award-winning record label, produces a global podcast network and operates Comedy Central Radio on SiriusXM. In May 2019, Comedy Central launched Comedy Central Productions, a new studio-production arm partnering with comedy’s best writers, producers and on-screen talent to develop and distribute compelling, premium comedy content on all platforms. In June 2019, Comedy Central hosted its third annual *Clusterfest*, a three-day festival in San Francisco featuring world-class standup comedy, live music and experiential activities. Internationally, Comedy Central hosted the experiential events *FriendsFest* and *Comedy Central Fest* in a number of international markets.

Comedy Central’s strategic partnership with Trevor Noah’s production company, Day Zero Productions, gives us exclusive “first-look” rights on all projects developed by Day Zero Productions across television, feature films, digital and short-form video content.



Paramount Network is a premium entertainment destination targeting adults 18 to 49 with original scripted and non-scripted series inspired by over a century of cinema, with stories that are immersive, inclusive and deeply personal. Programming highlights in 2019 included *Yellowstone*, starring Kevin Costner and written and directed by critically-acclaimed screenwriter Taylor Sheridan, which in its second season was cable’s most-watched scripted cable series of the summer. The network also featured the premiere of competition series *The Last Cowboy*, *I Am Patrick Swayze*, the most-watched episode of the network’s *I Am* documentary series, and new episodes of *Ink Master*, *Bar Rescue* and *Bellator MMA*.



VH1 is a leading pop culture brand for adults 18 to 49 with an array of digital channels and services, including the VH1 app, VH1.com and @VH1. Programming highlights in 2019 included the critically-acclaimed original series *RuPaul’s Drag Race*, which received 14 Emmy® nominations and won four, including outstanding competition program and outstanding host; new series *Girls’ Cruise* with Lil’ Kim; and returning hits *Love & Hip Hop*, *Black Ink Crew* and *Basketball Wives*.



TV Land features a mix of original programming, classic and contemporary television shows and specials that appeal to adults aged 25 to 54. Programming highlights in 2019 included the sixth season of Darren Star’s hit original series *Younger*, which was the number one rated ad-supported cable original sitcom among female viewers 18 to 49 and 25 to 54 for the third consecutive year.



CMT is a leading country music and lifestyle destination, offering a mix of original series, music events and specials. Programming highlights in 2019 included the launch of *Racing Wives*; returning favorite *Dallas Cowboys*

Cheerleaders; and tentpole events and music programming such as the *CMT Music Awards*, *CMT Artists of the Year*, *CMT Hot 20 Countdown* and *CMT Crossroads*.



Smithsonian Channel features series and documentaries of a cultural, historical, and scientific nature. Smithsonian Channel content is available via MVPDs and virtual MVPDs in the U.S. and versions of Smithsonian Channel are distributed in Canada, Singapore, Brazil, Latin America, Africa, Asia and the UK. The website [SmithsonianChannel.com](http://SmithsonianChannel.com)™ and various apps promote Smithsonian Channel programming and provide information and entertainment services. Smithsonian Channel Plus is a streaming subscription service that allows subscribers to view on-demand programming, including 4K Ultra HD series and documentaries.



Pop TV is a general entertainment basic cable service focused on producing and licensing popular culture programming, such as the Emmy®-nominated original series *Schitt's Creek* and Critics Choice Award®-nominated original series *One Day at a Time*, and licensed CBS programming, including *NCIS: New Orleans* and *Scorpion*. Pop TV is also available via the Pop Now app.



Network 10 is one of the three major free-to-air commercial broadcast networks in Australia. Network 10 includes the channels 10™, 10 Bold™ and 10 Peach™, which broadcast a mix of entertainment, drama, news and sports programming, such as *Australian Survivor*, *Have You Been Paying Attention?* and *The Australian Formula 1 Grand Prix*. Network 10 also includes the digital platforms 10 Play™, 10 Daily™ as well as 10 All Access, our streaming subscription service in Australia featuring Network 10 programming as well as our other programming.



Channel 5, a free-to-air PSB in the UK, and its affiliated channels air a broad mix of popular content, including factual programming, entertainment, reality, sports, acquired and original drama, and preschool programming through its award-winning Milkshake! brand. Programming highlights in 2019 included new dramas *15 Days*, *Blood* and *Agatha and the Truth of Murder*, documentaries including RTS Programme Award winner *The Abused* and *Suicidal: In Our Own Words*, and critically acclaimed factual shows such as *Critical Condition* and *Warship: Life at Sea*.



Telefe is a leading free-to-air channel and one of the biggest content producers in Argentina, with 11 studios and more than 3,500 hours of content produced each year. Telefe studios co-produced four films in 2019. Programming highlights in 2019 included *La Voz Argentina* (a local version of *The Voice*), *Por el Mundo*, *100 Días Para Enamorarse*, *PH: Podemos Hablar*, *Pequeña Victoria* and *Quien Quiere Ser Millonario* (local version of *Who Wants to be a Millionaire*).



Paramount+ is an advertising-free, premium video-on-demand service, featuring films from Paramount Pictures and hundreds of television episodes from ViacomCBS' library. Available as an authenticated service or to customers of select subscription service providers, as of December 2019, Paramount+ was available in Sweden, Denmark, Norway, Finland, Hungary, Poland and across Latin America.



COLORS is a highly-rated Hindi-language general entertainment pay television channel operated by our Viacom18 joint venture in India. COLORS is available in India and over 120 additional countries, including in the U.S. as Aapka Colors. COLORS also extends to the English language through COLORS Infinity, an English general entertainment channel, six Indian regional languages and two Hindi channels, COLORS Rishtey and COLORS Cineplex in the entertainment and movie space, respectively. Programming highlights in 2019 included the first season of *Dance Deewane*, a dance reality show; returning seasons of *Bigg Boss*, *Fear Factor: Khatron Ke Khiladi*, *Naagin*, *Rising Star* (India's first-ever live singing reality show) and *India's Got Talent*; and the 19<sup>th</sup> edition of the *International Indian Film Academy (IIFA) Awards*, Bollywood's biggest awards extravaganza.

Viacom18 Studios, Viacom18's filmed entertainment business, includes Viacom18 Motion Pictures, a fully-integrated motion pictures studio, and Tipping Point, a digital content unit. Viacom18 Motion Pictures also partners with Paramount to market and distribute Paramount films for theatrical exhibition in the Indian sub-continent.



Pluto TV is a leading free streaming TV platform in the U.S. Pluto TV is available across mobile devices, desktops, streaming players and game consoles and is integrated across a growing number of Smart TVs and other video and broadband platforms.

With more than 22 million monthly active users in the U.S., the majority of whom are on connected TVs, and over 175 content partners, Pluto TV offers over 250 live linear channels and thousands of hours of on-demand content, including movies, news, sports, general entertainment, African Americans, kids and digital series. In July 2019, Pluto

TV launched Pluto TV Latino, a suite of 22 channels streaming over 4,000 hours of programming in Spanish and Portuguese, including hit TV series and movies, sports, reality, lifestyle and more. In addition, Pluto TV is available in the UK, Germany, Austria and Switzerland, and plans to expand to Latin America and additional territories.

## FILMED ENTERTAINMENT

### Overview

Our *Filmed Entertainment* segment develops, produces, finances, acquires and distributes films, television programming and other entertainment content in various markets and media worldwide through its Paramount Pictures, Paramount Players, Paramount Animation and Paramount Television Studios divisions. It partners on various projects with key ViacomCBS brands, including Nickelodeon Movies, MTV Films® and BET Films™.

Films produced, acquired and/or distributed by the *Filmed Entertainment* segment are generally first exhibited theatrically in domestic and/or international markets and then released in various markets through airlines and hotels, electronic sell-through, DVDs and Blu-ray discs, transactional video-on-demand (“TVOD”), pay television, SVOD, basic cable television, free television and free video-on-demand (“FVOD”).

Our *Filmed Entertainment* segment’s revenues are generated primarily from the release and/or distribution of films theatrically, the release and/or distribution of film and television product through home entertainment, the licensing of film and television product to television and digital platforms and other ancillary activities. In 2019, our *Filmed Entertainment* segment licensing revenues, home entertainment revenues and theatrical revenues were approximately 57%, 21% and 18%, respectively, of total revenues for this segment. Our *Filmed Entertainment* segment generated 10%, 11% and 12% of our consolidated revenues in 2019, 2018 and 2017, respectively.



Paramount Pictures is a major global producer and distributor of filmed entertainment and has an extensive library consisting of approximately 1,300 film titles produced by Paramount, acquired rights to approximately 2,100 additional films and a number of television programs. Paramount’s library includes many Academy Award winners, including *Titanic*, *Braveheart*, *Forrest Gump*, *The Godfather*, *The Godfather Part II* and *Wings*, which won the first Academy Award ever awarded for Best Picture in 1929. The Paramount library also includes other Academy Award Best Picture nominees such as *Arrival*, *Fences*, *The Big Short*, *Selma* and *The Wolf of Wall Street*, classics such as *The Ten Commandments*, *Breakfast at Tiffany’s* and *Sunset Boulevard*, and a number of successful franchises such as *Mission: Impossible*, *Transformers*, *Star Trek* and *Paranormal Activity*. In 2019, Paramount’s theatrical releases included *Terminator: Dark Fate*, *Rocketman*, *Gemini Man*, *Pet Sematary*, *Crawl* and *Playing with Fire*.



Paramount Players aims to expand Paramount’s slate of films by partnering with our *Cable Networks* brands to develop, produce and release distinctive feature films that showcase the network brands to movie audiences worldwide. Paramount Players also focuses on modest budget films of specific genres for target audiences. In 2019, Paramount



Players produced *Dora and the Lost City of Gold*, a live-action adaptation of the classic Nickelodeon series *Dora the Explorer*, co-produced with Nickelodeon Movies.



Paramount Animation creates high-quality animated films and aims to release one to two titles per year. In 2019, Paramount Animation released *Wonder Park*, a film about the adventures of a young girl in a magical amusement park.



Paramount Television Studios develops and finances a wide range of original, premium television content across all types of media platforms for distribution worldwide. Paramount Television Studios' productions include *Tom Clancy's Jack Ryan* for Amazon; *13 Reasons Why* for Netflix; *The Alienist* and *The Angel of Darkness* for TNT; *Catch-22* for Hulu; *Defending Jacob* for Apple; *Boomerang* and *First Wives Club* for BET and BET+, respectively; and *Berlin Station* for EPIX. In 2019, Paramount Television Studios' programming received seven Emmy<sup>®</sup> nominations.

### **Film Production, Distribution and Financing**

Paramount produces many of the films it releases and also acquires films for distribution from third parties. In some cases, Paramount co-finances and/or co-distributes films with third parties, including other studios. Paramount also enters into film-specific financing and slate financing arrangements from time to time under which third parties participate in the financing of the costs of a film or group of films in exchange for an economic participation and a partial copyright interest. Paramount distributes films worldwide or in select territories or media, and may engage third-party distributors for certain pictures in certain territories.

Paramount has several multi-picture production, distribution and financing relationships, including its agreement with Skydance Productions ("Skydance"), under which Paramount and Skydance produce and finance certain films, and Paramount has a first look on Skydance-initiated projects. Paramount also has an agreement with Hasbro Inc. ("Hasbro") involving the production, financing and distribution of live action and animated films based on Hasbro's expansive list of properties. In December 2019, in connection with ViacomCBS' entry into an agreement to acquire a 49% interest in Miramax, Paramount and Miramax entered into first-look, co-financing and distribution agreements under which they will collaborate on production and financing of new film and television projects, and Paramount will distribute such new projects, as well as Miramax library content.

Domestically, Paramount generally performs marketing and distribution services for theatrical releases and sales and marketing services for its home entertainment releases. Paramount has an agreement with Universal Studios for certain back-office and distribution services for all physical DVD and Blu-ray discs released by Paramount in the U.S. and Canada. Paramount also distributes CBS' television and other library content and Nickelodeon television shows on DVD and Blu-ray disc on a worldwide basis. Internationally, Paramount generally distributes its theatrical releases through its own international affiliates or, in territories where it does not have an operating presence, through United International Pictures, a joint venture with Universal Studios. For home entertainment releases, Paramount's physical DVD and Blu-ray discs are distributed in certain international territories by Universal Pictures Home



Entertainment and in certain other territories by Paramount licensees. Paramount also distributes films and television shows domestically and internationally on electronic sell-through, TVOD, SVOD, FVOD and television platforms. In the first domestic pay television distribution window, Paramount's feature films initially theatrically released in the U.S. are generally exhibited on EPIX.

Producing, marketing and distributing films and television programming can involve significant costs, and the timing of a film's release can cause our financial results to vary. For example, marketing costs are generally incurred before and throughout the theatrical release of a film and, to a lesser extent, other distribution windows, and are expensed as incurred. As a result, we typically incur losses with respect to a particular film prior to and during the film's theatrical exhibition, and recoupment of investment as well as profitability for the film may not be realized until well after its theatrical release. Therefore, the results of the *Filmed Entertainment* segment can be volatile as films work their way through the various distribution windows.

## PUBLISHING



Simon & Schuster

Our *Publishing* segment consists of Simon & Schuster, which publishes and distributes adult and children's consumer books in printed, digital and audio formats in the U.S. and internationally. Its digital formats include electronic books and audio books.

Simon & Schuster's major adult imprints include Simon & Schuster, Scribner, Atria Books and Gallery Books. Simon & Schuster's major children's imprints include Simon & Schuster Books For Young Readers™, Aladdin® and Little Simon®. Simon & Schuster also develops special imprints and publishes titles based on the products of certain of our businesses as well as those of third parties and distributes products for other publishers. Simon & Schuster distributes its products directly and through third parties. Simon & Schuster also delivers content and promotes its products on its own websites, social media, and general Internet sites as well as those dedicated to individual titles. International publishing includes the international distribution of English-language titles through Simon & Schuster in the UK, Canada, Australia and India and other distributors, as well as the publication of locally originated titles by its international companies.

In 2019, Simon & Schuster had 200 New York Times bestsellers in hardcover, paperback, audio and combined print and ebook formats, collectively, including 21 New York Times #1 bestsellers. Best-selling titles in 2019 included *Howard Stern Comes Again* by Howard Stern, *The Institute* by Stephen King and *The Pioneers* by David McCullough. Best-selling children's titles included *Dork Diaries 14: Tales from a Not-So-Best Friend Forever* by Rachel Renée Russell and *Red Scrolls of Magic* by Cassandra Clare. Simon & Schuster Digital™, through SimonandSchuster.com, publishes original content, builds reader communities and promotes and sells Simon & Schuster's books over the Internet.

Our *Publishing* segment's revenues are generated from the publishing and distribution of consumer books in print, digital and audio formats. In 2019, the sale of digital content represented approximately 25% of *Publishing*'s revenues. Our *Publishing* segment generated 3% of our consolidated revenues in each of 2019, 2018 and 2017.

## REVENUES

Our *TV Entertainment*, *Cable Networks*, *Filmed Entertainment* and *Publishing* segments generate advertising revenues, affiliate revenues, content licensing revenues, theatrical revenues and publishing revenues. For additional information regarding our sources of revenues, see "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition – Consolidated Results of Operations – 2019 vs. 2018 – Revenues" and "Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements." For information regarding seasonal factors affecting our revenues, see "Item 1A. Risk Factors – *Our revenues, expenses and operating*

results may vary based on the timing, mix, number and availability of our films and other programming and on seasonal factors.”

## **Advertising**

Advertising revenues are generated primarily from the sale of advertising spots on the CBS Television Network, our basic cable networks and our television stations, as well as on our ad-supported streaming services, including CBS All Access and Pluto TV, and on our websites. Our advertising revenues include integrated marketing services, which provide unique branded content and custom sponsorship opportunities to our advertisers, as well as advanced marketing solutions, including addressable video and brand solutions.

## **Affiliate**

Affiliate revenues are principally comprised of fees received from MVPDs and virtual MVPDs for carriage of our cable networks, fees received from television stations affiliated with the CBS Television Network, fees for authorizing the MVPDs’ and virtual MVPDs’ carriage of our owned television stations, and subscription fees for our streaming services.

## **Content Licensing**

Content licensing revenues are principally comprised of fees from the licensing of exhibition rights for our internally-produced television and film programming to television stations, cable networks and SVOD and FVOD services; home entertainment revenues, which are derived from the sale and distribution of our content through DVDs and Blu-ray discs to wholesale and retail partners, as well as from the viewing of our content on a transactional basis through TVOD and electronic sell-through services; fees from the use of our trademarks and brands for consumer products, recreation and live events, and fees from the distribution of third-party programming.

## **Theatrical**

Theatrical revenues are principally comprised of the worldwide theatrical distribution of films through audience ticket sales.

## **Publishing**

Publishing revenues are principally comprised of the domestic and international publishing and distribution of consumer books in printed, digital and audio formats.

## **COMPETITION**

All of our businesses operate in highly competitive environments, and compete for creative talent and intellectual property, as well as audience and distribution of our content.

Our *TV Entertainment*, *Cable Networks* and *Filmed Entertainment* segments compete with a variety of media companies that have substantial resources to produce and acquire content worldwide, including broadcast networks, basic and premium cable networks, streaming services, film and television studios, production groups, independent producers and syndicators, television stations and television station groups. These segments compete with other content creators for creative talent including producers, directors, actors and writers, as well as for new program ideas and intellectual property and for the acquisition of popular programming. Similarly, our *Publishing* segment competes with large publishers for the rights to works by authors, and competition is particularly strong for well-known authors and public personalities.

Our businesses also face significant competition for audience share from various sources. Our *Filmed Entertainment* segment competes for audiences for its theatrical films with releases by other major film studios, television producers and streaming services as well as with other forms of entertainment and consumer spending

outlets. Our *TV Entertainment* and *Cable Networks* segments compete for audiences and advertising revenues primarily with other cable and broadcast television networks; social media platforms; websites, apps and other online experiences; radio programming; and print media. In addition, our television and basic cable networks businesses face increasing competition from technologies providing digital audio and visual content in ways that allow audiences to consume content of their choosing while avoiding traditional commercial advertising. Moreover, our businesses face competition from the many other entertainment options available to consumers including video games, sports, travel and outdoor recreation.

We also face competition for distribution of our content. Our *TV Entertainment* and *Cable Networks* segments compete for distribution of our program services (and receipt of related fees) with other broadcast networks, cable networks and programmers. The CBS Television Network also competes with other broadcast networks to secure affiliations with independently owned television stations to ensure the effective distribution of network programming nationwide. Our *TV Entertainment*, *Cable Networks* and *Filmed Entertainment* segments compete with studios and other producers of entertainment content for distribution on third party platforms. Our *Publishing* segment competes with large publishers for sales to retailers, and mass merchandisers and on-line retailers have contributed to a general trend toward consolidation in the retail channel. In addition, the growth of the electronic book market has impacted print book retailers and wholesalers, and could result in a reduction of these channels for the sales and marketing of our books.

For additional information regarding competition, see “Item 1A. Risk Factors – *Our businesses operate in industries that are highly competitive and swiftly consolidating.*”

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRATEGY

ViacomCBS is committed to responsible and sustainable business practices, which strengthen our ability to innovate and better serve our partners, audiences and stockholders. We are proactively identifying, measuring and mapping the environmental, social and governance (“ESG”) impacts of our global operations and are working to manage and report on various non-financial ESG impacts in an effort to transparently address them with stakeholders.

As content creators, we are passionate about entertaining and informing the world and are committed to our legacy of creating lasting impact through our work. From groundbreaking HIV awareness initiatives to campaigns supporting education, the empowerment of women and youth, health issues and the military, veterans and their families, we have always strived to be at the forefront of championing the causes that matter to our audiences. Today, we continue to leverage our brands and our global reach to amplify the efforts of those who are working to make positive changes in their communities. Striving to be a good corporate citizen and to make a positive impact in communities around the world is fundamental to what we do every day. Below are just a few examples of our efforts:



We continue to use the immense power of our media platforms to heighten social awareness on important issues through our award-winning CBS Cares public service announcement (“PSA”) campaigns. In 2019, the CBS Television Network scheduled CBS Cares PSAs with an estimated value of \$276 million and featuring a wide array of CBS talent on a variety of important topics such as heritage and history months, child advocacy, empowerment of women and girls, support for the military, veterans and their families, and health awareness. Examples include:

- We and Girls Inc. created a PSA that aired in-game during the CBS Television Network’s Super Bowl LIII coverage, and post-game on the CBS Sports Network. Featuring the voiceover of *CBS This Morning*’s Gayle King and players from the NY Giants, the PSA encourages girls to believe they can succeed at the highest levels.

- We produce and air annual PSAs as part of our commitment to honor the victims of the Holocaust on International Holocaust Remembrance Day.
- We and the Association of National Advertisers again teamed up for a multi-pronged partnership in support of the #SeeHer initiative to accurately portray girls and women in media. Supporting PSAs ran in primetime as part of Women’s History Month and featured Norah O’Donnell, Gayle King, Tea Leoni, Carrie Ann Inaba and others.
- CBS Cares tackled the issue of sexual harassment, by continuing to air PSAs featuring Bridget Moynahan, Daniela Ruah and Aisha Tyler.
- PSAs featuring Shemar Moore, Aisha Tyler, Sara Gilbert and Sheryl Underwood continued to air, teaching children about the importance of other cultures, races and religions, and emphasizing that we are all enriched by our differences.



Get Schooled inspires and empowers students nationwide to thrive in high school, college and their first jobs through a unique blend of powerful digital content, gamification and personalized support. In its 10-year history, Get Schooled has partnered with over 15,000 educators and their students, and has been recognized by Fast Company as a “Most Innovative Company.”



The Save The Music Foundation helps kids, schools, and communities realize their full potential through the power of making music. Founded in 1997, Save The Music partners with school districts and raises funds to restore music programs in public schools. Since inception, we have donated over \$58 million worth of new musical instruments and technology to 2,159 schools in 276 school districts around the country, impacting the lives of countless students.



Beyond the Backpack is a celebration of Nickelodeon’s curriculum-based preschool properties. The initiative champions kindergarten and pre-k readiness by providing fun, simple and unique tools to address the five areas identified as critical to educational success: Family Engagement, Health & Wellness, Literacy Skills, Social & Emotional Skills, and STEAM (Science, Technology, Engineering, Arts and Math) Skills. Beyond the Backpack reinforces the academic community’s view that parents and caregivers are their child’s first teachers and that it is never too early to start getting ready. In 2019, Nickelodeon donated 75,000 printed toolkits and 2,500 backpacks full of school supplies.



Paramount has a long and proud tradition of giving back with a corporate social responsibility program focused on four key initiatives: supporting public education; protecting the environment; combating HIV/AIDS; and promoting volunteerism. By offering employee engagement opportunities, coupled with financial and in-kind contributions, Paramount supports numerous local, national, and global non-profit organizations. Kindergarten to Cap & Gown - Paramount's signature education program - mentors students through their educational experience, targeting four partner schools in Paramount's Los Angeles neighborhood.



In 2019, Paramount Network debuted the first installments of Take Action - a short-form digital documentary series addressing important social issues related to our content themes. We believe that stories of individual volunteers and activists have the power to connect us, inspire action and, ultimately, create real change. Each film includes a call-to-action, partnering with a nonprofit organization to give the audience the opportunity to learn more and take action themselves.



The MTV Staying Alive Foundation produces multi-award-winning, impactful behavior change campaigns to further its purpose of storytelling to save lives and enable young people to make empowered, informed choices about their health and wellbeing.



Our robust Veterans Network ("VetNet") engages in multiple programs and supports numerous veteran-related causes. Among its activities in 2019, VetNet worked with our legal teams to provide more than 4,000 hours of critical, pro-bono legal assistance to more than 200 veterans and their families, representing approximately \$1.5 million of legal fees donated; hosted a virtual career advice event for veterans in partnership with American Corporate Partners; worked with partners to provide mentorship and internships for 850 veterans; and collected more than 100,000 donations, including toys for veteran families and toiletries for the homeless.

## **REGULATION AND PROTECTION OF OUR INTELLECTUAL PROPERTY**

We are, fundamentally, a content company, so the trademark, copyright, patent and other intellectual property laws that protect our brands and content are of paramount importance to us. Our businesses and the intellectual property they create or acquire are subject to and affected by laws and regulations of U.S. federal, state and local governmental authorities, as well as laws and regulations of countries other than the U.S. and pan-national bodies such as the European Union ("EU"). The laws and regulations affecting our businesses are constantly subject to change, as are the protections that those laws and regulations afford us. The discussion below describes certain, but not all, present and proposed laws and regulations affecting our businesses.

## FCC and Similar Regulation

*General.* Broadcast television and certain aspects of cable programming are subject to the jurisdiction of the FCC pursuant to the Communications Act. The Communications Act empowers the FCC, among other actions, to issue, renew, revoke and modify broadcasting licenses; penalize broadcasters for airing indecent or profane content; regulate the airing of emergency alerting and the use of emergency alerting tones by broadcasters or cable channels; require video programming to be accessible to persons with disabilities; determine stations' frequencies, locations and operating power; and impose penalties for violation of its regulations, including monetary forfeitures, short-term renewal of licenses and, in egregious cases, license revocation or denial of license renewals.

Under the Communications Act, the FCC also regulates certain aspects of the operation of MVPDs and certain other electronic media that compete with broadcast stations and cable programming.

We provide below a brief summary of certain laws and FCC regulations under which we operate.

*License Renewals.* Television broadcast licenses are typically granted for standard terms of eight years. The Communications Act requires the FCC to renew a broadcast license if the FCC finds that the station has served the public interest, convenience and necessity and, with respect to the station, there have been no serious violations by the licensee of either the Communications Act or the FCC's rules and regulations and there have been no other violations by the licensee of the Communications Act or the FCC's rules and regulations that, taken together, constitute a pattern of abuse. We have no pending renewal applications, but we will be filing renewal applications with respect to all of our stations on a staggered basis between 2020 and 2023. A station remains authorized to operate while its license renewal application is pending.

*License Assignments and Transfers of Licensee Control.* The Communications Act requires prior FCC approval for the assignment of a license or transfer of control of an FCC licensee. Third parties may oppose our applications to assign, acquire, or transfer control of broadcast licenses.

*Ownership Regulation.* The Communications Act and FCC rules and regulations limit the ability of individuals and entities to have certain official positions or ownership interests, known as "attributable" interests, above specific levels in broadcast stations. In seeking FCC approval for the acquisition of a broadcast station license, the acquiring person or entity must demonstrate that the acquisition complies with the FCC's ownership rules or that a waiver of the rules is in the public interest.

Below are descriptions of broadcast ownership rules. The FCC is reviewing its local television ownership and dual network rules through its most recent quadrennial review that commenced in November 2018 and is separately reviewing its television national audience reach rule. The FCC had relaxed certain of these rules in 2017, but in November 2019, a federal appellate court vacated that 2017 action and ordered the FCC to conduct further proceedings.

*Local Television Ownership.* The FCC's local television ownership rule limits the number of full-power television stations that may be commonly owned in the same DMA. For example, common ownership of two full-power stations in a market generally is allowed only if at least eight independently owned and operating full-power stations will remain in the market following the acquisition of the second station, and if at least one of the stations is outside of the top-four ranked stations in the market based on audience share.

*Dual Network Rule.* The dual network rule prohibits any of the four major networks, ABC, CBS, FOX and NBC, from combining or being under common control.

*Television National Audience Reach Limitation.* Under the national television ownership rule, one party may not own television stations that reach more than 39% of all U.S. television households, although under current FCC rules a UHF station is attributed with reaching only 50% of the television households in its market. In December 2017, the FCC issued a Notice of Proposed Rulemaking pursuant to which it will consider modifying, retaining or eliminating the 39% national television audience reach limitation and/or the UHF

discount. We currently own and operate television stations that reach approximately 38% or 25% of all U.S. television households on an undiscounted or discounted basis, respectively.

*Cross-ownership restrictions.* FCC “cross-ownership” rules reinstated as a result of a decision by a federal appellate court (a) prohibit common ownership of one or more broadcast stations (whether radio or television) and a daily newspaper in the same DMA, and (b) limit the number of radio and television broadcast stations that may be commonly owned in a given DMA. We do not currently own cognizable interests in any daily newspapers or radio broadcast stations.

*Alien Ownership.* In general, the Communications Act restricts foreign individuals or entities from collectively owning more than 25% of our voting power or equity. FCC approval is required to exceed the 25% threshold. The FCC has recently approved foreign ownership levels of up to 100% in certain instances, subsequent to its review and approval of specific, named foreign individuals.

*Cable and Satellite Carriage of Television Broadcast Stations.* The Communications Act and FCC rules govern the retransmission of broadcast television stations by cable system operators, direct broadcast satellite operators, and other MVPDs. Pursuant to these regulations, we have elected to negotiate with MVPDs for the right to carry our broadcast television stations pursuant to retransmission consent agreements. Federal law requires that broadcasters and MVPDs negotiate in good faith for retransmission consent. Some MVPDs have sought changes to federal law that would eliminate or otherwise limit the ability of broadcasters to obtain fair compensation for the grant of retransmission consent.

*National Broadband Plan/Post-Auction Repack.* In 2017, the FCC concluded a series of voluntary auctions to repurpose certain spectrum then utilized by broadcast television stations for use by wireless broadband services. The FCC has mandated that certain television stations that are continuing to operate subsequent to these auctions must change their channels as the FCC “repacks” the remaining spectrum dedicated to broadcast television use. Congress provided that the FCC will assist television stations in retaining their current coverage areas and established a fund to at least partially reimburse broadcasters for reasonable relocation expenses relating to the spectrum-repacking. Certain broadcast television stations, including some of those owned by us, are in the process of undertaking this repacking process and seeking reimbursement of associated costs.

*Program Regulation.* The FCC’s rules prohibit the broadcast of obscene material at any time and indecent or profane material between the hours of 6 a.m. and 10 p.m. The FCC’s maximum forfeiture penalty per station for broadcasting indecent or profane programming is approximately \$415,000 per indecent or profane utterance, with a maximum forfeiture exposure of approximately \$3.83 million for any continuing violation arising from a single act or failure to act. FCC regulations also prohibit broadcast television stations and cable networks from transmitting or causing the transmission of Emergency Alert System (“EAS”) tones in the absence of an actual emergency, authorized test of the EAS, or a qualified public service announcement. In September 2019, the FCC issued a Notice of Apparent Liability for Forfeiture finding that a CBS Television Network program broadcast in April 2018 violated the EAS rule and imposed a forfeiture of \$272,000, which we timely paid.

*Broadcast Transmission Standard.* In November 2017, the FCC adopted rules to permit television broadcasters to voluntarily broadcast using the “Next Generation” broadcast television transmission standard developed by the Advanced Television Systems Committee, Inc., also called “ATSC 3.0.” Those full-service television stations using the new standard are subject to certain requirements, including the obligation to continue broadcasting a generally identical program stream in the current ATSC 1.0 broadcast standard. The ATSC 3.0 standard can be used to offer better picture quality and improved mobile broadcast viewing. A television station converting to ATSC 3.0 operation will incur significant costs in equipment purchases and upgrades. In addition, consumers may be required to obtain new television sets or other equipment that are capable of receiving ATSC 3.0 broadcasts. We are participating in various ATSC 3.0 testing with other broadcasters, but it is too early to predict any impact of this technical standard on our operations.

*Children’s Programming.* Our business is subject to various regulations, both in the U.S. and abroad, applicable to children’s programming. Since 1990, federal legislation and rules of the FCC have limited the amount and content

of commercial matter that may be shown on broadcast television stations and cable channels during programming designed for children 12 years of age and younger, and since 2006 the FCC has limited the display of certain commercial website addresses during children's programming. Moreover, each of our broadcast television stations is required to air, in general, three hours per week of educational and informational programming ("E/I programming") designed for children 16 years of age and younger, with at least two of those three hours appearing on the station's primary program stream. The FCC made certain modifications to its E/I programming rules in 2019, which provided additional flexibility to broadcasters with respect to certain aspects of these rules.

In addition, some policymakers have sought limitations on food and beverage marketing in media popular with children and teens. For example, restrictions on the television advertising of foods high in fat, salt and sugar ("HFSS") to children aged 15 and under have been in place in the UK since 2007. The UK government is currently considering tighter controls, including a ban on all HFSS advertising before 9:00 p.m. Various laws with similar objectives have also been enacted in Ireland, Turkey, Mexico, Chile, Peru, Taiwan and South Korea, and significant pressure for similar restrictions continues to be felt globally, most acutely in Australia, Brazil, Canada, Colombia, India, Hungary, Singapore, South Africa and France. The implementation of these or similar limitations and restrictions could have a negative impact on our *Cable Networks* advertising revenues, particularly for our networks with programming for children and teens.

#### **Certain Other Regulations Affecting Our Business**

*Global Data Protection Laws and Children's Privacy Laws.* A number of data protection laws impact, or may impact, the manner in which ViacomCBS collects, processes and transfers personal data. In the EU, the General Data Protection Regulation ("GDPR") mandates data protection compliance obligations and authorizes significant fines for noncompliance, requiring significant compliance resources and efforts on our part. Further, a number of other regions where we do business, including the U.S., Asia and Latin America, have enacted or are considering new data protection regulations that may impact our business activities that involve the processing of personal data. For example, in the U.S., the California Consumer Privacy Act, which went into effect on January 1, 2020, creates a host of new obligations for businesses regarding how they handle the personal information of California residents, including creating new data access, data deletion and opt out rights. In addition, some of the mechanisms ViacomCBS relies upon for the transfer of personal data from the EU to the U.S., such as utilizing standard contractual clauses approved by the European Commission ("EC"), have been subject to legal challenges, and the EU-U.S. Privacy Shield framework, which permits the transfer of personal data from the EU to the U.S., is subject to review by the relevant EU and U.S. authorities. The outcomes of these proceedings are uncertain and may require changes to our international data transfer mechanisms.

In addition, we are subject to other laws and regulations intended specifically to protect the interests of children, including the privacy of minors online. The U.S. Children's Online Privacy Protection Act ("COPPA") limits the collection by operators of websites or online services of personal information online from children under the age of 13. In July 2019, the Federal Trade Commission initiated a review of its regulations implementing COPPA, which we anticipate will be updated to address changes in technology. In the EU, GDPR also limits our ability to process data from children under the age of 16. Such regulations also restrict the types of advertising we are able to sell on these sites and apps and impose strict liability on us for certain actions of ViacomCBS, advertisers and other third parties, which could affect advertising demand and pricing. State and federal policymakers are also considering regulatory and legislative methods to protect consumer privacy on the Internet, and these efforts have focused particular attention on children and teens.

Compliance with enhanced data protection laws, which may be inconsistent with one another, requires additional resources and efforts on our part, and noncompliance with personal data protection regulations could result in increased regulatory enforcement and significant monetary fines.

*EU Commission's Digital Single Market Strategy.* The EU continues to pursue its Digital Single Market ("DSM") Strategy, which contains a broad range of proposals designed to create a more complete EU-wide market for digital goods and services, several of which are likely to impact ViacomCBS' businesses.



In November 2018, the EU adopted a number of reforms to the Audiovisual Media Services Directive (the “AVMSD”), which sets content and advertising rules for European broadcasters. The AVMSD applies the country-of-origin principle to linear and non-linear TV services, enabling cross-border broadcasts from a single regulatory jurisdiction, and sets compulsory minimum pan-EU content and advertising rules that Member States may choose to exceed. These reforms include a mandatory quota for European works on on-demand audiovisual services platforms, the option for EU states to introduce levies on the revenues of audiovisual media-service providers, and liberalized rules governing the scheduling of advertising on linear broadcasters. Member States have until September 2020 to transpose the reforms into national law. These changes could impact revenues for the VCNI television channels business in Europe and affiliate deals with platforms for both film and TV distribution.

In June 2019, two new EU directives became effective and may impact the way we acquire and distribute content online. The Copyright Directive introduced a requirement to agree to terms for the carriage of copyrighted content on online platforms (or to remove content in the absence of such agreement), and also granted rights to authors and performers to “fair and proportionate” remuneration, greater transparency and a right to revoke agreements if their work is not adequately exploited. The Online Broadcasting Directive extends the system of mandatory collective exercise of cable retransmission rights to other forms of retransmission including Internet protocol television and mobile, thereby potentially reducing the control that rights owners have over online distribution. EU states have until June 2021 to transpose these Directives into national law, if similar provisions do not already exist.

In 2020, the EU will evaluate the impact of the 2018 EC Geo-blocking Regulation that prohibits unjustified geo-blocking and other forms of discrimination based on customers’ nationality, place of residence or place of establishment. As part of its evaluation, it will consider whether the scope of the regulation should be extended to services that offer audio-visual and other copyrighted content, which may impact content owners’ ability to distribute on an exclusive, territorial basis within the EU.

*Restrictions on Content Distribution.* In addition to the EU, numerous countries around the world impose restrictions on the amount and nature of content that may be distributed in that country. Such regulations in China have the greatest impact, as only 34 foreign films, as selected by relevant authorities in China, may be distributed annually on a revenue share basis based on box office performance. In addition, in September 2018, China’s film and television regulator, the National Administration of TV and Radio, published proposed regulations that would severely limit the streaming and broadcasting of foreign film and television content in China, further reducing foreign access to the Chinese market.

*UK Regulations Affecting Channel 5 Business.* As a PSB in the UK, Channel 5 is subject to certain UK Office of Communications (“Ofcom”) broadcasting regulations that impose detailed obligations, including mandating the proportion of total programming and programming during peak hours that must be original productions, the hours devoted to news and current affairs and the proportion of commissioned programming that must be made by independent producers. Channel 5 has also undertaken to air a certain amount of UK-originated children’s programming. Like all UK broadcasters, Channel 5 must abide by the Ofcom Broadcasting Code, which contains content and scheduling regulations relating to harm and offense, protection of individuals under the age of 18, privacy, fairness and product placement, and by Ofcom’s Code on the Scheduling of Television Advertising, which contains regulations on the amount and scheduling of advertising.

## **Protecting our Content from Copyright Theft**

The unauthorized reproduction, distribution, exhibition or other exploitation of copyrighted material interferes with the market for copyrighted works and disrupts our ability to distribute and monetize our content. The theft of films, television, books and other entertainment content presents a significant challenge to our industry, and we take a number of steps to address this concern. Where possible, we use technological protection tools, such as encryption, to protect our content. We are actively engaged in enforcement and other activities to protect our intellectual property, including: monitoring online destinations that distribute or otherwise infringe our content and sending takedown or cease and desist notices in appropriate circumstances; using filtering technologies employed by some user-generated content sites; and pursuing litigation and referrals to law enforcement with respect to websites and other online platforms that distribute or facilitate the distribution and exploitation of our content without authorization. Through

partnerships with various organizations, we also are actively involved in educational outreach to the creative community, state and federal government officials and other stakeholders in an effort to marshal greater resources to combat copyright theft. Additionally, we participate in various industry-wide enforcement initiatives, public relations programs and legislative activities on a worldwide basis. We have had notable success with site-blocking efforts in parts of Europe and Asia, which can be effective in diverting consumers from piracy platforms to legitimate platforms.

Notwithstanding these efforts and the many legal protections that exist to combat piracy, the proliferation of content theft and technological tools with which to carry it out continue to be a challenge. The failure to maintain enhanced legal protections and enforcement tools and to update those tools as threats evolve could make it more difficult for us to adequately protect our intellectual property, which could negatively impact its value and further increase the costs of enforcing our rights as we continue to expend substantial resources to protect our content.

## **INTELLECTUAL PROPERTY**

We create, own and distribute intellectual property worldwide. It is our practice to protect our films, programs, content, brands, formats, characters, games, publications and other original and acquired works, and ancillary goods and services. The following brands, logos, trade names, trademarks and related trademark families are the most significant of those strongly identified with the product lines they represent and are significant assets of the Company: ViacomCBS™, CBS®, Viacom®, AwesomenessTV®, BET®, CBS All Access®, CBS Entertainment™, CBS Interactive®, CBS News®, CBS Sports®, CBSN®, Channel 5® (UK), CMT®, COLORS®, Comedy Central®, Flix®, MTV®, MTV Films®, Network 10®, Nickelodeon®, Nick at Nite®, Nickelodeon Movies™, Nick Jr.®, Paramount Animation®, Paramount Network®, Paramount Pictures®, Paramount Players™, Paramount Television Studios™, Pluto TV™, Pop TV™, Showtime®, Simon & Schuster®, Smithsonian Channel™, Telefe® (Argentina), The Movie Channel®, TV Land®, VH1®, VidCon®, WhoSay® and other domestic and international program services and digital properties and all the call letters for our stations.

## **EMPLOYEES**

As of December 31, 2019, we employed approximately 23,990 full-time and part-time employees worldwide, and had approximately 4,580 additional project-based staff on our payroll. We also use many other temporary employees in the ordinary course of our business.

## **AVAILABLE INFORMATION**

We file annual, quarterly and current reports, proxy and information statements and other information with the SEC. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to such reports filed with or furnished to the SEC pursuant to the Securities Exchange Act of 1934, as amended, will be available free of charge on our website at [www.viacbs.com](http://www.viacbs.com) (under “Investors”) as soon as reasonably practicable after the reports are filed with the SEC. These documents are also available on the SEC’s website at [www.sec.gov](http://www.sec.gov).

## **CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This Annual Report on Form 10-K, including “Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition,” contains both historical and forward-looking statements. All statements that are not statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements reflect our current expectations concerning future results, objectives, plans and goals, and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause future results, performance or achievements to differ. These risks, uncertainties and other factors are discussed in “Item 1A. Risk Factors” below. Other risks, or updates to the risks discussed below, may be described in our news releases and filings with the SEC, including but not limited to our reports on Form 10-Q and Form 8-K. The forward-looking statements included in this document are made only as of the date of this document, and we do not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

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

A wide range of risks may affect our business, financial condition or results of operations, now and in the future. We consider the risks described below to be the most significant. There may be other currently unknown or unpredictable factors that could have adverse effects on our business, financial condition or results of operations.

### **Risks Relating to ViacomCBS' Business and Industry**

#### ***Changes in consumer behavior, as well as evolving technologies, distribution platforms and packaging, may negatively affect our business, financial condition or results of operations***

The ways in which consumers view content, and technology and business models in our industry continue to evolve rapidly, and new distribution platforms, as well as increased competition from new entrants and emerging technologies, have added to the complexity of maintaining predictable revenue streams.

Technological advancements have driven changes in consumer behavior and empowered consumers to seek more control over when, where and how they consume content and have affected the options available to advertisers for reaching their target audiences. The evolution of consumer preferences towards digital services and other subscription services, and the substantial increase in availability of programming without advertising or adequate methodologies for audience measurement, may continue to have an adverse effect on our business, financial condition or results of operations. Examples of the foregoing include the convergence of television telecasts and digital delivery of programming to televisions and other devices, video-on-demand platforms, tablets, new video and electronic book formats, user-generated content sites, unauthorized digital distribution of video content including via streaming and downloading, simultaneous live streaming of telecast content which allows users to consume content on demand and in remote locations while avoiding traditional commercial advertisements or subscription payments and "cloud-based" DVR storage.

In addition, consumers are increasingly using time-shifting and advertising-blocking technologies that enable users to fast-forward or circumvent advertisements, such as DVRs, or increase the sharing of subscription content and reduce the demand for electronic sell-through, DVD and Blu-ray disc products. Substantial use of these technologies could impact the attractiveness of our programming to advertisers, adversely affecting our advertising revenue. Our business also may be adversely affected by the use of antennas (and their integration with set-top boxes or other consumer devices) to access broadcast signals to avoid subscriptions and live and stored video streaming boxes and services, which deliver unauthorized copies of copyrighted content, including those emanating from other countries in various languages.

In response to perceived consumer demand, distributors of programming and program services are continuing to develop alternative offerings for consumers, including "skinny bundles," smaller, often customizable programming packages delivered at lower costs than traditional offerings; SVOD and other subscription services; ad-supported FVOD services developed by television manufacturers, cable providers and others; and original programming hosted on mobile and social media platforms. Also, the impact of technological changes on MVPDs may adversely affect our cable networks' ability to grow revenue. If these alternative offerings continue to gain traction and our networks and brands are not included in those packages and services, or if consumers increasingly favor alternative offerings over traditional broadcast television and cable subscriptions, we may continue to experience a decline in viewership and ultimately demand for our programming, which could lead to lower revenues. These changing distribution models may also impact our ability to negotiate carriage deals on terms favorable to us, thereby having an adverse effect on our business, financial condition or results of operations.

In order to respond to these developments, we regularly consider and from time to time implement changes to our business models and strategies to remain competitive, and there can be no assurance that we will successfully anticipate or respond to these developments, that we will not experience disruption as we respond to such developments, or that the business models we develop will be as profitable as our current business models.

***Our advertising revenues have been and may continue to be adversely impacted by changes in consumers' content viewership, deficiencies in audience measurement and advertising market conditions***

We derive substantial revenues from the sale of advertising on a variety of platforms, and a decline in advertising revenues could have a significant adverse effect on our business, financial condition or results of operations in any given period.

Consumers are increasingly turning to online sources for viewing and purchasing content, and an increasing number of companies offer SVOD services, including some that offer exclusive high-quality original video programming delivered directly to consumers over the Internet. Consumers are also using new technologies that allow customers to live stream and time shift programming, make and store digital copies and skip or fast-forward through advertisements. The increasing number of entertainment choices available to consumers has intensified audience fragmentation and reduced the viewing of content through traditional MVPDs and virtual MVPDs, which has caused, and likely will continue to cause, audience ratings declines for our cable networks and may adversely affect the pricing and volume of advertising. In addition, the pricing and volume of advertising may be affected by shifts in spending toward digital and mobile offerings, which can deliver targeted advertising promptly, from more traditional media, or toward newer ways of purchasing advertising, such as through automated purchasing, dynamic advertising insertion, third parties selling local advertising spots and advertising exchanges, some or all of which may not be as beneficial to us as traditional advertising methods.

In addition, advertising sales are largely dependent on audience measurement, and the results of audience measurement techniques can vary for a variety of reasons, including the platforms on which viewing is measured and variations in the statistical sampling methods used. The use of evolving ratings technologies and measurements, and viewership on platforms or devices, such as tablets, smart phones and other mobile devices, that are not being fully measured, could have an impact on our program ratings and advertising revenues. Also, consumer viewership of streaming services continues to grow and is under measured. Low ratings can lead to lower pricing and advertising spending. While Nielsen's statistical sampling method is the primary measurement technique used in our television advertising sales, we measure and monetize our campaign reach and frequency on and across digital platforms based on other third-party data as well as first-party data using a variety of methods, including the number of impressions served and demographics. In addition, multi-platform campaign verification remains in its infancy, and viewership on tablets, smartphones and other mobile devices, which continues to grow rapidly, still is not measured by any one consistently applied method. These variations and changes could have a significant effect on our advertising revenues. There can be no assurance that any replacement programming on our television stations will generate the same level of revenues or profitability as previous programming.

The strength of the advertising market can fluctuate in response to the economic prospects of specific advertisers or industries, advertisers' current spending priorities and the economy in general or the economy of any individual geographic market, particularly a major market, such as Los Angeles or New York, in which we own and operate sizeable businesses, and this may adversely affect our advertising revenues. Natural and other disasters, acts of terrorism, political uncertainty or hostilities could lead to a reduction in domestic and international advertising expenditures as a result of disrupted programming and services, uninterrupted news coverage and economic uncertainty. In addition, advertising expenditures by companies in certain sectors of the economy, including the financial, pharmaceutical and automotive segments, represent a significant portion of our advertising revenues. Any political, economic, social or technological change resulting in a reduction in these sectors' advertising expenditures may adversely affect our revenue. Our ability to generate advertising revenue is also dependent on demand for our content, the consumers in our targeted demographics, advertising rates and results observed by advertisers. These factors could have an adverse effect on our business, financial condition or results of operations.

***Our success depends on our ability to maintain attractive brands and our reputation, and to offer popular programming and other content***

Our ability to maintain attractive brands and our reputation, and to create popular programming and other content, tentpole and other live events and consumer products are key to the success of our business and our ability to generate revenues. The production and distribution of television and other programming, films and other entertainment content

and the licensing of rights to the associated intellectual property is inherently risky because the revenues we derive from various sources primarily depend on our ability to satisfy consumer tastes and expectations in a consistent manner. The popularity of our content is affected by our ability to maintain or develop our strong brand awareness and reputation and to target key audiences, and by the quality and attractiveness of competing entertainment content and the availability of alternative forms of entertainment and leisure time activities, including online, mobile and other offerings. Audience tastes change frequently and it is a challenge to anticipate what offerings will be successful at any point in time. We invest substantial capital in creating and promoting our content, including in the production of original content on our networks, in our films, in our television production business and in our publications, before learning the extent to which it will garner critical success and popularity with consumers.

In our *Cable Networks* and *TV Entertainment* businesses, the popularity of our brands and programming has a significant impact on the revenues we are able to generate from advertising, affiliate fees, content licensing, consumer products and other licensing activities, and our ability to expand our presence internationally depends, in part, on our ability to successfully predict and adapt to changing consumer tastes and preferences outside the U.S. In addition, the success of our *Publishing* business is similarly dependent on audience acceptance of its publications. In our *Filmed Entertainment* business, the theatrical performance of a film affects not only the theatrical revenues we receive but also revenues from other distribution outlets, such as TVOD and SVOD, television, home entertainment and licensed consumer products. Additionally, a shortfall, now or in the future, in the expected popularity of our programming that we expect to distribute or the sports events for which we have acquired rights, could lead to decreased profitability or losses for a significant period of time. Significant negative claims or publicity regarding the Company or its operations, products, management, employees, practices, business partners and culture may damage our brands or reputation, even if such claims are untrue. A lack of popularity of our offerings or damage to our reputation could have an adverse effect on our business, financial condition or results of operations in a particular period or over a longer term.

***Increased costs for programming, films and other rights, and judgments we make on the potential performance of our content, may adversely affect our business, financial condition or results of operations***

In our *TV Entertainment* and *Cable Networks* segments, we produce a significant amount of original programming and other content and we invest significant resources in our brands, in part with the aim of developing higher quality and quantity of original content, and we also derive a portion of our revenue from the exploitation of our extensive library of television programming. In our *Filmed Entertainment* segment, we invest significant amounts in the production, marketing and distribution of films and television series. We also acquire programming, films and television series, as well as a variety of digital content and other ancillary rights such as consumer and home entertainment product offerings, and we pay license fees, royalties and/or contingent compensation in connection with these acquired rights. For example, some of CBS Television Network's most widely viewed broadcasts, including golf's Masters Tournament, NFL games and series such as *Young Sheldon*, are made available based upon programming rights of varying duration that we have negotiated with third parties. We also license various music rights from the major record companies, music publishers and performing rights organizations.

Our investments in original and acquired programming are significant and involve complex negotiations with numerous third parties, and rapid changes in consumer behavior have increased the risk associated with the success of all kinds of programming. Competition for popular content is intense, and we may have to increase the price we are willing to pay for talent and intellectual property rights, which may result in significantly increased costs. Further, increased competition in the market for development and production of original programming, such as from Amazon, Apple, Facebook, Hulu, Netflix and YouTube, and streaming services by large entertainment companies, increases our content costs as they introduce different ways of compensating talent and approaching production. We may be outbid by our competitors for the rights to new, popular programming or in connection with the renewals of popular programming that we currently license. Finally, certain of our counterparties and vendors may encounter financial and operational pressures, which could result in increased costs to us or delays in production. As such, there can be no assurance that we will recoup our investments in programming, films and other content when the content is broadcast or distributed. If our content offerings cease to be widely accepted by audiences or are not continuously replenished with popular content, our revenues could be adversely affected.

The accounting for the expenses we incur in connection with our programming and films requires that we make judgments about their potential success and useful life. We initially estimate the ultimate revenues of a television program or film and then update our estimate of ultimate revenues based on expected future and actual results, including following a television program's initial broadcast or a film's initial theatrical release. If our estimates prove to be incorrect or are reduced, it may result in decreased profitability as a result of the accelerated recognition of the expense and/or write-down of the value of the asset. Similarly, if we determine it is no longer advantageous for us to air a program on our broadcast or cable networks, we would accelerate our amortization of the program costs.

These factors could have an adverse effect on our business, financial condition or results of operations.

***The loss of key talent could adversely affect our business, financial condition or results of operations***

Our business depends upon the continued efforts, abilities and expertise of not only our corporate and divisional executive teams, but also the various creative talent and entertainment personalities with whom we work. For example, we employ or contract with several entertainment personalities with loyal audiences and we produce films with highly regarded directors, producers, writers, actors and other talent. These individuals are important to achieving the success of our programs, films and other content. There can be no assurance that these individuals will remain with us or will retain their current appeal, or that the costs associated with retaining them or new talent will be reasonable. If we fail to retain these individuals on current terms or if our entertainment personalities lose their current appeal or we fail to attract new talent, our business, financial condition or results of operations could be adversely affected.

***Our businesses operate in industries that are highly competitive and swiftly consolidating***

We depend on the popularity of our content and other offerings, our appeal to advertisers and widespread distribution of our content. We compete with other media companies to attract creative talent and produce high quality content, and for distribution on a variety of third-party platforms to draw large audiences. Competition for talent, content, audiences, service providers, production infrastructure, advertising and distribution is intense and comes from broadcast television stations and networks, cable television systems and networks (including our own), streaming service distributors, the Internet and social media platforms, film studios and independent film producers and distributors, consumer products companies and other entertainment outlets and platforms, as well as from search engines, program guides and "second screen" applications and non-traditional programming services, such as streaming offerings. Additionally, other television stations or cable networks may change their formats or programming, a new station or new network may adopt a format to compete directly with our stations or networks, or stations or networks might engage in aggressive promotional campaigns. Further, competition from additional entrants into the market for development and production of original programming and streaming services, such as Amazon, Apple, Facebook, Hulu, Netflix and YouTube, and major entertainment companies, continues to increase. In book publishing, competition among electronic and print book retailers could decrease the prices for new releases and the outlets available for book sales. Moreover, the growing use of self-publishing technologies by authors increases competition and could result in decreased use of traditional publishing services.

Our ability to obtain widespread distribution on favorable terms, which contributes to our ability to attract audiences and, in turn, advertisers, is adversely affected by the consolidation of advertising agencies, programmers, content providers, distributors (including telecom companies) and television service providers. This consolidation reduces the number of distributors with whom we negotiate and increases the negotiating leverage and market power of the combined companies. In addition, consolidation in the film business may adversely affect the distribution of our films on various platforms. Consolidation among book retailers and the growth of online sales and electronic books sales have resulted in increased competition for limited physical shelf space for our publications and for the attention of consumers online.

In addition, our competitors generally include market participants with interests in multiple media businesses that are often vertically integrated, whereas our *Cable Networks* business generally relies on distribution relationships with third parties. As more cable and satellite operators, Internet service providers, telecom companies and other content distributors, aggregators and search providers create or acquire their own content, they may have significant

competitive advantages, which could adversely affect our ability to negotiate favorable terms for distribution or otherwise compete effectively in the delivery marketplace. Our competitors could also have preferential access to important technologies, customer data or other competitive information, as well as significant financial resources.

This competition and consolidation could result in lower ratings and advertising, lower affiliate and other revenues, and increased content costs and promotional and other expenses, negatively affecting our ability to generate revenues and profitability. There can be no assurance that we will be able to compete successfully in the future against existing or new competitors, or that competition or consolidation in the marketplace will not have an adverse effect on our business, financial condition or results of operations.

***Because we derive a significant portion of our revenues from a limited number of distributors, the loss of affiliation and distribution agreements, renewal on less favorable terms or adverse interpretations could have a significant adverse effect on our business, financial condition or results of operations***

A significant portion of our revenues, particularly from *Cable Networks* and *TV Entertainment*, are attributable to agreements with MVPDs and virtual MVPDs, and other distributors of our programming and program services. These agreements generally have fixed terms that vary by market and distributor, and there can be no assurance that these agreements will be renewed in the future, or renewed on favorable terms, including but not limited to those related to pricing and programming tiers. We may also be unable to modify existing agreements with terms that have over time become less favorable. The loss of existing packaging, positioning, pricing or other marketing opportunities and the loss of carriage on cable and satellite programming tiers or the failure to renew our agreements with any distributor, or renew or modify them on favorable terms, could reduce the distribution of our programming and program services and decrease the potential audience for our programs, thereby negatively affecting our growth prospects and revenues from both affiliate fees and advertising.

The CBS Television Network provides its affiliates with up to approximately 98 hours of regularly scheduled programming per week. In return, the CBS Television Network's affiliated stations broadcast network-inserted commercials during that programming and pay us station affiliation fees. Loss of station affiliation agreements of the CBS Television Network could adversely affect our results of operations by reducing the reach of our programming and therefore our attractiveness to advertisers, and renewal of these affiliation agreements on less favorable terms may also adversely affect our results of operations.

Consolidation among MVPDs and increased vertical integration of such distributors into the cable or broadcast network business have provided more leverage to these distributors and could adversely affect our ability to maintain or obtain distribution for our network programming or distribution and/or marketing of our subscription program services on favorable or commercially reasonable terms, or at all. Also, consolidation among television station group owners could increase their negotiating leverage. Moreover, competitive pressures faced by MVPDs, particularly in light of the lower retail prices of streaming services, could adversely affect the terms of our renewals with MVPDs. In addition, MVPDs and streaming services continue to develop alternative offerings for consumers, including "skinny bundles." To the extent these packages do not include our programming and become widely accepted in lieu of traditional program packages, we could experience a decline in affiliate revenues.

Similarly, our revenues are dependent on the compliance of major distributors with the terms of our affiliation or distribution agreements. As these agreements have grown in complexity, the number of disputes regarding the interpretation, and even validity, of the agreements has grown, resulting in greater uncertainty and, from time to time, litigation with respect to our rights and obligations. For example, some of our distribution agreements contain "most favored nation" ("MFN") clauses, which provide that if we enter into an agreement with a distributor and such agreement includes specified terms that are more favorable than those held by a distributor holding an MFN right, we must offer some of those terms to the distributor holding the MFN right. These clauses are generally complex and may lead to disagreement over their interpretation and application. Disagreements with a distributor on the interpretation or validity of an agreement could adversely impact our revenues from both affiliate fees and advertising, as well as our relationship with that distributor.

These factors could have an adverse effect on our business, financial condition or results of operations.

***The integration of the CBS and Viacom businesses may not be successful or may be more difficult, time consuming or costly than expected. Synergies and other benefits may not be realized within the expected time frames, or at all. Operating costs, customer loss and business disruption may be greater than expected and revenues may be lower than expected following the Merger. Our ongoing investment in new businesses, products, services and technologies present many risks, and we may not realize the financial and strategic goals we had contemplated.***

Our ability to realize the anticipated benefits of the Merger will depend, to a large extent, on our ability to integrate the businesses of the combined companies in a manner that facilitates growth opportunities and achieves the projected standalone cost savings and revenue growth trends that have been identified without adversely affecting current revenues and investments in future growth. The failure to meet the challenges involved in combining CBS' and Viacom's businesses following the Merger and to realize the anticipated benefits of the Merger, including expected synergies, could cause an interruption of, or a loss of momentum in, the activities of ViacomCBS and could adversely affect the results of operations of ViacomCBS. The overall combination of our businesses may also result in material unanticipated problems, expenses, liabilities, competitive responses, and loss of customer and other business relationships. The difficulties of combining the operations of the companies include, among others:

- the diversion of management attention to integration matters;
- difficulties in integrating operations and systems, including administrative and information technology infrastructure and financial reporting and internal control systems;
- challenges in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies;
- difficulties in integrating employees and attracting and retaining key personnel, including talent;
- challenges in retaining existing, and obtaining new customers, viewers, suppliers, distributors, licensors, employees and others, including material content providers, studios, producers, directors, actors, authors and other talent, and advertisers;
- difficulties in achieving anticipated cost savings, synergies, business opportunities, financing plans and growth prospects from the combination;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- challenges in continuing to develop valuable and widely accepted content and technologies;
- contingent liabilities that are larger than expected; and
- potential unknown liabilities, adverse consequences and unforeseen increased expenses associated with the Merger.

In addition, even if our operations are integrated successfully, the full benefits of the Merger may not be realized, including, among others, the synergies, cost savings or sales or growth opportunities that are expected. These benefits may not be achieved within the anticipated time frame or at all. Further, additional unanticipated costs may be incurred in the integration of our businesses. Many of these factors are outside of our control, and any one of them could result in lower revenues, higher costs and diversion of management time and energy, which could materially impact our business, financial condition and results of operations.

In the past, we have acquired and invested, and expect to continue to acquire and invest, in new businesses, products, services and technologies as part of our ongoing strategic initiatives. Such acquisitions and strategic initiatives may involve significant risks and uncertainties, including the types described above as well as insufficient revenues from such investments to offset any new liabilities assumed and expenses associated with the new



investments, unidentified issues not discovered in our due diligence that could cause us to fail to realize the anticipated benefits of such investments and incur unanticipated liabilities and a failure to successfully further develop an acquired business or technology. Because new investments are inherently risky, and the anticipated benefits or value of these investments may not materialize, no assurance can be given that such investments and other strategic initiatives will not adversely affect our business, financial condition or results of operations.

***Service disruptions or failures of, or cybersecurity attacks upon, our or our service providers' networks, information systems and other technologies could result in the disclosure of confidential or valuable business or personal information, disruption of our businesses, damage to our brands and reputation, legal exposure and financial losses***

Networks, cloud services, information systems and other technologies, including technology systems used in connection with the production and distribution of our programming, films and other content by us or our third-party providers ("Systems"), are critical to our business activities, and shutdowns or service disruptions of, and cybersecurity attacks on, these Systems pose increasing risks. Such shutdowns, disruptions and attacks may be caused by third-party hacking of computers and Systems; dissemination of computer viruses, worms, malware, ransomware and other destructive or disruptive software; denial of service attacks and other bad acts; human error; and power outages, natural disasters, extreme weather, terrorist attacks or other similar events. Shutdowns, disruptions and attacks could have an adverse impact on us, our business partners, employees, advertisers, viewers and users of our content offerings, including degradation or disruption of service, loss of data and damage to equipment and data. Steps we take to add software and hardware, upgrade our Systems and network infrastructure, and improve the stability and efficiency of our Systems may not be sufficient to avoid shutdowns, disruptions and attacks. Significant events could result in a disruption of our operations and reduction of our revenues, the loss of or damage to the integrity of data used by management to make decisions and operate our businesses, viewer or advertiser dissatisfaction or a loss of viewers or advertisers, and damage to our reputation or brands.

We operate communications and computer hardware Systems located both in our facilities and that of third-party providers. In addition, we use third-party "cloud" computing services in connection with our business operations. We also use content delivery networks to help us stream programming, films and other content in high volume to viewers and users of our online, mobile and app offerings over the internet. Problems faced by us, our hosting providers, our third-party "cloud" computing or other network providers, including technological or business-related disruptions, as well as cybersecurity attacks and regulatory interference, could result in a disruption of our operations and reduction of our revenues, adversely impact the experience of our viewers and users, and could damage our reputation and brands.

We are subject to risks caused by the misappropriation, misuse, falsification or intentional or accidental release or loss of business or personal data or programming content maintained in our or our third-party providers' Systems, including proprietary and personal information (of third parties, employees and users of our online, mobile and app offerings), business information including intellectual property, or other confidential information. Outside parties may attempt to penetrate our Systems or those of our third-party providers or fraudulently induce employees, business partners or users of our online, mobile and app offerings to disclose sensitive or confidential information in order to gain access to our data or our subscribers' or users' data, or our programming. The number and sophistication of attempted and successful information security breaches in the U.S. and elsewhere have increased in recent years, and because of our prominence, we and/or third-party providers we use may be a particularly attractive target for such attacks. Because the techniques used to obtain unauthorized access to, or disable, degrade or sabotage, these Systems change frequently and often are not recognized until launched, we may be unable to anticipate these techniques, implement adequate security measures or remediate any intrusion on a timely or effective basis. Moreover, the development and maintenance of security measures is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Despite our efforts, the possibility of these events occurring cannot be eliminated.

If a material breach of our Systems or those of our third-party providers occurs, the market perception of the effectiveness of our security measures could be harmed, we could lose subscribers, viewers, advertisers and other

business partners, and users of our online, mobile and app offerings; and our reputation, brands and credibility could be damaged; and we could be required to expend significant amounts of money and other resources to repair or replace such Systems or to comply with regulatory requirements. We could also be subject to actions by regulatory authorities and claims asserted in private litigation. The costs relating to any data breach could be material, and we may not have adequate insurance coverage to compensate us for any losses associated with such events.

Each of these factors could have an adverse effect on our reputation, business, financial condition or results of operations.

***We are subject to complex, often inconsistent and potentially costly laws, rules, regulations, industry standards and contractual obligations relating to privacy and personal data protection***

We are subject to laws, rules and regulations in the U.S. and in other countries relating to privacy and the collection, use and security of personal data. In the EU, for example, the GDPR mandates data protection compliance obligations and authorizes significant fines for noncompliance, requiring significant compliance resources and efforts on our part. Further, a number of other regions where we do business have enacted or are considering new data protection regulations that may impact our business activities. In the U.S., the California Consumer Privacy Act, which went into effect on January 1, 2020, creates a host of new obligations for businesses regarding how they handle the personal information of California residents. We are also subject to laws and regulations intended specifically to protect the interests of children and the privacy of minors online, including COPPA in the U.S. and the GDPR in the EU, and we have been required to limit some functionality on our websites and apps as a result of these regulations. Such regulations also restrict the types of advertising we are able to sell on these sites and apps and impose strict liability on us for certain actions of ViacomCBS, advertisers and other third parties, which could affect advertising demand and pricing. We will continue to expend resources to comply with data protection and privacy standards imposed by law, industry standards or contractual obligations, which may be inconsistent with one another, and despite such efforts we may face regulatory and other legal actions. See “Regulation and Protection of our Intellectual Property—Certain Other Regulations Affecting Our Business—Global Data Protection Laws and Children’s Privacy Laws.”

Each of these factors could have an adverse effect on our reputation, business, financial condition or results of operations.

***The failure, destruction and/or breach of satellites and facilities that we depend upon to distribute our programming could adversely affect our business, financial condition or results of operations***

We use satellite systems, fiber and other methods to transmit our programs and program services to broadcast television and cable television operators and other distributors worldwide. The distribution facilities include uplinks, communications satellites and downlinks. Notwithstanding certain back-up and redundant systems, transmissions may be disrupted as a result of power outages, natural disasters, extreme weather, terrorist attacks, cyber attacks, failures or impairments of communications satellites or on-ground uplinks or downlinks used to transmit programming or other similar events. Currently, there are a limited number of communications satellites available for the transmission of programming, and if a disruption occurs, we may not be able to secure alternate distribution facilities in a timely manner. There can be no assurance that such failure or disruption would not have an adverse effect on our business, financial condition or results of operations.

***Theft of our content, including digital copyright theft and other unauthorized uses of our content, reduces revenue received from legitimate distribution of our programming, films, books and other entertainment content and adversely affects our business, financial condition or results of operations***

The success of our businesses depends in part on our ability to maintain and monetize our intellectual property rights. We are fundamentally a content company and theft of our content - specifically, the infringement of our films and home entertainment products, television programming, digital content, books and other intellectual property rights - affects us and the value of our content. Intellectual property theft is particularly prevalent in many parts of the world that either lack effective laws and technical protection measures similar to those existing in the U.S. and Europe or

lack effective enforcement of such measures, or both. Such foreign copyright theft often creates a supply of pirated content for major markets as well. The interpretation of copyright, trademark and other intellectual property laws as applied to our content, and our infringement-detection and enforcement efforts, remain in flux, and some methods of enforcement have encountered political opposition. The failure to appropriately enforce and/or the weakening of existing intellectual property laws could make it more difficult for us to adequately protect our intellectual property and thus negatively affect its value.

Content theft is made easier by the wide availability of higher bandwidth and reduced storage costs, as well as tools that undermine encryption and other security features and enable infringers to cloak their identities online. We and our numerous production and distribution partners operate various technology systems in connection with the production and distribution of our programming and films, and intentional or unintentional acts could result in unauthorized access to our content. The continuing proliferation of digital formats and technologies heightens this risk. The unauthorized distribution and consumption of our content through a wide array of platforms and devices remain problematic and an ever-present challenge, as Internet-connected televisions, set-top boxes and mobile devices are ubiquitous and many can support illegal re-transmission platforms, illicit video-on-demand/streaming services and pre-loaded hardware, providing more accessible, versatile and legitimate-looking environments for consuming pirated film and television content. Unauthorized access to our content could result in the premature release of films, television programs or other content as well as a reduction in legitimate audiences, which would likely have significant adverse effects on the value of the affected content and our ability to monetize our content.

Copyright theft has an adverse effect on our business because it reduces the revenue that we are able to receive from the legitimate sale and distribution of our content, undermines lawful distribution channels, reduces the public's and some affiliate partners' perceived value of our content and inhibits our ability to recoup or profit from the costs incurred to create such content. While legal protections exist, piracy and technological tools with which to engage in copyright theft continue to escalate, evolve and present challenges for enforcement. We are actively engaged in enforcement and other activities to protect our intellectual property, and it is likely that we will continue to expend substantial resources in connection with these efforts. Efforts to prevent the unauthorized reproduction, distribution and exhibition of our content may affect our profitability and may not be successful in preventing harm to our business and may have an adverse effect on our business, financial condition or results of operations.

***Political and economic conditions in a variety of markets around the world could have an adverse effect on our business, financial condition or results of operations***

Our businesses operate and have audiences, customers and partners worldwide, and we are focused on expanding our international operations in key markets, some of which are emerging markets. For that reason, economic conditions in many different markets around the world affect a number of aspects of our businesses, in particular revenues in both domestic and international markets derived from advertising sales, theatrical releases, home entertainment distribution, television licensing and sales of consumer products. Economic conditions in each market can also impact our audience's discretionary spending and therefore their willingness to access our content, as well as the businesses of our partners who purchase advertising on our networks, causing them to reduce their spending on advertising. We may also be subject to longer payment cycles. In addition, as we have expanded our international operations, our exposure to foreign currency fluctuations against the U.S. dollar (compared to, for example, the Argentinian peso, the British pound and the Euro, among others) has increased. Such fluctuations could have an adverse effect on our business, financial condition or results of operations, and there is no assurance that downward trending currencies will rebound or that stable currencies will remain stable in any period.

Our businesses are also exposed to certain political risks inherent in conducting a global business, including retaliatory actions by governments reacting to changes in the U.S. and other countries, including in connection with trade negotiations; issues related to the presence of corruption in certain markets and enforcement of anti-corruption laws and regulations; increased risk of political instability in some markets as well as conflict and sanctions preventing us from accessing those markets; escalating trade, immigration and nuclear disputes; wars, acts of terrorism or other hostilities; and other political, economic or other uncertainties.

The UK left the EU on January 31, 2020. It is now in a ‘transition period’ scheduled to end on December 31, 2020 that allows the negotiation of a future UK-EU trade relationship while remaining part of the EU Single Market. Depending on the ultimate terms of a trade deal, the UK could lose access to the single EU market and to the global trade deals negotiated by the EU on behalf of its members. It is possible that the UK could revert to World Trade Organization terms if no deal is reached. The effects of Brexit and the on-going trade negotiations may continue to adversely affect business activity, political stability and economic and market conditions in the UK, the Eurozone, the EU and elsewhere and contribute to instability in global financial and foreign exchange markets, including volatility in the value of the Euro and the British Pound. A new trade deal, or no deal at all, could lead to additional political, legal and economic instability and uncertainty in the EU, including changes in the regulatory environment, which could impact our ability to use UK law under “country of origin” rules for programming in the EU, potential trade barriers between the UK and the EU and between the UK and other countries, and potential content production quota regulations. Given that a portion of our business is conducted in the EU, including the UK, any of these effects of Brexit and a trade deal, and others we cannot anticipate, could have an adverse effect on our business, financial condition or results of operations.

These political and economic risks could create instability in any of the markets where our businesses derive revenues, which could result in a reduction of revenue or loss of investment that adversely affects our businesses, financial condition or results of operations.

***Changes in U.S. or foreign laws or regulations may have an adverse effect on our business, financial condition or results of operations***

Our program services, filmed entertainment and online, mobile and app properties are subject to a variety of laws and regulations, both in the U.S. and/or in the foreign jurisdictions in which we or our partners operate, including relating to intellectual property, content regulation, user privacy, data protection, anti-corruption, repatriation of profits, tax regimes, quotas, tariffs or other trade barriers, currency exchange controls, operating license and permit requirements, restrictions on foreign ownership or investment, export and market access restrictions, and exceptions and limitations on copyright and censorship, among others.

The television broadcasting and distribution industries in the U.S. are highly regulated by U.S. federal laws and regulations issued and administered by various federal agencies, including the FCC. For example, we are required to obtain licenses from the FCC to operate our television stations. It cannot be assured that the FCC will approve our future renewal applications or that the renewals will be for full terms or will not include conditions or qualifications. The non-renewal, or renewal with substantial conditions or modifications, of one or more of our licenses could have a material adverse effect on our revenues. We must also comply with extensive FCC regulations and policies in the ownership and operation of our television stations and our television networks, which prohibit common ownership of two or more of the top four television networks and limit the number of television stations that a licensee can own in a market and the number of television stations that can be owned in the U.S., which could restrict our ability to consummate future transactions and in certain circumstances could require us to divest some television stations. Our programming directed towards children is subject to a number of additional regulations. For example, privacy regulations make it difficult to measure online viewership by children. The threat of regulatory action or increased scrutiny that deters certain advertisers from advertising or reaching their intended audiences could adversely affect advertising revenue.

The U.S. Congress and the FCC currently have under consideration, and may in the future adopt, new laws, regulations, and policies regarding a wide variety of matters that could, directly or indirectly, affect the operation and ownership of our television properties. For example, from time to time, proposals have been advanced in the U.S. Congress and at the FCC to require television stations to provide advertising time to political candidates for free or at a reduced charge. Any restrictions on advertising may adversely affect our advertising revenues. Changes to the media ownership and other FCC rules may affect the competitive landscape in ways that could increase the competition faced by us. Proposals have also been advanced from time to time before the U.S. Congress and the FCC to extend the program access rules (currently applicable only to those cable program services which also own or are owned in whole or in part by cable distribution or telephone company systems) to all cable program services. Our ability to

obtain the most favorable terms available for our content could be adversely affected should such an extension be enacted into law. It is difficult to predict the likelihood or impact of any proposed actions by the U.S. Congress or the FCC on our television properties.

Laws in some non-U.S. jurisdictions differ in significant respects from those in the U.S., and the enforcement of such laws can be inconsistent and unpredictable, which could impact our ability to expand our operations and undertake activities that we believe are beneficial to our business. In addition, changes in or new interpretations of international laws and regulations governing the broadcast and distribution of content, competition and the Internet, including those affecting data privacy, as well as the new EU law requiring 30% local content on SVOD services and proposed amendments to the law governing territorial exclusivity of the distribution of content in Europe, may have an adverse impact on our international businesses and digital properties.

Our businesses are also subject to laws and regulations in the U.S. and internationally governing the collection, use, sharing, protection and retention of personal data, which has implications for how such data is managed. For example, GDPR expands the regulation of personal data processing throughout the EU and significantly increases penalties for non-compliance. Complying with these laws and regulations could be costly, require us to change our business practices, or limit or restrict aspects of our business in a manner adverse to our business operations. Many of these laws and regulations continue to evolve, and substantial uncertainty surrounds their scope and application. Our failure to comply could result in exposure to enforcement by U.S. or foreign governments, as well as significant negative publicity and reputational damage.

Our businesses could be adversely affected by new laws and regulations, changes in existing laws, changes in interpretations of existing laws by courts and regulators and the threat that additional laws or regulations may be forthcoming, as well as our ability to enforce our legal rights. We could be required to change or limit certain of our business practices, which could impact our ability to generate revenues. We could also incur substantial costs to comply with new and existing laws and regulations, or substantial fines and penalties or other liabilities if we fail to comply with such laws and regulations.

***Vigorous enforcement or modification of FCC indecency and other program content rules against the broadcast and cable industries could have an adverse effect on our businesses and results of operations***

The FCC's rules prohibit the broadcast of obscene material at any time and indecent or profane material on television stations between the hours of 6 a.m. and 10 p.m. Broadcasters risk violating the prohibition against broadcasting indecent material because of the vagueness of the FCC's indecency/profanity definition, coupled with the spontaneity of live programming. The FCC enforces its indecency rules against the broadcasting industry. The FCC has found on a number of occasions that the content of television broadcasts has contained indecent material. In such instances, the FCC issued fines or advisory warnings to the offending licensees. Moreover, the FCC has in some instances imposed separate fines for each allegedly indecent "utterance," in contrast with its previous policy, which generally considered all indecent words or phrases within a given program as constituting a single violation. Broadcasting indecent material could result in fines per station of a maximum of approximately \$415,000 per utterance and/or the loss of a station's FCC license. If the FCC denied a license renewal or revoked the license for one of our television stations, we would lose our authority to operate the station. The determination of whether content is indecent is inherently subjective and, as such, it can be difficult to predict whether particular content could violate indecency standards. The difficulty in predicting whether individual programs, words or phrases may violate the FCC's indecency rules adds significant uncertainty to our ability to comply with the rules. Violation of indecency rules could lead to sanctions which may adversely affect our businesses and results of operations. Some policymakers support the extension of the indecency rules that are applicable to over-the-air broadcasters to cover cable and satellite programming and/or attempts to increase enforcement of or otherwise expand existing laws and rules. If such an extension, attempt to increase enforcement or other expansion took place and were found to be constitutional, some of our cable content could be subject to additional regulation and might not be able to attract the same subscription and viewership levels.

***We could be subject to material liabilities as a result of adoption of or changes in tax laws, regulations and administrative practices, interpretations and policies***

We are subject to taxation in the U.S. and numerous international jurisdictions. Our tax rates are impacted by the tax laws, regulations and administrative practices, interpretations and policies in the federal, state and local and international territories where our businesses operate, and these rates may be subject to significant change. Our tax returns are routinely audited and litigation, adverse outcomes, or settlements may occur because tax authorities may disagree with certain positions we have taken, including our methodologies for intercompany arrangements. Additionally, shifting economic and political conditions may result in significant changes to tax policies, laws or tax rates in various jurisdictions. Such changes, litigation, adverse outcomes, or audit settlements may result in the recognition of additional charges to our income tax provision in any given period and may adversely affect our effective income tax rate or cash payments and may therefore adversely affect our business, financial condition or results of operations.

***Volatility and weakness in capital markets may adversely affect our credit availability and related financing costs***

Bank and capital markets can experience periods of volatility and disruption. If the disruption in these markets is prolonged, our ability to refinance, and the related cost of refinancing, some or all of our debt could be adversely affected. Although we can currently access the bank and capital markets, there is no assurance that such markets will continue to be a reliable source of financing for us. In addition, our access to and cost of borrowing can be affected by our short- and long-term debt ratings assigned by ratings agencies. In addition, the interest rates included in certain agreements that govern certain of our debt securities and/or credit facilities may be based on the London Interbank Offered Rate (“LIBOR”). In the future, use of LIBOR may be discontinued and we cannot be certain how long LIBOR will continue to be a viable benchmark interest rate. Use of alternative interest rates could result in increased borrowing costs or volatility in the markets and interest rates. These factors, including the tightening of credit markets, or a decrease in our debt ratings, could adversely affect our ability to obtain cost-effective financing.

***We could be adversely affected by strikes and other union activity***

We and our business partners engage the services of writers, directors, actors, musicians and other talent, production crew members, trade employees, players in sports leagues and others who are subject to industry-wide or specially-negotiated collective bargaining agreements, and occasionally individual agreements. The Alliance of Motion Picture and Television Producers (AMPTP) is a multi-employer trade association that, along with and on behalf of hundreds of member companies including Paramount Pictures and CBS Studios, negotiates the industry-wide collective bargaining agreements with these parties, and we may lack practical control over the negotiations and terms of the agreements. The Writers Guild of America contract expires on May 1, 2020, and the Directors Guild of America and Screen Actors Guild-American Federation of Television and Radio Artists contracts expire on June 30, 2020. The AMPTP expects to negotiate successor deals with these guilds and unions in the coming months. Any labor disputes that arise may disrupt our operations and cause delays in the production of our programming, and we may not be able to negotiate favorable terms for a renewal, which could increase our costs. Depending on its duration, any lockout, labor dispute, strike or work stoppage could have an adverse effect on our revenues, cash flows and/or operating income and/or their timing.

***Our revenues, expenses and operating results may vary based on the timing, mix, number and availability of our films and other programming and on seasonal factors***

Our revenues, expenses and operating results fluctuate due to the timing, mix, number and/or availability of our theatrical films, home entertainment releases and programs for licensing. For example, our operating results may increase or decrease during a particular period relative to the corresponding period in the prior year due to differences in the number and/or mix of films released, the commencement of a license period or the timing of delivery of programming to licensees for exhibition. Our operating results also fluctuate due to the timing of the recognition of marketing expenses, which are generally incurred before and throughout the theatrical release of a film, with the recognition of related revenues through the film’s theatrical exhibition and subsequent distribution windows.

Our business also has experienced and is expected to continue to experience seasonality due to, among other things, seasonal advertising patterns and seasonal influences on audiences' viewing, reading and attendance habits. Typically, our revenue from advertising is highest in the first and fourth quarters. In the *Cable Networks* segment, advertising is typically highest in the fourth quarter due to the holiday season, among other factors. In the *TV Entertainment* segment, advertising revenues benefit principally in the first quarter of the years in which we telecast the Super Bowl and NCAA Division I Men's Basketball Tournament National Semifinals and Championship and in the fourth quarter due to the holiday season and, in even-numbered years, advertising placed by candidates for political offices. Revenues from the *Filmed Entertainment* segment's theatrical film releases tend to be cyclical with increases during the summer. The *Publishing* segment is subject to increased periods of demand during the summer and year-end holiday season. The effects of these variances make it difficult to estimate future operating results based on the previous results of any specific quarter.

***We could suffer losses due to asset impairment charges for goodwill, intangible assets, FCC licenses and programming***

We test goodwill and indefinite-lived intangible assets, including FCC licenses, for impairment on an annual basis and between annual tests if events or circumstances require an interim impairment assessment. Certain future events and circumstances, including deterioration of market conditions, higher cost of capital, a decline in advertising markets, a decrease in audience acceptance of our programming or films, a shift by advertisers to competing advertising platforms and/or changes in consumer behavior could result in a downward revision in the estimated fair value of a reporting unit or intangible assets, including FCC licenses, which could result in a non-cash impairment charge. Any such impairment charge for goodwill, intangible assets and/or programming could have a material adverse effect on our reported net earnings.

***Our liabilities related to discontinued operations and former businesses could adversely impact our financial conditions***

We have both recognized and potential liabilities and costs related to discontinued operations and former businesses, certain of which are unrelated to the media business, including leases, guarantees, environmental liabilities, liabilities related to the pensions and medical expenses of retirees, asbestos liabilities, contractual disputes and other pending and threatened litigation. We cannot be assured that our accruals for these matters are sufficient to cover these liabilities in their entirety or any one of these liabilities when it becomes due or at what point any of these liabilities may come due. Therefore, there can be no assurances that these liabilities will not have a material adverse effect on our financial position, operating performance or cash flow.

***Risks Relating to NAI's Voting Control of ViacomCBS and Pledged Shares***

***NAI, through its voting control of ViacomCBS, will be in a position to control actions that require stockholder approval***

NAI, through its direct and indirect ownership of our Class A Common Stock, has voting control of ViacomCBS. At December 31, 2019, NAI directly or indirectly owned approximately 79.4% of the shares of our Class A Common Stock outstanding, and approximately 10.2% of the shares of our Class A Common Stock and our Class B Common Stock outstanding on a combined basis. Sumner M. Redstone is the beneficial owner of the controlling interest in NAI and, accordingly, beneficially owns all such shares. Mr. Redstone is the controlling stockholder, Chairman of the Board of Directors and Chief Executive Officer of NAI. Shari E. Redstone, the President and a director of NAI, serves as non-executive Chair of the ViacomCBS Board of Directors (the "ViacomCBS Board"). NAI is controlled by Mr. Redstone through the Sumner M. Redstone National Amusements Trust (the "SMR Trust"), which owns 80% of the voting interest of NAI, and such voting interest of NAI held by the SMR Trust is voted solely by Mr. Redstone until his incapacity or death. The SMR Trust provides that in the event of Mr. Redstone's death or incapacity, voting control of the NAI voting interest held by the SMR Trust will pass to seven trustees, who will include Ms. Redstone. No member of our management is a trustee of the SMR Trust.

Subject to the terms of the Governance Agreement dated as of August 13, 2019, which is incorporated by reference as an exhibit in this Annual Report on Form 10-K, NAI is in a position to control the outcome of corporate actions that require, or may be accomplished by, stockholder approval, including amending ViacomCBS' bylaws, the election or removal of directors and transactions involving a change of control. For example, the ViacomCBS bylaws provide that:

- the affirmative vote of not less than a majority of the aggregate voting power of all outstanding shares of our capital stock then entitled to vote generally in an election of directors, voting together as a single class, is required for our stockholders to amend, alter, change, repeal or adopt any of our bylaws;
- any or all of our directors may be removed from office at any time prior to the expiration of his or her term of office, with or without cause, only by the affirmative vote of the holders of record of outstanding shares representing at least a majority of all the aggregate voting power of outstanding shares of our Common Stock then entitled to vote generally in the election of directors, voting together as a single class at a special meeting of our stockholders called expressly for that purpose; provided that during the two-year period following the closing date of the ViacomCBS Merger, the removal of our Chief Executive Officer requires the approval of the ViacomCBS Board by the "Requisite Approval" (as defined in the ViacomCBS certificate of incorporation incorporated by reference as an exhibit in this Annual Report on Form 10-K); provided further, that during the two-year period following the closing date, NAI and NAI Entertainment Holdings LLC are not permitted to remove any other persons who were members of the ViacomCBS Board at the effective time of the Merger in accordance with the Merger Agreement or who otherwise become members the ViacomCBS Board (other than any of the NAI Affiliated Directors (as defined in the bylaws)) without the Requisite Approval; and
- in accordance with the General Corporation Law of the State of Delaware, our stockholders may act by written consent without a meeting if such stockholders hold the number of shares representing not less than the minimum number of votes that would be necessary to authorize or take such actions at a meeting at which all shares entitled to vote thereon were present and voted.

Accordingly, ViacomCBS stockholders who may have different interests are unable to affect the outcome of any such corporate actions for so long as NAI retains voting control. For more information, see the Governance Agreement incorporated by reference as an exhibit in this Annual Report on Form 10-K.

***Sales of NAI's shares of ViacomCBS Common Stock, some of which are pledged to lenders, could adversely affect the stock price***

At December 31, 2019, NAI directly or indirectly owned approximately 79.4% of the shares of our Class A Common Stock outstanding, and approximately 10.2% of the shares of our Class A Common Stock and our Class B Common Stock outstanding on a combined basis. Based on information received from NAI, NAI has pledged to its lenders a portion of shares of our Class A Common Stock and our Class B Common Stock owned directly or indirectly by NAI.

At December 31, 2019, the aggregate number of shares of our Common Stock pledged by NAI to its lenders represented approximately 4.1% of the total outstanding shares of our Class A Common Stock and our Class B Common Stock, on a combined basis. At December 31, 2019, the amount of our Class A Common Stock that NAI directly or indirectly owned and that was not pledged by NAI to its lenders represented approximately 64.0% of the total outstanding shares of our Class A Common Stock.

If there is a default on NAI's debt obligations and the lenders foreclose on the pledged shares, the lenders may not effect a transfer, sale or disposition of any pledged shares of our Class A Common Stock, unless NAI and its affiliates beneficially own 50% or less of our Class A Common Stock then outstanding or such shares have first been converted into our Class B Common Stock. A sale of the pledged shares could adversely affect our Common Stock share price. In addition, there can be no assurance that at some future time NAI will not sell or pledge additional shares of our Common Stock, which could adversely affect our Common Stock share price.



**Item 1B. Unresolved Staff Comments.**

Not applicable.

**Item 2. Properties.**

Our principal physical properties are described below. In addition, we own and lease office, studio, production and warehouse space and broadcast, antenna and satellite transmission facilities throughout the U.S. and around the world for our businesses. We consider our properties adequate for our present needs.

**ViacomCBS**

- Our world headquarters is located at 1515 Broadway, New York, New York, where we lease approximately 1.4 million square feet for executive, administrative and business offices for the Company and certain of our operating divisions. The lease runs through 2031, with two renewal options based on market rates at the time of renewal for ten years each.
- We also own a building at 51 West 52nd Street, New York, New York containing approximately 892,000 square feet of space. Of the 855,000 square feet of office space in the building, we occupy approximately 270,000 square feet and lease the balance to third parties. We have retained a real estate brokerage firm to explore a possible sale of this property.
- We maintain facilities for our Global Business Services Center at our offices in Budapest, Hungary, where we lease approximately 44,000 square feet of space through 2023, and at our offices in Warsaw, Poland, where we lease approximately 50,000 square feet of space through 2025.

**TV Entertainment**

- We own the CBS Broadcast Center complex located on approximately 3.7 acres at 524 West 57th Street, New York, New York, which consists of approximately 860,000 square feet of office and studio space.
- We own studio facilities at the CBS Studio Center at 4024 Radford Avenue, Studio City, California, located on approximately 40 acres.
- CBS Interactive occupies approximately 193,000 square feet of space at 235 Second Street, San Francisco, California, under a lease expiring in 2022.
- We occupy approximately 106,000 square feet of office, production and technical space at Television City, 7800 Beverly Boulevard, Los Angeles, California under a lease expiring in 2024.

**Cable Networks**

In addition to occupying space at 1515 Broadway in New York, we occupy the following major office facilities:

- Our Cable Networks business occupies approximately 277,000 square feet of office and production space at 345 Hudson Street, New York, New York, under a lease expiring in 2022.
- Our Cable Networks business occupies approximately 210,000 square feet of office and production space at 1575 North Gower Street, Los Angeles, California, under a lease expiring in 2028.

- Our Cable Networks' Network Operations Center in Hauppauge, New York contains approximately 65,000 square feet of floor space on approximately nine acres of owned land.
- The Nickelodeon Animation Studio at 203-231 West Olive Avenue, Burbank, California contains approximately 180,000 square feet of studio and office space, leased under two leases expiring in 2036.
- Nickelodeon's Live Action Studio contains approximately 108,000 square feet of stage and office space at Burbank Studios, 3000 West Alameda Avenue, Burbank, California, under a lease expiring in 2024.
- Showtime Networks leases approximately 253,000 square feet at 1633 Broadway, New York, New York, under a lease expiring in 2026 and leases approximately 56,000 square feet at The Lot, 1041 N. Formosa Avenue, West Hollywood, California, under a lease expiring in 2028.
- Telefe occupies approximately 496,000 square feet of office, studio and production space, transmission facilities and for other ancillary uses at its owned and leased facilities in Buenos Aires, Argentina.
- ViacomCBS Networks International occupies approximately 140,000 square feet of space at its owned and leased Hawley Crescent facilities in London.
- Network 10 leases approximately 100,000 square feet of space at 1 Saunders Street, Pymont, New South Wales, Australia, under a lease expiring in 2023.

### **Filmed Entertainment**

- Paramount owns the Paramount Pictures Studio situated at 5555 Melrose Avenue, Los Angeles, California, located on approximately 62 acres of land, and containing approximately 1.85 million square feet of floor space used for executive, administrative and business offices, sound stages, production facilities, theatres, equipment facilities and other ancillary uses. Paramount has embarked on a planned 25-year expansion and revitalization project for the studio.

### **Publishing**

- Simon & Schuster leases approximately 300,000 square feet of office space at 1230 Avenue of the Americas, New York, New York, under a lease expiring in 2034.

### **Item 3. *Legal Proceedings.***

The information set forth under the caption "Legal Matters" in Note 19 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements" is incorporated herein by reference.

### **Item 4. *Mine Safety Disclosures.***

Not applicable.

## OUR BOARD OF DIRECTORS

ViacomCBS' directors as of February 18, 2020 are as follows:

Name	Age	Position
Shari E. Redstone	65	Non-Executive Chair, Director
Robert M. Bakish	56	President and Chief Executive Officer, Director
Candace K. Beinecke	73	Director
Barbara M. Byrne	65	Director
Brian Goldner	56	Director
Linda M. Griego	72	Director
Robert N. Klieger	47	Director
Judith A. McHale	73	Director
Ronald L. Nelson	67	Director
Charles E. Phillips, Jr.	60	Director
Susan Schuman	60	Director
Nicole Seligman	63	Director
Frederick O. Terrell	65	Director

**Shari E. Redstone** has been a member of the ViacomCBS Board of Directors (the "Board") since January 1994. She has served as the Non-Executive Chair of our Board since December 2019 and, prior to that, served as Non-Executive Vice Chair of the Board beginning in 2005 and as Non-Executive Vice Chair of the board of Viacom beginning in 2006. 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 of NAI. Ms. Redstone brings to the Board her extensive experience in and a deep understanding of the entertainment industry, 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 is actively involved in a variety of charitable, civic, and educational organizations, including serving as a member of the board of trustees of The Paley Center for Media. She sits on the Board of Trustees of the Dana-Farber Cancer Institute. 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.

**Robert M. Bakish** has been our President and Chief Executive Officer and a member of our Board since December 2019. Mr. Bakish served as President and Chief Executive Officer and a member of the board of Viacom from December 2016 to December 2019, having served as Acting President and Chief Executive Officer beginning earlier in 2016. Mr. Bakish joined Viacom's predecessor ("Former Viacom") in 1997 and 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 extensive knowledge and deep understanding of the Viacom business and the entertainment industry through various leadership positions at Viacom spanning approximately 20 years and culminating with President and Chief Executive Officer, and broad expertise overseeing global operations. Mr. Bakish has served as a director of Avid Technology, Inc. since 2009.

**Candace K. Beinecke** has been a member of our Board since September 2018. Ms. Beinecke is the Senior Partner of Hughes Hubbard & Reed LLP, a New York law firm, and is a practicing partner in Hughes Hubbard's corporate department. In 1999, Ms. Beinecke became the first woman to Chair a major New York law firm. Ms. Beinecke also serves as the Lead Trustee of Vornado Realty Trust, the Chairperson of the Board of First Eagle Funds (a mutual fund)

family), and as a board member of ALSTOM (a public French transport company). As the long-time head of a top-ranked international law firm, Ms. Beinecke is well-recognized in the legal profession for her corporate governance and mergers and acquisitions expertise and brings to the Board extensive legal, governance, business and risk management experience. Ms. Beinecke's breadth of director experience, which includes service as a lead trustee and chairperson, as well as service on other nominating and governance committees, a remuneration committee and an executive committee, gives her a deep understanding of public company governance.

**Barbara M. Byrne** has been a member of our Board since September 2018. Ms. Byrne is the former Vice Chairman, Investment Banking at Barclays PLC. During her more than 35 years of financial services experience, Ms. Byrne served as team leader for some of Barclay's most important multinational corporate clients and was the primary architect of several of Barclays' marquee transactions. Widely recognized as a leading investment banker and strategic advisor, she is a member of various industry councils and participates as a forum leader on strategic issues and trends facing the financial services sector and global markets. With this experience, Ms. Byrne brings to the Board important business and financial expertise in its deliberations on complex transactions, risk management, strategy and other financial matters.

**Brian Goldner** has been a member of our Board since September 2018. Mr. Goldner has served as the Chief Executive Officer of Hasbro, Inc. since 2008, and additionally has served as its Chairman of the Board since May 2015. In addition to being Chief Executive Officer, from 2008 to 2016, Mr. Goldner was also the President of Hasbro. Besides being a member of Hasbro's board, he also served on the boards of The Gap, Inc. from 2016 to 2019 and Molson Coors Brewing Company from 2010 to 2016. Mr. Goldner brings to the Board significant leadership, operational and brand management experience from his executive positions at one of the leading public companies in his industry, where he was instrumental in transforming a traditional toy and game company into a global play and entertainment leader. With his direct experience in executing on strategies to differentiate Hasbro in a competitive global marketplace in response to industry evolution, he is well-positioned to advise on the strategic direction of the Company's businesses. Further, Mr. Goldner's service on other boards and board committees gives him a deep understanding of public company governance.

**Linda M. Griego** has been a member of our Board since March 2007. Ms. Griego has served, since 1986, as President and Chief Executive Officer of Griego Enterprises, Inc., a business management company. For more than 20 years, she oversaw the operations of Engine Co. No. 28, a prominent restaurant in downtown Los Angeles that she founded in 1988. From 1990 to 2000, Ms. Griego held a number of government-related appointments, including Deputy Mayor of the city of Los Angeles, President and Chief Executive Officer of the Los Angeles Community Development Bank, and President and Chief Executive Officer of Rebuild LA, the agency created to jump-start inner-city economic development following the 1992 Los Angeles riots. Over the past two decades, she has also served on a number of government commissions and boards of directors of nonprofit organizations, including current service on the boards of The Ralph M. Parsons Foundation, the MLK Health and Wellness, CDC, and the Charles R. Drew University of Medicine and Science. Ms. Griego has served as a director of publicly traded and private corporations, including serving as director of AECOM and the American Funds (7 funds). With the breadth of her leadership experience as a businesswoman, in the public sector through her multiple government appointments and extensive community-based participation in Los Angeles, an area where the Company has a significant presence, and on multiple not-for-profit boards, Ms. Griego provides the Board with financial and business acumen, as well as public policy expertise as it relates to business practices. Ms. Griego is also an experienced director, including through service on other audit, compensation and organization, and nominating and governance committees, with demonstrated expertise in the application of sound corporate governance principles.

**Robert N. Klieger** has been a member of our Board since July 2017. Mr. Klieger is a partner in the Los Angeles law firm Hueston Hennigan LLP. Mr. Klieger's practice focuses on complex civil litigation and counseling in the areas of entertainment and intellectual property. Mr. Klieger represents motion picture studios, broadcast and cable television networks, production companies, video game publishers and high net worth individuals in the media and entertainment space, as well as clients in other industries including apparel, aviation and venture capital. Prior to joining Hueston Hennigan, Mr. Klieger was a partner at Irell & Manella LLP and a founding partner at Kendall Brill & Klieger LLP. Before beginning his career in private practice, Mr. Klieger served as a law clerk to the Honorable

Cynthia Holcomb Hall of the United States Court of Appeals for the Ninth Circuit, and the Honorable William Matthew Byrne, Jr. of the United States District Court for the Central District of California. Mr. Klieger is recognized as one of the most prominent attorneys in the entertainment industry, with a practice focused on complex civil litigation and counseling in the areas of media, entertainment and intellectual property and clients that include leading enterprises in television, film and digital media. With his exceptional legal acumen and distinguished reputation for his trial practice and counsel, Mr. Klieger brings to the Board legal and strategic expertise in matters germane to the Company's businesses and complex business transactions.

**Judith A. McHale** has been a member of our Board since December 2019 and, prior to that, served on the board of Viacom from August 2016 to December 2019. Ms. McHale is President and Chief Executive Officer of Cane Investments, LLC, a private investment company. Prior to joining Cane Investments 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. Ms. McHale has 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. 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.

**Ronald L. Nelson** has been a member of our Board since December 2019 and served on the board of Viacom from August 2016 to December 2019. Mr. Nelson served as a consultant to Avis Budget Group, Inc. until May 2019. Prior to that, he served as Executive Chairman of the Board of Avis Budget Group from 2016 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 Candant 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 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 on the board of Hanesbrands Inc. since 2008 and as its Non-Executive Chairman since 2019, and on the board of Wyndham Hotels & Resorts, Inc. since 2019. He previously served on the board of Convergys.

**Charles E. Phillips, Jr.** has been a member of our Board since December 2019 and served on the board of Viacom from January 2006 to December 2019 and, prior to that, on the board of Former Viacom beginning in 2004. Mr. Phillips is Chairman of Infor, Inc., a multi-billion dollar enterprise software company and served as its Chief Executive Officer from 2010 to 2019. 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. Mr. Phillips has 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 the Viacom business. 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.

**Susan Schuman** has been a member of our Board since September 2018. Ms. Schuman is the Chief Executive Officer and Co-Founder of SYPartners LLC, a consultancy firm that partners with chief executive officers and their

leadership teams undergoing business and cultural transformation. Over the past 20 years, Ms. Schuman has built and led SYPartners, working with executives at many high-profile companies and organizations. This experience in advising on business, organization and cultural transformation, including new value creation strategies, positions Ms. Schuman as a skilled advisor to the Board on the strategic and transformational direction of the Company.

**Nicole Seligman** has been a member of our Board since December 2019 and, prior to that, served on the board of Viacom from August 2016 to December 2019. 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 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. Ms. Seligman has served on the board of Far Point Acquisition Corporation since 2018 and the board of MeiraGTx Holdings plc since 2019, and has been a Non-Executive Director of WPP plc since 2014 and its Senior Independent Director since 2016.

**Frederick O. Terrell** has been a member of our Board since December 2018. Mr. Terrell served as Executive Vice Chairman of Investment Banking and Capital Markets at Credit Suisse and later Senior Advisor from January 2018 to November 2018. From 2010 to 2017 he was Vice Chairman of Investment Banking and Capital Markets at Credit Suisse. His investment banking career began in 1983 as an Associate with The First Boston Corporation. During his accomplished career in the financial services sector spanning more than 25 years, Mr. Terrell was responsible for Credit Suisse's global banking relationships with some of its most high-profile clients. From 2000 to 2008 he was the Managing Partner of Provender Capital Group, LLC a private equity firm focusing on investments in emerging companies. He has served as a member of the Board of Directors of the New York Life Insurance Company, Wellchoice Inc. (formerly Empire Blue Cross Blue Shield) and Carver Bancorp, Inc. His experience also includes past and present service on multiple not-for-profit boards, including the Yale School of Management, The Partnership for New York City, The Partnership Fund for New York City, Coro New York Leadership Center, Big Brothers Big Sisters of New York City and the Center for a New American Security. He is a member of the Council on Foreign Relations, The Economic Club of New York and the Investment Committee of the Rockefeller Foundation. Based on his extensive banking and corporate advisory experience, Mr. Terrell brings significant business and financial expertise to the Board in its deliberations on corporate strategy, complex transactions and other financial matters.

## OUR EXECUTIVE OFFICERS

ViacomCBS' executive officers as of February 18, 2020 are as follows:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Robert M. Bakish	56	President and Chief Executive Officer, Director
Christa A. D'Alimonte	51	Executive Vice President, General Counsel and Secretary
Katherine Gill-Charest	55	Executive Vice President, Controller and Chief Accounting Officer
Richard M. Jones	54	Executive Vice President, General Tax Counsel and Chief Veteran Officer
Doretha (DeDe) Lea	55	Executive Vice President, Global Public Policy and Government Relations
Julia Phelps	42	Executive Vice President, Chief Communications and Corporate Marketing Officer
Nancy Phillips	52	Executive Vice President, Chief People Officer
Christina Spade	50	Executive Vice President, Chief Financial Officer

See "Our Board of Directors" for Mr. Bakish's biography.

**Christa A. D'Alimonte** has been our Executive Vice President, General Counsel and Secretary since December 2019. Prior to that, she served as Executive Vice President, General Counsel and Secretary of Viacom beginning in 2017, having previously served as Senior Vice President, Deputy General Counsel and Assistant Secretary of Viacom beginning in 2012. Prior to joining Viacom, Ms. D'Alimonte was a partner of Shearman & Sterling LLP, where she was Deputy Practice Group Leader of the Firm's Global Mergers & Acquisitions group. She first joined Shearman & Sterling in 1993 and became a partner in 2001.

**Katherine Gill-Charest** has been our Executive Vice President, Controller and Chief Accounting Officer since December 2019. Prior to that, she served as Senior Vice President, Controller and Chief Accounting Officer of Viacom beginning in 2010, having previously served as Senior Vice President, Deputy Controller of Viacom during 2010 and Vice President, Controller beginning in 2007. Prior to that, Ms. Gill-Charest was the Chief Accounting Officer of WPP Group from 2001 to 2007 and was the Vice President and Worldwide Controller of Young & Rubicam Inc. from 1998 to 2000. Ms. Gill-Charest also held roles in financial reporting and accounting policy at Time Warner Inc. from 1991 to 1998 and at NYNEX Corporation from 1988 to 1991 and served in the audit practice of Price Waterhouse for two years.

**Richard M. Jones** has been our Executive Vice President, General Tax Counsel and Chief Veteran Officer since August 2014. Prior to that, he served as Senior Vice President and General Tax Counsel of CBS Corporation beginning in 2006 and for Former Viacom beginning in 2005. Prior to that, he served as Vice President of Tax, Assistant Treasurer and Tax Counsel for NBC Universal, Inc. beginning in 2003 and he served 13 years with Ernst & Young in its media & entertainment and transaction advisory services practices. Mr. Jones served honorably as a non-commissioned officer in the U.S. Army's 75th Ranger Regiment and 10th Mountain Division.

**Doretha (DeDe) Lea** has been our Executive Vice President, Global Public Policy and Government Relations since December 2019. Prior to that, she served as Executive Vice President, Global Government Affairs of Viacom beginning in 2013, having previously served as Executive Vice President, Government Relations of Former Viacom beginning in 2005. Prior to that, she was Senior Vice President, Government Relations of Former Viacom beginning earlier in 2005. Prior to that, she served as Vice President of Government Affairs at Belo Corp. from 2004 to 2005 and as Vice President, Government Affairs of Former Viacom from 1997 to 2004.

**Julia Phelps** has been our Executive Vice President, Chief Communications and Corporate Marketing Officer since December 2019. Prior to that, she served as Executive Vice President, Communications, Culture and Marketing of Viacom beginning in 2017, having previously served as Senior Vice President, Communications and Culture of Viacom beginning earlier in 2017. Prior to that, she served as Executive Vice President of Communications for Viacom

International Media Networks beginning in 2012, after having served as Vice President of Corporate Communications for Viacom. Ms. Phelps joined Viacom in 2005 from DeVries Public Relations, a New York-based communications agency.

**Nancy Phillips** has been our Executive Vice President, Chief People Officer since December 2019. Prior to that, she served as Executive Vice President and Chief Human Resources Officer of Nielsen Holdings PLC beginning in 2017, having served as Executive Vice President and Chief Human Resources Officer of Broadcom Corporation from 2014 to 2016. From 2010 to 2014, Ms. Phillips was Senior Vice President, Human Resources for the Imaging and Printing Group at Hewlett-Packard Company, and previously served as Senior Vice President, Human Resources, Enterprise Services. From 2008 to 2010, Ms. Phillips served as Executive Vice President and Chief Human Resources Officer at Fifth Third Bancorp. Prior to that, Ms. Phillips spent 11 years at General Electric Company, holding various human resources positions. Ms. Phillips practiced law from 1993 to 1997.

**Christina Spade** has been our Executive Vice President, Chief Financial Officer since October 2018. Prior to that, she served as Executive Vice President, Chief Financial Officer and Strategy for Showtime Networks Inc. (“Showtime”) beginning in 2013. Previously, Ms. Spade served as Senior Vice President, Affiliate Finance and Business Operations for Showtime beginning in 2003. Prior to joining Showtime in 1997, Ms. Spade was an Audit Manager with PricewaterhouseCoopers LLP in its Entertainment, Media and Communications practice.



## Part II

### Item 5. *Market for ViacomCBS Inc.'s Common Equity, Related Stockholder Matters and Purchases of Equity Securities.*

Our voting Class A Common Stock and non-voting Class B Common Stock are listed and traded on the Nasdaq Stock Market LLC under the symbols "VIACA" and "VIAC", respectively.

On December 19, 2019, we declared a quarterly cash dividend of \$.24 per share on our Class A and Class B Common Stock, resulting in total dividends of \$150 million, which were paid on January 10, 2020. Prior to the Merger, Viacom and CBS each declared a quarterly cash dividend during each of the first three quarters of 2019 and during each of the four quarters of 2018 and 2017. During 2019, CBS declared total per share dividends of \$.54, resulting in total dividends of \$205 million. For each of the years ended December 31, 2018 and 2017, CBS declared total per share dividends of \$.72, resulting in total annual dividends of \$274 million and \$289 million, respectively. During 2019, Viacom declared total per share dividends of \$.60, resulting in total dividends of \$245 million. For each of the years ended December 31, 2018 and 2017, Viacom declared total per share dividends of \$.80, resulting in total annual dividends of \$325 million and \$323 million, respectively.

On February 12, 2020, we announced a quarterly cash dividend of \$.24 per share on our Class A and Class B Common Stock, payable on April 1, 2020. We currently expect to continue to pay a regular cash dividend to our stockholders.

In November 2010, we announced that our Board of Directors approved a program to repurchase \$1.5 billion of our common stock in open market purchases or other types of transactions (including accelerated stock repurchases or privately negotiated transactions). Since then, various increases totaling \$16.4 billion have been approved and announced, including most recently, an increase to the share repurchase program to a total availability of \$6.0 billion on July 28, 2016. Below is a summary of our purchases of our Class B Common Stock during the three months ended December 31, 2019.

<b>(in millions, except per share amounts)</b>	<b>Total Number of Shares Purchased</b>	<b>Average Price Per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Programs</b>	<b>Remaining Authorization</b>
October 1, 2019 - October 31, 2019	—	\$ —	—	\$ 2,457
November 1, 2019 - November 30, 2019	—	\$ —	—	\$ 2,457
December 1, 2019 - December 31, 2019	1.2	\$ 40.78	1.2	\$ 2,408
Total	<u>1.2</u>		<u>1.2</u>	\$ 2,408

As of February 14, 2020, there were approximately 2,227 record holders of our Class A Common Stock and approximately 31,784 record holders of our Class B Common Stock.

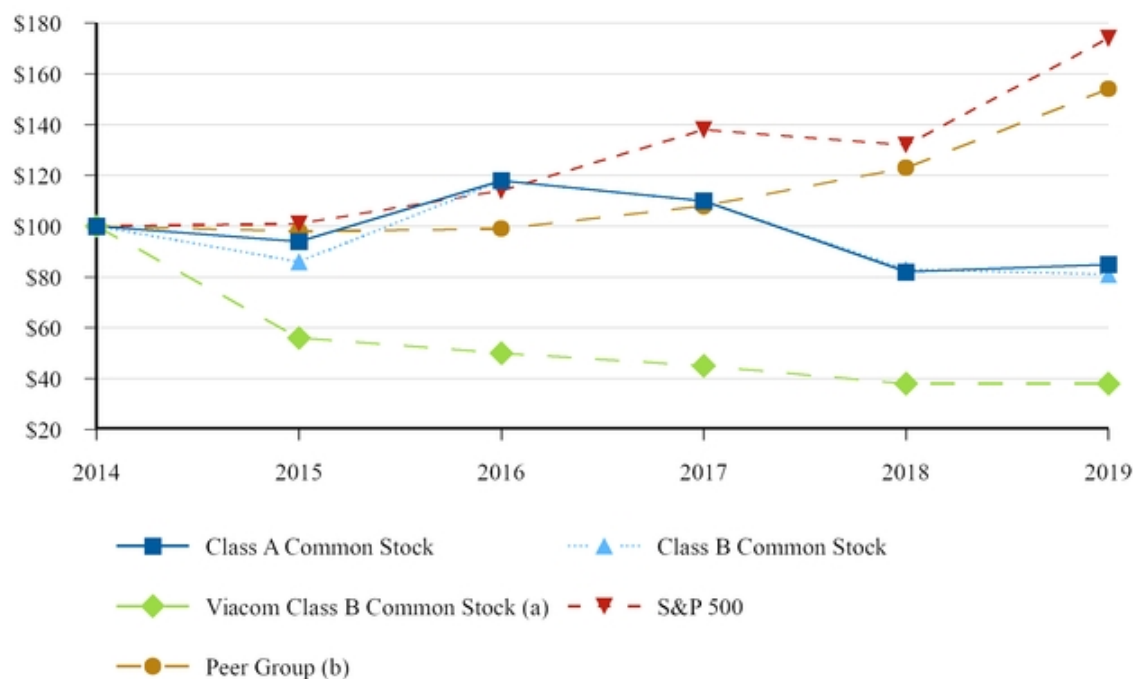
## Performance Graph

The following graph compares the cumulative total stockholder return of our Class A and Class B Common Stock with the cumulative total return on the companies listed in the Standard & Poor's 500 Stock Index ("S&P 500") and a Peer Group of companies identified below.

On December 4, 2019, Viacom Inc. ("Viacom") merged with and into CBS Corporation ("CBS"), with CBS continuing as the surviving company (the "Merger"). At the effective time of the Merger, the combined company changed its name to ViacomCBS Inc. Accordingly, the performance graph also includes Viacom Class B Common Stock.

The performance graph assumes \$100 invested on December 31, 2014 in each of our Class A and Class B Common Stock, Viacom's Class B Common Stock, the S&P 500 and the Peer Group identified below, including reinvestment of dividends, through the calendar year ended December 31, 2019.

**Total Cumulative Stockholder Return  
For Five-Year Period Ended December 31, 2019**



December 31,	2014	2015	2016	2017	2018	2019
Class A Common Stock	\$100	\$94	\$118	\$110	\$82	\$85
Class B Common Stock	\$100	\$86	\$118	\$110	\$83	\$81
Viacom Class B Common Stock <sup>(a)</sup>	\$100	\$56	\$50	\$45	\$38	\$38
S&P 500	\$100	\$101	\$114	\$138	\$132	\$174
Peer Group <sup>(b)</sup>	\$100	\$98	\$99	\$108	\$123	\$154

(a) At the effective time of the Merger, each share of Viacom Class B Common Stock was converted into 0.59625 shares of ViacomCBS Class B Common Stock. Accordingly, the performance graph reflects the performance of Viacom Class B Common Stock through December 4, 2019, the date of the Merger, and the performance of ViacomCBS Class B Common Stock from December 4, 2019 through December 31, 2019.

(b) The Peer Group consists of the following companies: The Walt Disney Company ("Disney"), Fox Corporation and Discovery Inc. In March 2019, Disney acquired Twenty-First Century Fox ("21st Century Fox") following the spin-off of Fox Corporation from 21st Century Fox. The performance graph reflects the performance of 21st Century Fox stock through the date of such transactions.

**Item 6. Selected Financial Data.**

**VIACOMCBS INC. AND SUBSIDIARIES**  
(In millions, except per share amounts)

	Year Ended December 31, <sup>(a)</sup>				
	2019 <sup>(c)</sup>	2018 <sup>(d)</sup>	2017 <sup>(e) (h)</sup>	2016 <sup>(f) (h)</sup>	2015 <sup>(g) (h)</sup>
Revenues	\$ 27,812	\$ 27,250	\$ 26,535	\$ 25,685	\$ 25,559
Operating income	\$ 4,273	\$ 5,204	\$ 5,341	\$ 5,297	\$ 5,708
Net earnings from continuing operations (ViacomCBS and noncontrolling interests)	\$ 3,301	\$ 3,460	\$ 3,320	\$ 2,970	\$ 3,506
Net earnings from continuing operations attributable to ViacomCBS	\$ 3,270	\$ 3,423	\$ 3,268	\$ 2,935	\$ 3,427
Net earnings from continuing operations per common share attributable to ViacomCBS					
Basic	\$ 5.32	\$ 5.55	\$ 5.11	\$ 4.32	\$ 4.75
Diluted	\$ 5.30	\$ 5.51	\$ 5.05	\$ 4.28	\$ 4.71
Dividends per common share:					
ViacomCBS Inc. (formerly CBS Corporation)	\$ .78	\$ .72	\$ .72	\$ .66	\$ .60
Viacom Inc. <sup>(b)</sup>	\$ .60	\$ .80	\$ .80	\$ 1.20	\$ 1.53
At Year End:					
Total assets	\$ 49,519	\$ 44,497	\$ 43,503	\$ 47,383	\$ 45,922
Total debt	\$ 18,719	\$ 19,113	\$ 20,351	\$ 21,675	\$ 21,015
Total ViacomCBS stockholders' equity	\$ 13,207	\$ 10,449	\$ 8,519	\$ 8,235	\$ 9,311
Total equity	\$ 13,289	\$ 10,503	\$ 8,600	\$ 8,286	\$ 9,369

(a) On December 4, 2019, Viacom Inc. ("Viacom") merged with and into CBS Corporation ("CBS"), with CBS continuing as the surviving company (the "Merger"). At the effective time of the Merger, the combined company changed its name to ViacomCBS Inc. The Merger has been accounted for as a transaction between entities under common control and therefore, the net assets of Viacom were combined with those of CBS at their historical carrying amounts and the companies have been presented on a combined basis for all periods presented.

(b) Amounts reflect the historical dividends of Viacom Inc. and have not been adjusted for the conversion to ViacomCBS shares in connection with the Merger.

(c) For 2019, the following items affected the comparability of results: costs for restructuring and other corporate matters, including costs related to the Merger, of \$775 million (\$641 million, net of tax); programming charges of \$589 million (\$447 million, net of tax); a gain on sale of assets of \$549 million (\$386 million, net of tax); and discrete tax benefits of \$827 million.

(d) For 2018, the following items affected the comparability of results: costs for restructuring and other corporate matters of \$490 million (\$374 million, net of tax); programming charges of \$162 million (\$123 million, net of tax); and discrete tax benefits of \$297 million.

(e) For 2017, the following items affected the comparability of results: restructuring charges of \$258 million (\$163 million, net of tax); programming charges of \$144 million (\$94 million, net of tax); a gain on sale of assets of \$146 million (\$130 million, net of tax); a gain on the sale of EPIX of \$285 million (\$189 million, net of tax); a pension settlement charge of \$352 million (\$237 million, net of tax); and discrete tax benefits of \$321 million.

(f) Results for 2016 included costs for restructuring and other corporate matters of \$286 million (\$182 million, net of tax) and a pension settlement charge of \$211 million (\$130 million, net of tax).

(g) Results for 2015 included programming charges of \$578 million (\$383 million, net of tax); costs for restructuring and other corporate matters of \$287 million (\$186 million, net of tax); and a gain on sale of assets of \$139 million (\$131 million, net of tax).

(h) On November 16, 2017, we completed the disposition of CBS Radio Inc. ("CBS Radio") through a tax-free split-off. CBS Radio has been presented as a discontinued operation in the consolidated financial statements for all periods presented.

**Item 7. Management’s Discussion and Analysis of Results of Operations and Financial Condition.**  
**(Tabular dollars in millions, except per share amounts)**

Management’s discussion and analysis of the results of operations and financial condition of ViacomCBS Inc. should be read in conjunction with the consolidated financial statements and related notes. References in this document to “ViacomCBS,” the “Company,” “we,” “us” and “our” refer to ViacomCBS Inc. and its consolidated subsidiaries, unless the context otherwise requires.

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

- *Overview*—The overview section provides a summary of ViacomCBS and our business and operational highlights.
- *Consolidated Results of Operations*—The consolidated results of operations section provides an analysis of our results on a consolidated basis for the three years ended December 31, 2019.
- *Segment Results of Operations*—The segment results of operations section provides an analysis of our results on a reportable segment basis for the three years ended December 31, 2019.
- *Liquidity and Capital Resources*—The liquidity and capital resources section provides a discussion of our cash flows for the three years ended December 31, 2019, and of our outstanding debt, commitments and contingencies existing as of December 31, 2019.
- *Critical Accounting Policies*—The critical accounting policies section provides detail with respect to accounting policies that are considered by management to require significant judgment and use of estimates and that could have a significant impact on our financial statements.
- *Legal Matters*—The legal matters section discusses our legal matters and other litigation to which we are a party.
- *Market Risk*—The market risk section discusses how we manage exposure to market and interest rate risks.

**Overview**

ViacomCBS is a leading global media and entertainment company that creates content and experiences for audiences worldwide.

*Merger with Viacom Inc.*

On December 4, 2019, Viacom Inc. (“Viacom”) merged with and into CBS Corporation (“CBS”), with CBS continuing as the surviving company (the “Merger”). At the effective time of the Merger (the “Effective Time”), the combined company changed its name to ViacomCBS Inc. (“ViacomCBS”).

At the Effective Time, (1) each share of Viacom Class A Common Stock issued and outstanding immediately prior to the Effective Time, other than shares held directly by Viacom as treasury shares or held by CBS, was converted automatically into 0.59625 shares of ViacomCBS Class A Common Stock, and (2) each share of Viacom Class B Common Stock issued and outstanding immediately prior to the Effective Time, other than shares held directly by Viacom as treasury shares or held by CBS, was converted automatically into 0.59625 shares of ViacomCBS Class B Common Stock (together with ViacomCBS Class A Common Stock, the “ViacomCBS Common Stock”). At the Effective Time, each share of CBS Class A Common Stock and each share of CBS Class B Common Stock (together with CBS Class A Common Stock, the “CBS Common Stock”) issued and outstanding immediately prior to the Effective Time, remained an issued and outstanding share of ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock, respectively, and was not affected by the Merger.

Following the Merger, the CBS Common Stock was delisted from the New York Stock Exchange and the Viacom Common Stock ceased trading on the Nasdaq Stock Market LLC (“Nasdaq”). On December 5, 2019, ViacomCBS

**Management’s Discussion and Analysis of  
Results of Operations and Financial Condition (Continued)  
(Tabular dollars in millions, except per share amounts)**

Class A Common Stock and ViacomCBS Class B Common Stock were listed on Nasdaq and began trading under the ticker symbols VIACA and VIAC, respectively.

The Merger is being accounted for as a transaction between entities under common control as National Amusements, Inc. (“NAI”) was the controlling stockholder of each of CBS and Viacom (and remains the controlling stockholder of ViacomCBS). The net assets of Viacom have been combined with those of CBS at their historical carrying amounts and the companies have been presented on a combined basis for all periods presented.

*Operational Highlights 2019 vs. 2018*

<b>Consolidated results of operations</b>			<b>Increase/(Decrease)</b>	
<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>\$</b>	<b>%</b>
<i>GAAP:</i>				
Revenues	\$ 27,812	\$ 27,250	\$ 562	2 %
Operating income	\$ 4,273	\$ 5,204	\$ (931)	(18)%
Net earnings from continuing operations attributable to ViacomCBS	\$ 3,270	\$ 3,423	\$ (153)	(4)%
Diluted EPS from continuing operations attributable to ViacomCBS	\$ 5.30	\$ 5.51	\$ (.21)	(4)%
Net cash flow provided by operating activities	\$ 1,230	\$ 3,464	\$ (2,234)	(64)%
<i>Non-GAAP: <sup>(a)</sup></i>				
Adjusted OIBDA	\$ 5,531	\$ 6,289	\$ (758)	(12)%
Adjusted net earnings from continuing operations attributable to ViacomCBS	\$ 3,090	\$ 3,646	\$ (556)	(15)%
Adjusted diluted EPS from continuing operations attributable to ViacomCBS	\$ 5.01	\$ 5.87	\$ (.86)	(15)%
Free cash flow	\$ 877	\$ 3,111	\$ (2,234)	(72)%

(a) See pages II-6 - II-8 and II-33 for reconciliations of adjusted results to the most directly comparable financial measures in accordance with accounting principles generally accepted in the United States (“GAAP”).

For 2019, revenues increased 2% to \$27.81 billion from \$27.25 billion in 2018, driven by CBS’ broadcast of *Super Bowl LIII* in 2019, growth from our streaming services, which include CBS All Access, Pluto TV and the Showtime streaming subscription offering (“Showtime OTT”), and higher content licensing revenues driven by the production of programming for third parties. These increases were partially offset by lower theatrical revenues, primarily due to the difficult comparison against *Mission: Impossible - Fallout* in 2018, and lower political advertising sales as a result of the midterm elections in 2018. Foreign exchange rate changes had a 1-percentage point unfavorable impact on the revenue comparison.

Operating income decreased 18% to \$4.27 billion from \$5.20 billion in 2018. This comparison was impacted by items identified as affecting comparability, including restructuring charges, costs related to the Merger and other corporate matters, programming charges and gains on the sale of assets. Adjusted operating income before depreciation and amortization (“Adjusted OIBDA”) decreased 12%, primarily reflecting an increased investment in content, including a higher number of series produced for exhibition on our properties as well as for third parties. Net earnings from continuing operations attributable to ViacomCBS for 2019 were \$3.27 billion, or \$5.30 per diluted share, compared with \$3.42 billion, or \$5.51 per diluted share, for 2018. This comparison was impacted by the aforementioned items as well as other items identified as affecting comparability set forth in the section “*Reconciliation of Non-GAAP Measures*” below. Adjusted net earnings from continuing operations attributable to ViacomCBS decreased 15% and adjusted diluted earnings per share (“EPS”) from continuing operations decreased 15% to \$5.01 for 2019, driven by the lower Adjusted OIBDA. Adjusted OIBDA, adjusted net earnings from continuing operations attributable to ViacomCBS and adjusted diluted EPS from continuing operations are non-GAAP financial measures. See pages II-6

**Management’s Discussion and Analysis of  
Results of Operations and Financial Condition (Continued)  
(Tabular dollars in millions, except per share amounts)**

- II-8 for details of the items excluded from financial results, and reconciliations of adjusted results to the most directly comparable financial measures in accordance with GAAP.

We generated operating cash flow of \$1.23 billion in 2019 compared with \$3.46 billion in 2018. Free cash flow was \$877 million for 2019 compared with \$3.11 billion for 2018. These decreases primarily reflected the aforementioned increased investment in content, higher payments for income taxes and payments of \$132 million in 2019 for costs related to the Merger. In addition, operating cash flow and free cash flow included payments for restructuring activities of \$234 million in 2019 and \$219 million in 2018. Free cash flow is a non-GAAP financial measure. See “Free Cash Flow” on pages II-33 for a reconciliation of net cash flow provided by (used for) operating activities, the most directly comparable financial measure in accordance with GAAP, to free cash flow.

*Reconciliation of Non-GAAP Measures*

Results for the years ended December 31, 2019, 2018 and 2017 included certain items identified as affecting comparability. Adjusted OIBDA, adjusted earnings from continuing operations before income taxes, adjusted provision for income taxes, adjusted net earnings from continuing operations attributable to ViacomCBS and adjusted diluted EPS from continuing operations (together, the “adjusted measures”) exclude the impact of these items and are measures of performance not calculated in accordance with GAAP. We use these measures to, among other things, evaluate our operating performance. These measures are among the primary measures used by management for planning and forecasting of future periods, and they are important indicators of our operational strength and business performance. In addition, we use Adjusted OIBDA to, among other things, value prospective acquisitions. We believe these measures are relevant and useful for investors because they allow investors to view performance in a manner similar to the method used by our management; provide a clearer perspective on our underlying performance; and make it easier for investors, analysts and peers to compare our operating performance to other companies in our industry and to compare our year-over-year results.

Because the adjusted measures are measures of performance not calculated in accordance with GAAP, they should not be considered in isolation of, or as a substitute for, operating income, earnings from continuing operations before income taxes, benefit (provision) for income taxes, net earnings from continuing operations attributable to ViacomCBS or diluted EPS from continuing operations, as applicable, as indicators of operating performance. These measures, as we calculate them, may not be comparable to similarly titled measures employed by other companies.

The following tables reconcile the adjusted measures to their most directly comparable financial measures in accordance with GAAP.

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Operating Income (GAAP)	\$ 4,273	\$ 5,204	\$ 5,341
Depreciation and amortization <sup>(a)</sup>	443	433	443
Restructuring and other corporate matters <sup>(b)</sup>	775	490	258
Programming charges <sup>(b)</sup>	589	162	144
Gain on sale of assets <sup>(b)</sup>	(549)	—	(146)
<b>Adjusted OIBDA (Non-GAAP)</b>	<b>\$ 5,531</b>	<b>\$ 6,289</b>	<b>\$ 6,040</b>

(a) 2019 includes an impairment charge of \$20 million to reduce the carrying value of intangible assets.

(b) See notes on the following tables for additional information on items affecting comparability.

**Management's Discussion and Analysis of  
Results of Operations and Financial Condition (Continued)**  
(Tabular dollars in millions, except per share amounts)

	Year Ended December 31, 2019			
	Earnings from Continuing Operations Before Income Taxes	Benefit (Provision) for Income Taxes	Net Earnings from Continuing Operations Attributable to ViacomCBS	Diluted EPS from Continuing Operations
Reported (GAAP)	\$ 3,345	\$ 9	\$ 3,270	\$ 5.30
Items affecting comparability:				
Restructuring and other corporate matters <sup>(a)</sup>	775	(134)	641	1.04
Impairment charge <sup>(b)</sup>	20	(6)	14	.02
Programming charges <sup>(c)</sup>	589	(142)	447	.73
Gain on sale of assets <sup>(d)</sup>	(549)	163	(386)	(.63)
Net gain from investments <sup>(e)</sup>	(85)	16	(69)	(.11)
Discrete tax items <sup>(f)</sup>	—	(827)	(827)	(1.34)
Adjusted (Non-GAAP)	\$ 4,095	\$ (921)	\$ 3,090	\$ 5.01

(a) Reflects severance and exit costs relating to restructuring activities and costs incurred in connection with the Merger, legal proceedings involving the Company and other corporate matters.

(b) Reflects a charge to reduce the carrying value of our international broadcast licenses in Australia to their fair value.

(c) Programming charges principally reflect accelerated amortization associated with changes in the expected monetization of certain programs, and decisions to cease airing, alter future airing patterns or not renew certain programs, in connection with management changes implemented as a result of the Merger.

(d) Reflects a gain on the sale of the CBS Television City property and sound stage operation ("CBS Television City").

(e) Reflects a gain on marketable securities of \$113 million; gains of \$22 million on the sale and acquisition of joint ventures; and an impairment charge of \$50 million to write-down an investment to its fair value.

(f) Primarily reflects a deferred tax benefit of \$768 million resulting from the transfer of intangible assets between our subsidiaries in connection with a reorganization of our international operations; tax benefits of \$44 million realized in connection with the preparation of the 2018 federal tax return, based on further clarity provided by the United States government on tax positions relating to federal tax legislation enacted in December 2017 (the "Tax Reform Act"); and a tax benefit of \$39 million triggered by the bankruptcy of an investee.

**Management's Discussion and Analysis of  
Results of Operations and Financial Condition (Continued)**  
(Tabular dollars in millions, except per share amounts)

	Year Ended December 31, 2018			
	Earnings from Continuing Operations Before Income Taxes	Provision for Income Taxes	Net Earnings from Continuing Operations Attributable to ViacomCBS	Diluted EPS from Continuing Operations
Reported (GAAP)	\$ 4,124	\$ (617)	\$ 3,423	\$ 5.51
Items affecting comparability:				
Restructuring and other corporate matters <sup>(a)</sup>	490	(116)	374	.60
Programming charges <sup>(b)</sup>	162	(39)	123	.20
Gain on early extinguishment of debt	(18)	4	(14)	(.02)
Net loss from investments <sup>(c)</sup>	53	(16)	37	.06
Discrete tax items <sup>(d)</sup>	—	(297)	(297)	(.48)
Adjusted (Non-GAAP)	\$ 4,811	\$ (1,081)	\$ 3,646	\$ 5.87

(a) Primarily reflects severance and exit costs relating to restructuring activities as well as professional fees related to legal proceedings, cost transformation initiatives, investigations at our Company and the evaluation of potential merger activity.

(b) Reflects programming charges resulting from changes to our programming strategy, including at CBS Films and our *Cable Networks* segment, in connection with management changes.

(c) Reflects a loss on marketable securities of \$23 million; an impairment charge of \$46 million to write-down an investment to its fair value; and a gain of \$16 million on the sale of a 1% equity interest in Viacom18 to our joint venture partner.

(d) Primarily reflects a net discrete tax benefit of \$80 million related to the Tax Reform Act and other tax law changes; a net tax benefit of \$71 million relating to a tax accounting method change granted by the Internal Revenue Service ("IRS"); and the reversal of a valuation allowance of \$140 million relating to capital loss carryforwards that were utilized in connection with the sale of CBS Television City in 2019.

	Year Ended December 31, 2017			
	Earnings from Continuing Operations Before Income Taxes	Provision for Income Taxes	Net Earnings from Continuing Operations Attributable to ViacomCBS	Diluted EPS from Continuing Operations
Reported (GAAP)	\$ 4,120	\$ (804)	\$ 3,268	\$ 5.05
Items affecting comparability:				
Restructuring charges	258	(95)	163	.25
Programming charges <sup>(a)</sup>	144	(50)	94	.14
Gain on sale of assets <sup>(b)</sup>	(146)	16	(130)	(.20)
Loss on early extinguishment of debt	38	(17)	21	.03
Gain on sale of EPIX	(285)	96	(189)	(.29)
Pension settlement charge	352	(115)	237	.37
Impairment of investments <sup>(c)</sup>	18	(7)	11	.02
Discrete tax items <sup>(d)</sup>	—	(321)	(321)	(.50)
Adjusted (Non-GAAP)	\$ 4,499	\$ (1,297)	\$ 3,154	\$ 4.87

(a) Reflects programming charges associated with the execution of a strategy for certain of our flagship brands, as well as strategic initiatives at Paramount.

(b) Reflects a gain of \$127 million, with \$11 million attributable to the noncontrolling interest, on the sale of broadcast spectrum in connection with the FCC's broadcast spectrum auction and a net gain of \$19 million relating to the disposition of property and equipment.

(c) Reflects the write-down of certain investments to their fair value.

(d) Primarily reflects a tax benefit of \$279 million reflecting the recognition of foreign tax credits on the distribution of securities to the United States ("U.S").



**Management’s Discussion and Analysis of  
Results of Operations and Financial Condition (Continued)**  
(Tabular dollars in millions, except per share amounts)

**Consolidated Results of Operations—2019 vs. 2018**

*Revenues*

Revenues by Type Year Ended December 31,	% of Total		% of Total		Increase/(Decrease)	
	2019	Revenues	2018	Revenues	\$	%
Advertising	\$ 11,074	40%	\$ 10,841	40%	\$ 233	2 %
Affiliate	8,602	31	8,376	31	226	3
Content licensing	6,483	23	6,163	22	320	5
Theatrical	547	2	744	3	(197)	(26)
Publishing	814	3	825	3	(11)	(1)
Other	292	1	301	1	(9)	(3)
<b>Total Revenues</b>	<b>\$ 27,812</b>	<b>100%</b>	<b>\$ 27,250</b>	<b>100%</b>	<b>\$ 562</b>	<b>2 %</b>

*Advertising*

Advertising revenues are generated primarily from the sale of advertising spots on the CBS Television Network, our basic cable networks and our television stations, as well as on our ad-supported streaming services, including CBS All Access and Pluto TV, and on our websites. Our advertising revenues include integrated marketing services, which provide unique branded content and custom sponsorship opportunities to our advertisers, as well as advanced marketing solutions (“AMS”), including addressable video and brand solutions. For 2019, the 2% increase in advertising revenues was driven by 5% growth in domestic advertising revenues, reflecting CBS’ broadcast of tent-pole sporting events in 2019, mainly *Super Bowl LIII* and the national semifinals and championship game of the *NCAA Division I Men’s Basketball Tournament* (“NCAA Tournament”), as well as higher revenues from AMS, which includes Pluto TV. These increases were partially offset by lower political advertising sales at our owned television stations, as a result of the benefit to last year from the 2018 midterm elections. International advertising revenues decreased 14%, reflecting the unfavorable impact of foreign exchange rate changes, as well as softness in the Australian and UK markets, partially offset by increases in pricing and political advertising in Argentina. Foreign exchange rate changes had an unfavorable impact of 1-percentage point on the total advertising revenues comparison and 9-percentage points on the international advertising revenues comparison.

The Super Bowl is broadcast on the CBS Television Network on a rotating basis with other networks through the 2022 season under the current contract with the National Football League (“NFL”), and the national semifinals and championship games of the NCAA Tournament are broadcast on the CBS Television Network every other year through 2032 under the current agreement with the NCAA and Turner Broadcasting System, Inc. (“Turner”). In 2020, the advertising revenue comparison will be negatively affected by the benefit in 2019 from CBS’ broadcasts of the Super Bowl and the national semifinals and championship game of the NCAA Tournament. These events will not be broadcast by CBS in 2020. Advertising revenues in 2020 will benefit from higher political advertising sales, mainly in the second half of the year, associated with the U.S. Presidential election.

*Affiliate*

Affiliate revenues are principally comprised of fees received from multichannel video programming distributors (“MVPDs”) and virtual MVPDs for carriage of our cable networks (“cable affiliate fees”), fees received from television stations affiliated with the CBS Television Network (“station affiliation fees”); fees for authorizing the MVPDs’ and virtual MVPDs’ carriage of our owned television stations (“retransmission fees”); and subscription fees for our streaming services. For 2019, the 3% increase in affiliate revenues reflects 20% growth in station affiliation fees and retransmission fees, driven by annual contractual increases and contract renewals with MVPDs and virtual MVPDs, as well as 45% growth from our streaming services, including CBS All Access and Showtime OTT, driven by subscriber growth. These increases were partially offset by 5% lower cable affiliate fees, mainly resulting from subscriber declines. Domestic affiliate revenues increased 4%, while international affiliate revenues decreased 6% from the prior

**Management's Discussion and Analysis of  
Results of Operations and Financial Condition (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

year driven by the unfavorable impact of foreign exchange rate changes. Foreign exchange rate changes had an unfavorable impact of 1-percentage point on the total affiliate revenues comparison and 6-percentage points on the international affiliate revenues comparison.

*Content Licensing*

Content licensing revenues are principally comprised of fees from the licensing of exhibition rights for our internally-produced television and film programming to television stations, cable networks, and subscription video-on-demand ("SVOD") and free video-on-demand services; home entertainment revenues, which are derived from the sale and distribution of our content through DVDs and Blu-ray discs to wholesale and retail partners, as well as from the viewing of our content on a transactional basis through transactional video-on-demand ("TVOD") and electronic sell-through services; fees from the use of our trademarks and brands for consumer products, recreation and live events; and fees from the distribution of third-party programming. For 2019, content licensing revenues increased 5%, primarily reflecting higher revenues from the domestic licensing of our content, driven by the production of programming for third parties and the licensing of programming to SVOD providers. These increases were partially offset by a decline in international licensing revenues.

Revenues from the licensing of exhibition rights are recognized at the beginning of the license period in which programs are made available to the licensee for exhibition, and therefore, content licensing revenue comparisons are impacted by fluctuations resulting from the timing of the availability of our programming for multiyear licensing agreements.

*Theatrical*

Theatrical revenues are principally comprised of the worldwide theatrical distribution of films through audience ticket sales. For 2019, theatrical revenues decreased 26%, principally reflecting a difficult comparison against the prior year, as a result of the 2018 releases of *Mission: Impossible - Fallout* and *A Quiet Place*. Theatrical revenues in 2019 benefited from the releases of *Rocketman*, *Gemini Man* and *Dora and the Lost City of Gold*, as well as the continued success of the 2018 release, *Bumblebee*. Domestic theatrical revenues decreased 31% and international theatrical revenues decreased 23%.

Theatrical revenues may be affected by many factors, including domestic and international audience response, the number, timing and mix of releases and competitive offerings in any given period, consumer tastes and consumption habits and overall economic conditions, including discretionary spending. Revenues from theatrical film releases tend to be cyclical with increases during the summer.

*Publishing*

Publishing revenues are principally comprised of the domestic and international publishing and distribution of consumer books in printed, digital and audio formats. For 2019, publishing revenues decreased 1%, driven by lower print book sales, which were partially offset by higher sales from digital audio books.

*Other*

Other revenues are principally comprised of revenues from the rental of production facilities and digital revenues from search and e-commerce partners. For 2019, other revenues decreased 3%, mainly reflecting lower revenues from the rental of our production facilities as a result of the sale of CBS Television City in January 2019.

**Management's Discussion and Analysis of  
Results of Operations and Financial Condition (Continued)  
(Tabular dollars in millions, except per share amounts)**

*Operating Expenses*

Operating Expenses by Type Year Ended December 31,	2019	% of Operating Expenses	2018	% of Operating Expenses	Increase/(Decrease)	
					\$	%
Production	\$ 6,797	39%	\$ 6,483	41%	\$ 314	5%
Programming	4,287	25	3,965	25	322	8
Participation, distribution and royalty	3,369	20	3,295	21	74	2
Programming charges	589	3	162	1	427	n/m
Other	2,181	13	2,012	12	169	8
<b>Total Operating Expenses</b>	<b>\$ 17,223</b>	<b>100%</b>	<b>\$ 15,917</b>	<b>100%</b>	<b>\$ 1,306</b>	<b>8%</b>

n/m - not meaningful

*Production*

Production expenses reflect the amortization of direct costs of internally-produced television and theatrical film content as well as other television production costs, including on-air talent. For 2019, the 5% increase in production expenses reflected an increased investment in content, including a higher number of series produced for distribution on multiple platforms, including our streaming services and cable networks, as well as higher amortization of television production costs associated with the increase in content licensing revenues. These increases were partially offset by lower amortization of feature film costs, driven by costs in 2018 associated with *Mission: Impossible - Fallout*.

*Programming*

Programming expenses reflect the amortization of acquired programs exhibited on our television broadcast networks, cable networks and television stations. For 2019, the 8% increase in programming expenses was driven by higher sports programming costs, mainly from CBS' broadcasts of *Super Bowl LIII* and the national semifinals and championship game of the NCAA Tournament in 2019, which were not broadcast by CBS in 2018, and programming for Pluto TV, which we acquired in March 2019. These increases were partially offset by lower amortization of acquired programming for our cable networks.

*Participation, Distribution and Royalty*

Participation, distribution and royalty costs primarily include participation and residual expenses for television and film programming, royalty costs for publishing content and other distribution expenses incurred with respect to film and television content, such as print and advertising. For 2019, the 2% increase in participation, distribution and royalty costs was driven by higher participation costs associated with the increase in content licensing revenues.

*Programming Charges*

During 2019, in connection with the Merger, we implemented management changes across the organization. In connection with these changes, we performed an evaluation of our programming portfolio across all of our businesses, including an assessment of the optimal use of our programming in the marketplace, which resulted in the identification of programs not aligned with management's strategy. As a result, we recorded programming charges of \$589 million principally reflecting accelerated amortization associated with changes in the expected monetization of certain programs, and decisions to cease airing, alter future airing patterns or not renew certain programs.

In addition, during 2018, in connection with management changes, we recorded programming charges of \$162 million relating to changes to our programming strategy, including at CBS Films, which shifted its focus from theatrical films to developing content for our streaming services, as well as at our *Cable Networks* segment where we ceased the use of certain programming.

**Management’s Discussion and Analysis of  
Results of Operations and Financial Condition (Continued)  
(Tabular dollars in millions, except per share amounts)**

*Other*

Other operating expenses primarily include compensation and costs associated with book sales, including printing and warehousing. For 2019, the 8% increase in other operating expenses mainly reflected higher costs associated with growth and expansion of our streaming services.

*Selling, General and Administrative Expenses*

Year Ended December 31,	2019	2018	Increase/(Decrease)	
			\$	%
Selling, general and administrative expenses	\$ 5,647	\$ 5,206	\$ 441	8%

Selling, general and administrative (“SG&A”) expenses include expenses incurred for selling and marketing costs, occupancy, professional service fees and back office support, including employee compensation. The 8% increase in SG&A expenses was driven by higher advertising and marketing costs, reflecting an increase in the number of series premieres and costs associated with our streaming services, as well as the inclusion of Pluto TV and Pop TV since their acquisitions in the first quarter of 2019. These increases were partially offset by cost savings associated with restructuring activities and compensation cost savings resulting from changes in senior management at CBS in 2018.

*Depreciation and Amortization*

Year Ended December 31,	2019	2018	Increase/(Decrease)	
			\$	%
Depreciation and amortization	\$ 443	\$ 433	\$ 10	2%

Depreciation and amortization expense reflects depreciation of fixed assets, including amortization of transponders and equipment under finance leases, and amortization of finite-lived intangible assets. For 2019, depreciation and amortization expense also includes an impairment charge of \$20 million to reduce the carrying value of broadcast licenses in Australia to their fair value.

*Restructuring and Other Corporate Matters*

During 2019 and 2018, we recorded costs for restructuring and other corporate matters as follows:

Year Ended December 31,	2019	2018
Severance	\$ 401	\$ 235
Exit costs and other	23	75
Restructuring charges	424	310
Restructuring-related costs	—	52
Merger-related costs	294	—
Other corporate matters	57	128
Restructuring and other corporate matters	\$ 775	\$ 490

During the year ended December 31, 2019, we recorded restructuring charges of \$424 million, primarily for severance and the acceleration of stock-based compensation in connection with the Merger, as well as costs related to a restructuring plan initiated in the first quarter of 2019 under which severance payments are being provided to certain eligible employees who voluntarily elected to participate. In addition, in 2019 we incurred costs of \$294 million in connection with the Merger, consisting of financial advisory, legal and other professional fees, transaction-related bonuses, and contractual executive compensation, including the accelerated vesting of stock-based compensation, that was triggered by the Merger. We also incurred costs of \$40 million in connection with the settlement of a commercial dispute and \$17 million associated with legal proceedings involving the Company (see Note 19) and other corporate matters.

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During the year ended December 31, 2018, we recorded restructuring charges of \$310 million resulting from cost transformation initiatives to improve margins, as well as restructuring-related costs of \$52 million, comprised of third-party professional services associated with such initiatives. In addition, in 2018 we recorded expenses of \$128 million primarily for professional fees related to legal proceedings, investigations at our Company and the evaluation of potential merger activity.

*Gain on Sale of Assets*

In 2019, we completed the sale of CBS Television City for \$750 million. We have guaranteed a specified level of cash flows to be generated by the business during the first five years following the completion of the sale. Included on the Consolidated Balance Sheet at December 31, 2019 is a liability of \$124 million, reflecting the present value of the estimated amount payable under the guarantee obligation. This transaction resulted in a gain of \$549 million for 2019, which includes a reduction for the guarantee obligation. We also recognized a tax benefit of \$140 million in the fourth quarter of 2018 for the reversal of a valuation allowance relating to capital loss carryforwards that were utilized in connection with this sale.

*Interest Expense and Interest Income*

Year Ended December 31,			Increase/(Decrease)	
	2019	2018	\$	%
Interest expense	\$ (962)	\$ (1,030)	\$ (68)	(7)%
Interest income	\$ 66	\$ 79	\$ (13)	(16)%

The following table presents our outstanding debt balances, excluding finance leases, and the weighted average interest rate as of December 31, 2019 and 2018:

At December 31,	2019	Weighted Average Interest Rate	2018	Weighted Average Interest Rate
Total long-term debt	\$ 17,976	4.70%	\$ 18,370	4.64%
Commercial paper	\$ 699	2.07%	\$ 674	3.02%

*Gain (Loss) on Marketable Securities*

For 2019 and 2018, we recorded a gain of \$113 million and a loss of \$23 million, respectively, reflecting changes in the fair value of marketable securities.

*Gain (Loss) on Early Extinguishment of Debt*

For 2018, we recorded a gain on early extinguishment of debt of \$18 million associated with the redemption of senior notes and debentures prior to maturity totaling \$1.13 billion.

*Other Items, Net*

The following table presents the components of Other items, net.

Year Ended December 31,	2019	2018
Pension and postretirement benefit costs	\$ (105)	\$ (68)
Foreign exchange losses	(17)	(18)
Impairment of investments	(50)	(46)
Gains from investments	22	16
Other	5	(8)
Other items, net	\$ (145)	\$ (124)

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*Benefit (Provision) for Income Taxes*

The benefit (provision) for income taxes represents federal, state and local, and foreign taxes on earnings from continuing operations before income taxes and equity in loss of investee companies. For 2019, we recorded a benefit for income taxes of \$9 million, reflecting an effective income tax rate of (0.3)%, which included discrete items such as a deferred tax benefit of \$768 million resulting from the transfer of intangible assets between our subsidiaries in connection with a reorganization of our international operations; tax benefits of \$44 million realized in connection with the preparation of the 2018 federal tax return, based on further clarity provided by the United States government on tax positions relating to the Tax Reform Act; and a tax benefit of \$39 million triggered by the bankruptcy of an investee. For 2018, the provision for income taxes was \$617 million, reflecting an effective income tax rate of 15.0%. The provision for income taxes for 2018 included discrete items such as the reversal of a valuation allowance of \$140 million relating to capital loss carryforwards that were utilized in connection with the sale of CBS Television City in 2019; a tax benefit of \$80 million relating to the Tax Reform Act and other tax law changes; and a net tax benefit of \$71 million relating to a tax accounting method change granted by the Internal Revenue Service.

*Equity in Earnings (Loss) of Investee Companies, Net of Tax*

The following table presents equity in loss of investee companies for our equity-method investments.

Year Ended December 31,	2019	2018	Increase/(Decrease)	
			\$	%
Equity in loss of investee companies	\$ (72)	\$ (62)	\$ (10)	(16)%
Tax benefit	19	15	4	27
Equity in loss of investee companies, net of tax	\$ (53)	\$ (47)	\$ (6)	(13)%

*Net Earnings from Continuing Operations Attributable to ViacomCBS and Diluted EPS from Continuing Operations Attributable to ViacomCBS*

Year Ended December 31,	2019	2018	Increase/(Decrease)	
			\$	%
Net earnings from continuing operations attributable to ViacomCBS	\$ 3,270	\$ 3,423	\$ (153)	(4)%
Diluted EPS from continuing operations attributable to ViacomCBS	\$ 5.30	\$ 5.51	\$ (.21)	(4)%

For 2019, net earnings from continuing operations attributable to ViacomCBS and diluted EPS from continuing operations each decreased 4%, primarily driven by the lower operating income, mainly reflecting our increased investment in content. The lower operating income was partially offset by the aforementioned discrete tax benefits.

*Net Earnings Attributable to ViacomCBS and Diluted EPS Attributable to ViacomCBS*

Year Ended December 31,	2019	2018	Increase/(Decrease)	
			\$	%
Net earnings attributable to ViacomCBS	\$ 3,308	\$ 3,455	\$ (147)	(4)%
Diluted EPS attributable to ViacomCBS	\$ 5.36	\$ 5.56	\$ (.20)	(4)%

**Consolidated Results of Operations— 2018 vs. 2017**

*Revenues*

Revenues by Type Year Ended December 31,	2018	% of Total Revenues	2017	% of Total Revenues	Increase/(Decrease)	
					\$	%
Advertising	\$ 10,841	40%	\$ 10,582	40%	\$ 259	2 %
Affiliate	8,376	31	8,153	31	223	3
Content licensing	6,163	22	5,947	22	216	4
Theatrical	744	3	716	3	28	4
Publishing	825	3	830	3	(5)	(1)
Other	301	1	307	1	(6)	(2)
<b>Total Revenues</b>	<b>\$ 27,250</b>	<b>100%</b>	<b>\$ 26,535</b>	<b>100%</b>	<b>\$ 715</b>	<b>3 %</b>

*Advertising*

For 2018, the 2% increase in advertising revenues was driven by our acquisition of Network 10 in the fourth quarter of 2017; record political advertising sales in 2018 associated with the U.S. midterm elections; higher pricing at our broadcast and cable networks; and growth in revenues from AMS. Advertising revenues for 2018 also benefited from the adoption of a new revenue recognition standard in the first quarter of 2018, under which revenues for certain distribution arrangements are recognized based on the gross amount of consideration received from

the customer, with an offsetting increase to operating expenses. Under previous accounting guidance, such revenues were recognized at the net amount retained by us after the payment of fees to the third party. This guidance was applied prospectively from the date of adoption, and therefore, amounts for 2017 are reported under previous accounting guidance. These increases were partially offset by lower linear impressions at our cable networks and the absence of the broadcasts of five *Thursday Night Football* games and the national semifinals and championship game of the NCAA Tournament, which were broadcast on the CBS Television Network in 2017. The national semifinals and championship game of the NCAA Tournament are broadcast by the CBS Television Network every other year through 2032 under the current agreements with the NCAA and Turner. Foreign exchange rate changes had an unfavorable impact of 1-percentage point on the advertising revenues comparison.

#### *Affiliate*

For 2018, the 3% increase in affiliate revenues reflects 22% growth in station affiliation and retransmission fees and 65% growth from subscription fees for our streaming services, CBS All Access and Showtime OTT. These increases were partially offset by the unfavorable comparison against Showtime Networks' distribution in 2017 of the Floyd Mayweather/Conor McGregor pay-per-view boxing event. Cable affiliate fees were relatively flat for 2018 compared with 2017, as contractual rate increases under carriage agreements for our cable networks and the benefit of new channel launches and acquisitions were offset by subscriber declines.

#### *Content Licensing*

For 2018, the 4% increase in content licensing revenues reflects higher revenues from the distribution of third-party content, resulting from revenues under certain distribution arrangements now being recognized at the gross amount of consideration received from the customer, with an offsetting increase to participation expense, as a result of the adoption of a new revenue recognition standard in the first quarter of 2018. Under previous guidance, such

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distribution revenues were recognized at the net amount retained by us after the payment of fees to the third party. The increase also reflected growth from domestic and international license fees, including the 2018 availability of *Tom Clancy's Jack Ryan*, *The Haunting of Hill House*, *Maniac*, *The Alienist* and *The Cloverfield Paradox*, compared with 2017, which included the licensing of *NCIS: New Orleans*, *Madam Secretary* and titles from the *CSI* franchise. These increases were partially offset by lower home entertainment revenues, primarily reflecting the number and mix of titles in release.

*Theatrical*

For 2018, theatrical revenues increased 4%, principally reflecting the strong performance of the theatrical release of *Mission: Impossible - Fallout* in 2018.

*Publishing*

Publishing revenues for 2018 decreased 1% driven by lower sales of print and electronic books, which were partially offset by higher sales of digital audio books.

*Operating Expenses*

Operating Expenses by Type Year Ended December 31,	% of Total Operating		% of Total Operating		Increase/(Decrease)	
	2018	Expense	2017	Expense	\$	%
Production	\$ 6,483	41%	\$ 5,994	39%	\$ 489	8 %
Programming	3,965	25	4,268	28	(303)	(7)
Participation, distribution and royalty	3,295	21	3,182	20	113	4
Programming charges	162	1	144	1	18	13
Other	2,012	12	1,895	12	117	6
<b>Total Operating Expenses</b>	<b>\$ 15,917</b>	<b>100%</b>	<b>\$ 15,483</b>	<b>100%</b>	<b>\$ 434</b>	<b>3 %</b>

*Production*

For 2018, the 8% increase in production expenses reflected an increased investment in content, including a higher number of series produced for distribution on multiple platforms, including our owned networks and streaming services, and the acquisition of Network 10 in the fourth quarter of 2017.

*Programming*

For 2018, the 7% decrease in programming expenses was driven by lower sports programming costs, resulting from Showtime Networks' distribution of the Floyd Mayweather/Conor McGregor pay-per-view boxing event in 2017 and the absence of *Thursday Night Football* and the national semifinals and championship game of the NCAA Tournament, which were broadcast on the CBS Television Network in 2017. These decreases were partially offset by costs for programming on Network 10, which we acquired in the fourth quarter of 2017, and an increased investment in programming for our cable networks.

*Participation, Distribution and Royalty*

For 2018, the 4% increase in participation, distribution and royalty costs was primarily driven by the adoption of new revenue recognition guidance in the first quarter of 2018, which resulted in revenues under certain distribution arrangements being recognized based on the gross amount of consideration received from the customer, with an offsetting participation expense recognized for the fees paid to the third party. Under previous accounting guidance, such revenues were recognized at the net amount retained by us after the payment of fees to the third party. This



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change resulted in an increase to both revenues and participation expenses of \$279 million for 2018, with no impact to our operating income. The increase also reflects higher participation costs associated with the increase in content licensing revenues. These increases were partially offset by lower film distribution costs, driven by the number and mix of theatrical releases and a charge in 2017 resulting from the termination of a slate financing agreement.

*Programming Charges*

During 2018, in connection with management changes, we recorded programming charges of \$162 million relating to changes to our programming strategy, including at CBS Films, which shifted its focus from theatrical films to developing content for our streaming services, as well as at our *Cable Networks* segment where we ceased the use of certain programming.

In addition, during 2017, we recorded programming charges of \$144 million associated with management's decision to cease use of certain original and acquired programming, in connection with the execution of a strategy for certain of our flagship brands and strategic initiatives at Paramount.

*Other*

For 2018, the 6% increase in other operating expenses mainly reflected higher costs associated with growth in our streaming services and expenses of Network 10, which we acquired in the fourth quarter of 2017.

*Selling, General and Administrative Expenses*

Year Ended December 31,	2018	2017	Increase/(Decrease)	
			\$	%
Selling, general and administrative expenses	\$ 5,206	\$ 5,156	\$ 50	1%

For 2018, the 1% increase in SG&A expenses reflected higher advertising and marketing costs, mainly for the launch of the Paramount Network and to support our growth initiatives. These increases were partially offset by savings from cost transformation initiatives.

*Depreciation and Amortization*

Year Ended December 31,	2018	2017	Increase/(Decrease)	
			\$	%
Depreciation and amortization	\$ 433	\$ 443	\$ (10)	(2)%

*Restructuring and Other Corporate Matters*

During 2018 and 2017, we recorded costs for restructuring and other corporate matters as follows:

Year Ended December 31,	2018	2017
Severance	\$ 235	\$ 224
Exit costs and other	75	12
Asset impairment	—	22
Restructuring charges	310	258
Restructuring-related costs	52	—
Other corporate matters	128	—
Restructuring and other corporate matters	\$ 490	\$ 258

During the year ended December 31, 2018, we recorded restructuring charges of \$310 million resulting from cost transformation initiatives to improve margins, as well as restructuring-related costs of \$52 million, comprised of third-

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party professional services associated with such initiatives. In addition, in 2018 we recorded expenses of \$128 million primarily for professional fees related to legal proceedings, investigations at our Company and the evaluation of potential merger activity.

During the year ended December 31, 2017, we recorded restructuring charges of \$258 million, resulting from the execution of a strategy for certain of our flagship brands and strategic initiatives at Paramount, as well as costs relating to other restructuring plans across several of our businesses in a continued effort to reduce our cost structure. The restructuring charges for 2017 included a non-cash impairment charge resulting from the decision to abandon an international trade name in connection with the strategic initiatives.

*Gain on Sale of Assets*

In 2017, we completed the sale of broadcast spectrum in connection with the FCC's broadcast spectrum auction. The sale resulted in a pre-tax gain of \$127 million on the Consolidated Statement of Operations, with \$11 million attributable to the noncontrolling interest. In addition, in 2017 we recorded a net gain of \$19 million relating to the disposition of property and equipment.

*Interest Expense and Interest Income*

Year Ended December 31,	2018	2017	Increase/(Decrease)	
			\$	%
Interest expense	\$ (1,030)	\$ (1,088)	\$ (58)	(5)%
Interest income	\$ 79	\$ 87	\$ (8)	(9)%

The following table presents our outstanding debt balances, excluding finance leases, and the weighted average interest rate as of December 31, 2018 and 2017:

At December 31,	2018	Weighted Average		2017	Weighted Average	
			Interest Rate			Interest Rate
Total long-term debt	\$ 18,370		4.64%	\$ 19,466		4.67%
Commercial paper	\$ 674		3.02%	\$ 779		1.91%

*Gain (Loss) on Marketable Securities*

During 2018, we recorded a loss on marketable securities of \$23 million. In connection with the adoption of FASB guidance on financial instruments, beginning in the first quarter of 2018, changes in the fair value of marketable securities are recognized in the Consolidated Statements of Operations.

*Gain (Loss) on Early Extinguishment of Debt*

For 2018, the gain on early extinguishment of debt of \$18 million reflected the pre-tax gain associated with the redemption of senior notes and debentures prior to maturity totaling \$1.13 billion. During 2017, we redeemed, prior to maturity, senior notes totaling \$4.27 billion, resulting in the recognition of a pre-tax loss on the early extinguishment of debt of \$38 million.

*Gain on Sale of EPIX*

During 2017, we completed the sale of our 49.76% interest in EPIX, resulting in a pre-tax gain of \$285 million.

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*Pension Settlement Charge*

During 2017, we purchased a group annuity contract under which an insurance company permanently assumed our obligation to pay and administer pension benefits to certain pension plan participants, or their designated beneficiaries, who had been receiving pension benefits. The purchase of this group annuity contract was funded with pension plan assets. As a result, our outstanding pension benefit obligation was reduced by approximately \$800 million. In connection with this transaction, we recorded a settlement charge of \$352 million in 2017, reflecting the accelerated recognition of a portion of unamortized actuarial losses in the plan. Additionally, during 2017, we made discretionary contributions totaling \$600 million to prefund our qualified pension plans.

*Other Items, Net*

The following table presents the components of Other items, net.

<b>Year Ended December 31,</b>	<b>2018</b>	<b>2017</b>
Pension and postretirement benefit costs	\$ (68)	\$ (96)
Foreign exchange losses	(18)	(20)
Impairment of investments	(46)	(18)
Gain on sale of investment	16	—
Other	(8)	19
<b>Other items, net</b>	<b>\$ (124)</b>	<b>\$ (115)</b>

*Benefit (Provision) for Income Taxes*

For 2018, the provision for income taxes was \$617 million, reflecting an effective income tax rate of 15.0%. The provision for income taxes for 2018 included discrete items such as the reversal of a valuation allowance of \$140 million relating to capital loss carryforwards that were utilized in connection with the sale of CBS Television City in 2019; a tax benefit of \$80 million relating to the Tax Reform Act and other tax law changes; and a tax benefit of \$71 million relating to a tax accounting method change granted by the Internal Revenue Service. For 2017, the provision for income taxes was \$804 million, reflecting an effective income tax rate of 19.5%. The provision for income taxes for 2017 included discrete items such as a tax benefit of \$279 million reflecting the recognition of foreign tax credits on the distribution of securities to the U.S.

*Equity in Earnings (Loss) of Investee Companies, Net of Tax*

The following table presents equity in earnings (loss) of investee companies for our equity-method investments.

<b>Year Ended December 31,</b>	<b>2018</b>	<b>2017</b>	<b>Increase/(Decrease)</b>	
			<b>\$</b>	<b>%</b>
Equity in earnings (loss) of investee companies	\$ (62)	\$ 14	\$ (76)	n/m
Tax benefit (provision)	15	(10)	25	n/m
<b>Equity in earnings (loss) of investee companies, net of tax</b>	<b>\$ (47)</b>	<b>\$ 4</b>	<b>\$ (51)</b>	<b>n/m</b>

n/m - not meaningful

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*Net Earnings from Continuing Operations Attributable to ViacomCBS and Diluted EPS from Continuing Operations Attributable to ViacomCBS*

<b>Year Ended December 31,</b>	<b>2018</b>	<b>2017</b>	<b>Increase/(Decrease)</b>	
			<b>\$</b>	<b>%</b>
Net earnings from continuing operations attributable to ViacomCBS	\$ 3,423	\$ 3,268	\$ 155	5%
Diluted EPS from continuing operations attributable to ViacomCBS	\$ 5.51	\$ 5.05	\$ .46	9%

For 2018, the 5% increase in net earnings from continuing operations attributable to ViacomCBS was driven by the lower effective income tax rate in 2018, partially offset by lower operating income. Diluted EPS from continuing operations attributable to ViacomCBS grew 9%, reflecting the higher earnings and lower weighted average shares outstanding as a result of share repurchases and the shares retired as a result of the split-off of CBS Radio Inc. (“CBS Radio”) during the fourth quarter of 2017.

*Net Loss from Discontinued Operations, Net of Tax*

On November 16, 2017, we completed the split-off of CBS Radio through an exchange offer, in which we accepted 17.9 million shares of CBS Class B Common Stock from our stockholders in exchange for the 101.4 million shares of CBS Radio common stock that we owned. Immediately following the exchange offer, each share of CBS Radio common stock was converted into one share of Entercom Communications Corp. (“Entercom”) Class A common stock upon completion of the merger of CBS Radio and Entercom. CBS Radio has been presented as a discontinued operation in the consolidated financial statements for all periods presented.

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The following table sets forth details of net earnings (loss) from discontinued operations for the year ended December 31, 2017. Net earnings from discontinued operations for the year ended December 31, 2018 was not material to our consolidated financial statements.

Year Ended December 31, 2017	CBS Radio	Other	Total
Revenues	\$ 1,018	\$ —	\$ 1,018
Costs and expenses:			
Operating	364	—	364
Selling, general and administrative	444	(8)	436
Market value adjustment	980 <sup>(a)</sup>	—	980
Restructuring charges	7	—	7
Total costs and expenses	1,795	(8)	1,787
Operating income (loss)	(777)	8	(769)
Interest expense	(70)	—	(70)
Other items, net	(2)	—	(2)
Earnings (loss) from discontinued operations	(849)	8	(841)
Income tax benefit (provision)	(55)	43 <sup>(b)</sup>	(12)
Earnings (loss) from discontinued operations, net of tax	(904)	51	(853)
Net gain (loss) on disposal	(109)	13	(96)
Income tax benefit (provision)	4	(2)	2
Net gain (loss) on disposal, net of tax	(105)	11 <sup>(c)</sup>	(94)
Net earnings (loss) from discontinued operations, net of tax	\$ (1,009)	\$ 62	\$ (947)

(a) During 2017, prior to the split-off, CBS Radio was measured each reporting period at the lower of its carrying amount or fair value less cost to sell. The value of the transaction with Entercom was determined based on Entercom's stock price at the closing of the transaction and therefore, we recorded a market value adjustment of \$980 million in 2017 to adjust the carrying value of CBS Radio to the value indicated by the stock valuation of Entercom.

(b) Primarily reflects a tax benefit from the resolution of a tax matter in a foreign jurisdiction relating to a previously disposed business that was accounted for as a discontinued operation.

(c) Reflects adjustments to the loss on disposal of our outdoor advertising businesses, primarily from a decrease to the guarantee liability associated with the 2013 disposal of our outdoor advertising business in Europe.

*Net Earnings Attributable to ViacomCBS and Diluted EPS Attributable to ViacomCBS*

Year Ended December 31,			Increase/(Decrease)	
	2018	2017	\$	%
Net earnings attributable to ViacomCBS	\$ 3,455	\$ 2,321	\$ 1,134	49%
Diluted EPS attributable to ViacomCBS	\$ 5.56	\$ 3.59	\$ 1.97	55%

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**Segments**

We operate in the following four segments:

**TV ENTERTAINMENT:** Our *TV Entertainment* segment creates and acquires programming for distribution and viewing on multiple media platforms, including our broadcast network, through multichannel video programming distributors (“MVPDs”) and virtual MVPDs, and our streaming services, as well as for licensing to third parties both domestically and internationally. *TV Entertainment* consists of the CBS Television Network, CBS Television Studios, CBS Television Distribution, CBS Interactive, CBS Sports Network, CBS Television Stations and CBS-branded streaming services CBS All Access and CBSN, among others. *TV Entertainment’s* revenues are generated primarily from advertising sales, the licensing and distribution of its content, and affiliate revenues.

**CABLE NETWORKS:** Our *Cable Networks* segment creates and acquires programming for distribution and viewing on multiple media platforms, including our cable networks, through MVPDs and virtual MVPDs, and our streaming services, as well as for licensing to third parties both domestically and internationally. *Cable Networks* consists of our premium subscription cable networks Showtime, The Movie Channel and Flix, and a subscription streaming offering of Showtime; our basic cable networks Nickelodeon, MTV, BET, Comedy Central, Paramount Network, Nick Jr., VH1, TV Land, CMT, Pop TV and Smithsonian Channel, among others, as well as the international extensions of these brands operated by ViacomCBS Networks International; international broadcast networks, Network 10, Channel 5 and Telefe; and Pluto TV, a leading free streaming TV platform in the United States. *Cable Networks’* revenues are generated primarily from affiliate revenues, advertising sales and the licensing of its content and brands.

**FILMED ENTERTAINMENT:** Our *Filmed Entertainment* segment develops, produces, finances, acquires and distributes films, television programming and other entertainment content in various markets and media worldwide primarily through Paramount Pictures, Paramount Players, Paramount Animation and Paramount Television Studios. *Filmed Entertainment’s* revenues are generated primarily from the release and/or distribution of films theatrically, the release and/or distribution of film and television product through home entertainment, the licensing of film and television product to television and digital platforms and other ancillary activities.

**PUBLISHING:** Our *Publishing* segment publishes and distributes Simon & Schuster consumer books domestically and internationally and includes imprints such as Simon & Schuster, Scribner, Atria Books and Gallery Books. *Publishing* generates revenues from the publishing and distribution of consumer books in print, digital and audio formats.

We present operating income (loss) excluding depreciation and amortization, stock-based compensation, costs for restructuring and other corporate matters, programming charges and gain on sale of assets, each where applicable (“Adjusted OIBDA”), as the primary measure of profit and loss for our operating segments in accordance with FASB guidance for segment reporting. We began presenting Adjusted OIBDA as our segment profit measure in the fourth quarter of 2019 in order to align with the primary method used by our management beginning after the Merger to evaluate segment performance and to make decisions regarding the allocation of resources to our segments. We believe the presentation of Adjusted OIBDA is relevant and useful for investors because it allows investors to view segment performance in a manner similar to the primary method used by our management and enhances their ability to understand our operating performance. Stock-based compensation is excluded from our segment measure of profit and loss because it is set and approved by our Board of Directors in consultation with corporate executive management. Stock-based compensation is included as a component of our consolidated Adjusted OIBDA. The reconciliation of Adjusted OIBDA to our consolidated net earnings is presented in Note 17 to the consolidated financial statements.

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**Segment Results of Operations - 2019 vs. 2018**

Year Ended December 31,	2019	% of Total		2018	% of Total		Increase/(Decrease)	
		Revenues			Revenues		\$	%
<b>Revenues:</b>								
TV Entertainment	\$ 11,924	43 %		\$ 11,061	41 %	\$	863	8 %
Cable Networks	12,449	45		12,683	46		(234)	(2)
Filmed Entertainment	2,990	10		2,956	11		34	1
Publishing	814	3		825	3		(11)	(1)
Corporate/Eliminations	(365)	(1)		(275)	(1)		(90)	(33)
<b>Total Revenues</b>	<b>\$ 27,812</b>	<b>100 %</b>		<b>\$ 27,250</b>	<b>100 %</b>	<b>\$</b>	<b>562</b>	<b>2 %</b>

Year Ended December 31,	2019	2018	Increase/(Decrease)	
			\$	%
<b>Adjusted OIBDA:</b>				
TV Entertainment	\$ 2,443	\$ 2,466	\$ (23)	(1)%
Cable Networks	3,515	4,341	(826)	(19)
Filmed Entertainment	80	(33)	113	n/m
Publishing	143	153	(10)	(7)
Corporate/Eliminations	(449)	(433)	(16)	(4)
Stock-based compensation	(201)	(205)	4	2
<b>Total Adjusted OIBDA</b>	<b>5,531</b>	<b>6,289</b>	<b>(758)</b>	<b>(12)</b>
Depreciation and amortization	(443)	(433)	(10)	(2)
Restructuring and other corporate matters	(775)	(490)	(285)	n/m
Programming charges	(589)	(162)	(427)	n/m
Gain on sale of assets	549	—	549	n/m
<b>Total Operating Income</b>	<b>\$ 4,273</b>	<b>\$ 5,204</b>	<b>\$ (931)</b>	<b>(18)%</b>

n/m - not meaningful

Year Ended December 31,	2019	2018	Increase/(Decrease)	
			\$	%
<b>Depreciation and Amortization:</b>				
TV Entertainment	\$ 150	\$ 160	\$ (10)	(6)%
Cable Networks	219	194	25	13
Filmed Entertainment	37	38	(1)	(3)
Publishing	5	6	(1)	(17)
Corporate	32	35	(3)	(9)
<b>Total Depreciation and Amortization</b>	<b>\$ 443</b>	<b>\$ 433</b>	<b>\$ 10</b>	<b>2 %</b>

**TV Entertainment** (CBS Television Network, CBS Television Studios, CBS Television Distribution, CBS Interactive, CBS Sports Network, CBS Television Stations and CBS-branded streaming services CBS All Access and CBSN, among others)

Year Ended December 31,	2019	2018	Increase/(Decrease)	
			\$	%
Advertising	\$ 6,008	\$ 5,751	\$ 257	4 %
Affiliate	2,550	2,082	468	22
Content licensing	3,157	3,006	151	5
Other	209	222	(13)	(6)
Revenues	\$ 11,924	\$ 11,061	\$ 863	8 %
Adjusted OIBDA	\$ 2,443	\$ 2,466	\$ (23)	(1)%

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**Revenues**

For 2019, the 8% increase in *TV Entertainment* revenues reflects growth across each of the segment's main revenue streams.

*Advertising*

The 4% increase in advertising revenues was driven by 11% growth in CBS Network advertising, principally reflecting CBS' broadcasts of *Super Bowl LIII* and the national semifinals and championship game of the NCAA Tournament, partially offset by the timing of other sporting events. Taken together these items contributed 9-percentage points of the growth in network advertising. Advertising sales at our owned television stations decreased 11%, primarily reflecting record political advertising in 2018 from the midterm elections, partially offset by the benefit from CBS' broadcast of *Super Bowl LIII*. The Super Bowl is broadcast on the CBS Television Network on a rotating basis with other networks through the 2022 season under the current contract with the NFL and the national semifinals and championship games of the NCAA Tournament are broadcast on the CBS Television Network every other year through 2032 under the current agreement with the NCAA and Turner.

*Affiliate*

Affiliate revenues grew 22%, primarily as a result of a 20% increase in station affiliation fees and retransmission revenues as well as subscriber growth at CBS All Access.

*Content Licensing*

Content licensing increased 5%, driven by higher revenues from the production of programming for third parties, including *Unbelievable* and *Dead to Me*, and higher revenues from the licensing of library programming to SVOD providers.

**Adjusted OIBDA**

Adjusted OIBDA decreased 1% as a result of an increased investment in content and higher costs associated with the growth and expansion of our streaming services, partially offset by higher revenues.

Comparability in 2020 will be negatively affected by the benefit in 2019 from CBS' broadcasts of *Super Bowl LIII* and the national semifinals and championship game of the NCAA Tournament. Results in 2020 will benefit from higher political advertising revenues, mainly in the second half of the year, associated with the U.S. Presidential election.



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**Cable Networks** (Showtime Networks, Nickelodeon, MTV, BET, Comedy Central, Paramount Network, Nick Jr., VH1, TV Land, CMT, Pop TV, Smithsonian Networks, ViacomCBS Networks International, Network 10, Channel 5, Telefe and Pluto TV)

Year Ended December 31,			Increase/(Decrease)	
	2019	2018	\$	%
Advertising	\$ 5,129	\$ 5,130	\$ (1)	— %
Affiliate	6,052	6,294	(242)	(4)
Content licensing	1,268	1,259	9	1
Revenues	\$ 12,449	\$ 12,683	\$ (234)	(2)%
Adjusted OIBDA	\$ 3,515	\$ 4,341	\$ (826)	(19)%

**Revenues**

For 2019, *Cable Networks* revenues decreased 2% from the prior year, reflecting an unfavorable impact from foreign exchange rate changes of 2-percentage points. Domestic revenues remained substantially flat compared with the prior year as higher advertising revenues were offset by a decline in affiliate revenues. International revenues decreased 9% mainly as a result of a 7-percentage point unfavorable impact of foreign exchange rate changes.

*Advertising*

Advertising revenues remained flat compared with the prior year and included an unfavorable impact of foreign exchange rate changes of 3-percentage points. Domestic advertising revenues increased 6%, reflecting higher revenues from AMS, which comprised approximately 19% of domestic advertising revenues in 2019, and includes Pluto TV, which was acquired in March 2019. The domestic advertising growth also reflects higher pricing and the inclusion of the results of Pop TV. We began consolidating Pop TV in March 2019 when we acquired the 50% stake we did not own, which brought our ownership to 100%. These increases were partially offset by lower linear impressions. International advertising revenues decreased 13%, mainly reflecting the unfavorable impact of foreign exchange rate changes of 9-percentage points, as well as softness in the Australian and UK markets, partially offset by increases in pricing and political advertising in Argentina.

*Affiliate*

Affiliate revenues decreased 4%, which included a 1-percentage point unfavorable impact from foreign exchange rate changes. Domestic affiliate revenues decreased 4%, primarily driven by declines in traditional MVPD subscribers at our basic and premium cable networks. These declines were partially offset by growth from Showtime OTT, the inclusion of the results of Pop TV, and contractual rate increases under carriage agreements. International affiliate revenues decreased 6%, reflecting a 6-percentage point unfavorable impact of foreign exchange rate changes. As of December 31, 2019, Showtime subscriptions, including Showtime OTT, totaled approximately 27 million.

*Content Licensing*

The 1% increase in content licensing revenues, which includes the unfavorable impact of foreign exchange rate changes of 1-percentage point, was the result of increased revenues from the production of programming for third parties, including *The Real World* and *Bellator* mixed martial arts events. These increases were partially offset by lower secondary market revenue, driven by the renewal of a significant domestic licensing agreement for the Showtime original series, *Dexter*, in 2018.

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**Adjusted OIBDA**

Adjusted OIBDA decreased 19%, driven by lower revenues as well as increased investment in content and higher advertising and promotion expenses.

**Filmed Entertainment** (Paramount Pictures, Paramount Players, Paramount Animation and Paramount Television Studios)

Year Ended December 31,			Increase/(Decrease)	
	2019	2018	\$	%
Theatrical	\$ 547	\$ 744	\$ (197)	(26)%
Home Entertainment	623	617	6	1
Licensing	1,709	1,493	216	14
Other	111	102	9	9
Revenues	\$ 2,990	\$ 2,956	\$ 34	1 %
Adjusted OIBDA	\$ 80	\$ (33)	\$ 113	n/m

n/m - not meaningful

**Revenues**

For 2019, the 1% increase in *Filmed Entertainment* revenues reflects growth in licensing revenues, partially offset by lower theatrical revenues. Foreign exchange rate changes had a 1-percentage point unfavorable impact on the revenue comparison.

*Theatrical*

The 26% decrease in theatrical revenues principally reflects a difficult comparison to the prior year, as a result of the 2018 releases of *Mission: Impossible - Fallout* and *A Quiet Place*. Theatrical revenues in 2019 benefited from the releases of *Rocketman*, *Gemini Man* and *Dora and the Lost City of Gold*, as well as the continued success of the 2018 release, *Bumblebee*. Foreign exchange rate changes had a 1-percentage point unfavorable impact on theatrical revenues.

*Home Entertainment*

The 1% increase in home entertainment revenues was driven by the number and mix of titles in release. Significant 2019 releases included *Bumblebee*, *Rocketman*, *Instant Family*, and *Pet Sematary*, while 2018 benefited from the releases of *Mission: Impossible - Fallout*, *Daddy's Home 2* and *A Quiet Place*. Changes in foreign exchange rates resulted in a 1-percentage point unfavorable impact on the revenue comparison.

*Licensing*

The 14% growth in licensing revenues was driven by increases in licensing of film catalog titles to SVOD providers and recent releases to pay television services. Foreign exchange rate changes had a 1-percentage point unfavorable impact on licensing revenues.

*Other*

The 9% increase in other revenues was driven by higher studio rental revenues.

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**Adjusted OIBDA**

Adjusted OIBDA for 2019 increased to \$80 million from a loss of \$33 million for 2018, principally driven by higher profits from licensing of film library titles. This increase was partially offset by costs associated with future film releases and higher incentive compensation costs. Fluctuations in results for the *Filmed Entertainment* segment may occur as a result of the timing of the recognition of print and advertising expenses, which are generally incurred before and throughout the theatrical release of a film, while the revenues for the respective film are recognized as earned through the film's theatrical exhibition and subsequent distribution windows.

**Publishing (Simon & Schuster)**

Year Ended December 31,			Increase/(Decrease)	
	2019	2018	\$	%
Revenues	\$ 814	\$ 825	\$ (11)	(1)%
Adjusted OIBDA	\$ 143	\$ 153	\$ (10)	(7)%

**Revenues**

For 2019, the 1% decrease in revenues primarily reflects lower print book sales, partially offset by 15% growth in digital audio sales. Bestselling titles for 2019 included *Howard Stern Comes Again* by Howard Stern, *The Institute* by Stephen King and *The Pioneers* by David McCullough.

**Adjusted OIBDA**

The 7% decrease in Adjusted OIBDA primarily reflects lower revenues and higher costs from the mix of titles.

**Segment Results of Operations - 2018 vs. 2017**

Year Ended December 31,	% of Total		% of Total		Increase/(Decrease)	
	2018	Revenues	2017	Revenues	\$	%
<b>Revenues:</b>						
TV Entertainment	\$ 11,061	41 %	\$ 10,476	39 %	\$ 585	6 %
Cable Networks	12,683	46	12,479	47	204	2
Filmed Entertainment	2,956	11	3,075	12	(119)	(4)
Publishing	825	3	830	3	(5)	(1)
Corporate/Eliminations	(275)	(1)	(325)	(1)	50	15
<b>Total Revenues</b>	<b>\$ 27,250</b>	<b>100 %</b>	<b>\$ 26,535</b>	<b>100 %</b>	<b>\$ 715</b>	<b>3 %</b>

Year Ended December 31,					Increase/(Decrease)	
	2018	2017	\$	%		
<b>Adjusted OIBDA:</b>						
TV Entertainment	\$ 2,466	\$ 2,301	\$ 165	7 %		
Cable Networks	4,341	4,442	(101)	(2)		
Filmed Entertainment	(33)	(187)	154	82		
Publishing	153	146	7	5		
Corporate/Eliminations	(433)	(442)	9	2		
Stock-based compensation	(205)	(220)	15	7		
<b>Total Adjusted OIBDA</b>	<b>6,289</b>	<b>6,040</b>	<b>249</b>	<b>4</b>		
Depreciation and amortization	(433)	(443)	10	2		
Restructuring and other corporate matters	(490)	(258)	(232)	n/m		
Programming charges	(162)	(144)	(18)	n/m		
Gain on sale of assets	—	146	(146)	n/m		
<b>Total Operating Income</b>	<b>\$ 5,204</b>	<b>\$ 5,341</b>	<b>\$ (137)</b>	<b>(3)%</b>		

n/m - not meaningful

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Year Ended December 31,	2018	2017	Increase/(Decrease)	
			\$	%
<b>Depreciation and Amortization:</b>				
TV Entertainment	\$ 160	\$ 163	\$ (3)	(2)%
Cable Networks	194	193	1	1
Filmed Entertainment	38	42	(4)	(10)
Publishing	6	6	—	—
Corporate	35	39	(4)	(10)
<b>Total Depreciation and Amortization</b>	<b>\$ 433</b>	<b>\$ 443</b>	<b>\$ (10)</b>	<b>(2)%</b>

**TV Entertainment** (CBS Television Network, CBS Television Studios, CBS Television Distribution, CBS Interactive, CBS Sports Network, CBS Television Stations and CBS-branded streaming services CBS All Access and CBSN, among others)

Year Ended December 31,	2018	2017	Increase/(Decrease)	
			\$	%
Advertising	\$ 5,751	\$ 5,696	\$ 55	1 %
Affiliate	2,082	1,674	408	24
Content licensing	3,006	2,880	126	4
Other	222	226	(4)	(2)
Revenues	\$ 11,061	\$ 10,476	\$ 585	6 %
Adjusted OIBDA	\$ 2,466	\$ 2,301	\$ 165	7 %

**Revenues**

For 2018, the 6% increase in *TV Entertainment* revenues reflects growth across each of the segment's main revenue streams.

*Advertising*

The 1% increase in advertising revenues was driven by record political advertising sales associated with the 2018 midterm elections, partially offset by the absence of *Thursday Night Football* and the national semifinals and championship game of the NCAA Tournament, which were broadcast by CBS in 2017. *TV Entertainment* advertising revenues also benefited from the adoption of a new revenue recognition standard in the first quarter of 2018, under which revenues for certain distribution arrangements are recognized based on the gross amount of consideration

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received from the customer, with an offsetting increase to participation expense. Under previous accounting guidance, such revenues were recognized at the net amount retained by us after the payment of fees to the third party. This guidance was applied prospectively from the date of adoption and therefore, amounts for 2017 are reported under previous accounting guidance.

*Affiliate*

Affiliate revenues grew 24% as a result of a 22% increase in station affiliation fees and retransmission revenues as well as subscriber growth at CBS All Access.

*Content Licensing*

Content licensing increased 4%, primarily reflecting higher international licensing and the impact of the aforementioned adoption of a new revenue recognition standard in 2018, which resulted in higher revenues under certain distribution arrangements, with an offsetting increase to operating expenses. These increases were partially offset by lower domestic licensing, as 2017 included the licensing of *NCIS: New Orleans*, *Madam Secretary* and titles from the *CSI* franchise.

**Adjusted OIBDA**

Adjusted OIBDA increased 7% as a result of higher revenues and lower programming costs associated with the absence of CBS's broadcast of *Thursday Night Football*, partially offset by an increased investment in content and digital initiatives.

**Cable Networks** (Showtime Networks, Nickelodeon, MTV, BET, Comedy Central, Paramount Network, Nick Jr., VH1, TV Land, CMT, Smithsonian Networks, ViacomCBS Networks International, Network 10, Channel 5 and Telefe)

Year Ended December 31,			Increase/(Decrease)	
	2018	2017	\$	%
Advertising	\$ 5,130	\$ 4,947	\$ 183	4 %
Affiliate	6,294	6,479	(185)	(3)
Content licensing	1,259	1,053	206	20
Revenues	\$ 12,683	\$ 12,479	\$ 204	2 %
Adjusted OIBDA	\$ 4,341	\$ 4,442	\$ (101)	(2)%

**Revenues**

For 2018, the 2% increase in *Cable Networks* revenues was driven by 15% growth in international revenues, reflecting growth across each of the segment's revenue streams. Domestic revenues decreased 2%, driven by lower affiliate revenues and advertising revenues, partially offset by increased content licensing revenues. International revenues included a 3-percentage point unfavorable impact from foreign exchange rate changes.

*Advertising*

Advertising revenues increased 4%, driven by 26% higher international revenues as a result of the acquisition of Network 10 in the fourth quarter of 2017, partially offset by an unfavorable impact from foreign exchange rate changes of 5-percentage points. Domestic advertising revenues decreased 4%, principally reflecting lower linear impressions, partially offset by higher pricing and growth in revenues from AMS.

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*Affiliate*

The 3% decrease in affiliate revenues was the result of a 4% decrease in domestic revenues, reflecting the benefit to 2017 from Showtime Networks' distribution of the Floyd Mayweather/Conor McGregor pay-per-view boxing event and declines in traditional MVPD subscribers at our basic cable networks. Growth from Showtime OTT and contractual rate increases partially offset the decline. As of December 31, 2018, Showtime subscriptions, including Showtime OTT, totaled approximately 27 million. International affiliate revenues increased 6%, driven by the acquisition of Network 10, as well as subscriber growth and new channel launches. International affiliate revenues included a 1-percentage point unfavorable impact of foreign exchange rate changes.

*Content Licensing*

Content licensing revenues increased 20% reflecting higher revenues from the licensing of original programming from our basic cable networks and Showtime, including the renewal of *Dexter*, as well as the benefit to 2018 from *SpongeBob SquarePants: The Broadway Musical*.

**Adjusted OIBDA**

Adjusted OIBDA decreased 2%, driven by an increased investment in content and growth initiatives, partially offset by the revenue growth and lower expenses resulting from cost transformation initiatives.

**Filmed Entertainment** (Paramount Pictures, Paramount Players, Paramount Animation and Paramount Television Studios)

Year Ended December 31,			Increase/(Decrease)	
	2018	2017	\$	%
Theatrical	\$ 744	\$ 716	\$ 28	4 %
Home Entertainment	617	789	(172)	(22)
Licensing	1,493	1,468	25	2
Other	102	102	—	—
Revenues	\$ 2,956	\$ 3,075	\$ (119)	(4)%
Adjusted OIBDA	\$ (33)	\$ (187)	\$ 154	82 %

**Revenues**

For 2018, *Filmed Entertainment* revenues decreased 4% reflecting lower home entertainment revenues, partially offset by increases in theatrical and licensing revenues.

*Theatrical*

Theatrical revenues increased 4%, principally reflecting the 2018 release of *Mission: Impossible - Fallout*. Other significant 2018 releases included *A Quiet Place* and *Bumblebee*. Significant releases in 2017 included *Transformers: The Last Knight*, *xXx: Return of Xander Cage*, *Daddy's Home 2* and *Baywatch*. Foreign exchange rate changes had a 1-percentage point unfavorable impact on theatrical revenues.

*Home Entertainment*

Home entertainment revenues decreased 22% in 2018, primarily reflecting the number and mix of titles in release. Significant 2018 releases included *Mission: Impossible - Fallout*, *Daddy's Home 2* and *A Quiet Place* compared to *Transformers: The Last Knight*, *Jack Reacher: Never Go Back* and *Arrival* in 2017.

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*Licensing*

Licensing revenues increased 2% in 2018, driven by higher revenues from the production of programming for third parties, including *Tom Clancy's Jack Ryan*, *Maniac*, *The Haunting of Hill House* and *The Cloverfield Paradox*.

**Adjusted OIBDA**

Adjusted OIBDA for *Filmed Entertainment* was a loss of \$33 million in 2018 compared with a loss of \$187 million in 2017, an improvement of 82%, reflecting lower print and advertising expenses, primarily driven by the number and mix of theatrical releases and a charge resulting from the termination of a slate financing agreement in 2017. Fluctuations in results for the *Filmed Entertainment* segment may occur as a result of the timing of the recognition of print and advertising expenses, which are generally incurred before and throughout the theatrical release of a film, while the revenues for the respective film are recognized as earned through the film's theatrical exhibition and subsequent distribution windows.

**Publishing (Simon & Schuster)**

Year Ended December 31,			Increase/(Decrease)	
	2018	2017	\$	%
Revenues	\$ 825	\$ 830	\$ (5)	(1)%
Adjusted OIBDA	\$ 153	\$ 146	\$ 7	5%

**Revenues**

For 2018, the 1% decrease in revenues primarily reflects lower sales of print and electronic books, partially offset by 20% growth in digital audio sales. Bestselling titles for 2018 included *Fear: Trump in the White House* by Bob Woodward, *The Outsider* by Stephen King and *Whiskey in a Teacup* by Reese Witherspoon.

**Adjusted OIBDA**

The 5% increase in Adjusted OIBDA mainly reflects lower production costs.

**Cash Flows**

The changes in cash, cash equivalents and restricted cash were as follows:

Year Ended December 31,	2019	2018	Increase/ (Decrease) 2019 vs. 2018	2017	Increase/ (Decrease) 2018 vs. 2017
<b>Cash provided by operating activities from:</b>					
Continuing operations	\$ 1,230	\$ 3,463	\$ (2,233)	\$ 2,345	\$ 1,118
Discontinued operations	—	1	(1)	94	(93)
Cash provided by operating activities	1,230	3,464	(2,234)	2,439	1,025
<b>Cash (used for) provided by investing activities from:</b>					
Continuing operations	(153)	(588)	435	150	(738)
Discontinued operations	(2)	(23)	21	(24)	1
Cash (used for) provided by investing activities	(155)	(611)	456	126	(737)
Cash used for financing activities	(1,216)	(2,531)	1,315	(3,009)	478
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1)	(25)	24	58	(83)
Net (decrease) increase in cash, cash equivalents and restricted cash	\$ (142)	\$ 297	\$ (439)	\$ (386)	\$ 683

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*Operating Activities.* The decrease in cash provided by operating activities from continuing operations for 2019 compared with 2018 was primarily driven by an increased investment in television and film programming, higher payments for income taxes and payments of \$132 million associated with costs related to the Merger. Operating cash flow for 2019 and 2018 also included payments for restructuring activities of \$234 million and \$219 million, respectively.

The increase in cash provided by operating activities from continuing operations for 2018 compared with 2017 was primarily driven by lower cash payments for income taxes and growth in affiliate revenues, which were partially offset by an increased investment in television and film programming. Operating cash flow for 2017 also included discretionary pension contributions of \$600 million to prefund our qualified pension plans.

Cash provided by operating activities from discontinued operations primarily reflected the operating activities of CBS Radio. Operating activities from discontinued operations also included payments and refunds for tax matters in foreign jurisdictions related to previously disposed businesses that are accounted for as discontinued operations.

The increase in cash payments for income taxes for 2019 compared to 2018 was primarily due to a payment in 2019 as a result of guidance issued by the United States government in January 2019 relating to the transition tax on cumulative foreign earnings and profits that resulted from the enactment of federal tax legislation in December 2017. In addition, cash taxes for 2018 benefited from the application of a federal income tax overpayment carryforward from 2017.

The decrease in cash payments for income taxes for 2018 compared to 2017 reflects the benefit from a federal income tax overpayment, which included the impact from the retroactive renewal of a federal tax law.

*Investing Activities*

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Investments <sup>(a)</sup>	\$ (171)	\$ (161)	\$ (128)
Capital expenditures	(353)	(352)	(356)
Acquisitions, net of cash acquired <sup>(b)</sup>	(399)	(118)	(289)
Proceeds from dispositions <sup>(c)</sup>	756	39	892
Other investing activities from continuing operations	14	4	31
Cash flow (used for) provided by investing activities from continuing operations	(153)	(588)	150
Cash flow used for investing activities from discontinued operations	(2)	(23)	(24)
Cash flow (used for) provided by investing activities	\$ (155)	\$ (611)	\$ 126

(a) Primarily includes our investment in The CW.

(b) 2019 primarily reflects the acquisition of Pluto Inc. and the remaining 50% interest in Pop TV, a general entertainment cable network. 2018 primarily reflects the acquisitions of WhoSay Inc., a leading influence marketing firm, Pop Culture Media, a digital entertainment media company, and VidCon LLC, a host of conferences dedicated to online video. 2017 primarily reflects the acquisition of Network 10, one of three major commercial broadcast networks in Australia, and the acquisition of a television library.

(c) 2019 primarily reflects the sale of CBS Television City. 2017 primarily reflects the sale of our 49.76% interest in EPIX and the sale of broadcast spectrum in connection with the FCC's broadcast spectrum auction.



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*Financing Activities*

Year Ended December 31,	2019	2018	2017
Proceeds from (repayments of) short-term debt borrowings, net	\$ 25	\$ (5)	\$ 229
Proceeds from issuance of senior notes	492	—	3,157
Repayment of notes and debentures	(910)	(1,102)	(4,729)
Dividends	(595)	(599)	(616)
Repurchase of the Company's Class B Common Stock	(57)	(586)	(1,111)
Payment of payroll taxes in lieu of issuing shares for stock-based compensation	(56)	(67)	(103)
Proceeds from exercise of stock options	15	29	263
Other financing activities	(130)	(201)	(99)
Cash flow used for financing activities	\$ (1,216)	\$ (2,531)	\$ (3,009)

**Free Cash Flow**

Free cash flow is a non-GAAP financial measure. Free cash flow reflects our net cash flow provided by (used for) operating activities before operating cash flow from discontinued operations, and less capital expenditures. Our calculation of free cash flow includes capital expenditures because investment in capital expenditures is a use of cash that is directly related to our operations. Our net cash flow provided by (used for) operating activities is the most directly comparable GAAP financial measure.

Management believes free cash flow provides investors with an important perspective on the cash available to us to service debt, make strategic acquisitions and investments, maintain our capital assets, satisfy our tax obligations, and fund ongoing operations and working capital needs. As a result, free cash flow is a significant measure of our ability to generate long-term value. It is useful for investors to know whether this ability is being enhanced or degraded as a result of our operating performance. We believe the presentation of free cash flow is relevant and useful for investors because it allows investors to evaluate the cash generated from our underlying operations in a manner similar to the method used by management. Free cash flow is among several components of incentive compensation targets for certain management personnel. In addition, free cash flow is a primary measure used externally by our investors, analysts and industry peers for purposes of valuation and comparison of our operating performance to other companies in our industry.

As free cash flow is not a measure calculated in accordance with GAAP, free cash flow should not be considered in isolation of, or as a substitute for, either net cash flow provided by operating activities as a measure of liquidity or net earnings (loss) as a measure of operating performance. Free cash flow, as we calculate it, may not be comparable to similarly titled measures employed by other companies. In addition, free cash flow as a measure of liquidity has certain limitations, does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs.

The following table presents a reconciliation of our net cash flow provided by operating activities to free cash flow.

Year Ended December 31,	2019	2018	2017
Net cash flow provided by operating activities (GAAP)	\$ 1,230	\$ 3,464	\$ 2,439
Capital expenditures	(353)	(352)	(356)
Less: Operating cash flow from discontinued operations	—	1	94
Free cash flow (Non-GAAP)	\$ 877	\$ 3,111	\$ 1,989

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**Dividends**

On December 19, 2019, ViacomCBS declared a quarterly cash dividend of \$.24 per share on its Class A and Class B Common Stock, resulting in total dividends of \$150 million, which were paid on January 10, 2020. Prior to the Merger, Viacom and CBS each declared a quarterly cash dividend during each of the first three quarters of 2019 and during each of the four quarters of 2018 and 2017. During 2019, CBS declared total per share dividends of \$.54, resulting in total dividends of \$205 million. For each of the years ended December 31, 2018 and 2017, CBS declared total per share dividends of \$.72, resulting in total annual dividends of \$274 million and \$289 million, respectively. During 2019, Viacom declared total per share dividends of \$.60, resulting in total dividends of \$245 million. For each of the years ended December 31, 2018 and 2017, Viacom declared total per share dividends of \$.80, resulting in total annual dividends of \$325 million and \$323 million, respectively.

On February 12, 2020, ViacomCBS declared a quarterly cash dividend of \$.24 per share on its Class A and Class B Common Stock, payable on April 1, 2020.

**Share Repurchase Program**

During December 2019, we repurchased 1.2 million shares of ViacomCBS Class B Common Stock under our share repurchase program for \$50 million, at an average cost of \$40.78 per share. At December 31, 2019, \$2.41 billion of authorization remained under the share repurchase program.

**Capital Structure**

The following table sets forth our debt.

<b>At December 31,</b>	<b>2019</b>	<b>2018</b>
Commercial paper	\$ 699	\$ 674
Senior debt (2.30%-7.875% due 2019-2045)	16,690	17,086
Junior debt (5.875%-6.250% due 2057)	1,286	1,284
Obligations under finance leases	44	69
<b>Total debt <sup>(a)</sup></b>	<b>18,719</b>	<b>19,113</b>
Less commercial paper	699	674
Less current portion of long-term debt	18	339
<b>Total long-term debt, net of current portion</b>	<b>\$ 18,002</b>	<b>\$ 18,100</b>

(a) At December 31, 2019 and 2018, the senior and junior subordinated debt balances included (i) a net unamortized discount of \$412 million and \$422 million, respectively, (ii) unamortized deferred financing costs of \$92 million and \$98 million, respectively, and (iii) a decrease in the carrying value of the debt relating to previously settled fair value hedges of \$6 million and \$5 million, respectively. The face value of our total debt was \$19.23 billion at December 31, 2019 and \$19.64 billion at December 31, 2018.

During the year ended December 31, 2019, we issued \$500 million of 4.20% senior notes due 2029. We used the net proceeds from this issuance in the redemption of our \$600 million outstanding 2.30% senior notes due August 2019. During 2019, we also repaid the \$220 million aggregate principal amount of our 5.625% senior notes due September 2019 and the \$90 million aggregate principal amount of our 2.75% senior notes due December 2019.

During the year ended December 31, 2018, we redeemed \$1.13 billion of senior notes and debentures for a redemption price of \$1.10 billion, resulting in a pre-tax gain on early extinguishment of debt of \$18 million (\$14 million, net of tax).

During the year ended December 31, 2017, we issued \$3.10 billion of senior notes and junior subordinated debentures. Also during 2017, we redeemed and repaid \$4.67 billion of senior notes, of which \$4.27 billion was

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redeemed prior to maturity, resulting in a pre-tax loss on early extinguishment of debt of \$38 million (\$21 million, net of tax).

Our 5.875% junior subordinated debentures due February 2057 and 6.25% junior subordinated debentures due February 2057 accrue interest at the stated fixed rates until February 28, 2022 and February 28, 2027, respectively, on which dates the rates will switch to floating rates based on three-month LIBOR plus 3.895% and 3.899%, respectively, reset quarterly. These debentures can be called by us at any time after the expiration of the fixed-rate period.

The subordination, interest deferral option and extended term of the junior subordinated debentures provide significant credit protection measures for senior creditors and, as a result of these features, the debentures received a 50% equity credit by Standard & Poor’s Rating Services and Fitch Ratings Inc., and a 25% equity credit by Moody’s Investors Service, Inc.

The interest rate payable on our 2.25% senior notes due February 2022 and 3.45% senior notes due October 2026, collectively the “Senior Notes”, will be subject to adjustment from time to time if Moody’s Investors Services, Inc. or S&P Global Ratings downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the Senior Notes. The interest rate on these Senior Notes would increase by 0.25% upon each credit agency downgrade up to a maximum of 2.00%, and would similarly be decreased for subsequent upgrades. At December 31, 2019, the outstanding principal amount of our 2.25% senior notes due February 2022 and 3.45% senior notes due October 2026 was \$50 million and \$124 million, respectively.

Some of our outstanding notes and debentures provide for certain covenant packages typical for an investment grade company. There is an acceleration trigger for the majority of the notes and debentures in the event of a change in control under specified circumstances coupled with ratings downgrades due to the change in control, as well as certain optional redemption provisions for our junior debentures.

We had outstanding commercial paper borrowings under our \$2.50 billion commercial paper program of \$699 million and \$674 million at December 31, 2019 and 2018, respectively, each with maturities of less than 90 days. The weighted average interest rate for these borrowings was 2.07% and 3.02% at December 31, 2019 and 2018, respectively.

In January 2020, our commercial paper program was increased to \$3.50 billion in conjunction with the new \$3.50 billion revolving credit facility described below.

### ***Credit Facility***

At December 31, 2019, we had a \$2.50 billion revolving credit facility held by CBS prior to the Merger (the “CBS Credit Facility”) with a maturity in June 2021 and a \$2.50 billion revolving credit facility held by Viacom prior to the Merger (the “Viacom Credit Facility”), with a maturity in February 2024. At December 31, 2019, we had no borrowings outstanding under the CBS Credit Facility or the Viacom Credit Facility and the remaining availability, net of outstanding letters of credit, was \$2.50 billion for each facility.

In January 2020, the CBS Credit Facility was terminated and the Viacom Credit Facility was amended and restated to a \$3.50 billion revolving credit facility with a maturity in January 2025 (the “Credit Facility”). The Credit Facility is used for general corporate purposes and to support commercial paper outstanding, if any. We may, at our option, also borrow in certain foreign currencies up to specified limits under the Credit Facility. Borrowing rates under the Credit Facility are determined at our option at the time of each borrowing and are based generally on the prime rate in the U.S. or LIBOR plus a margin based on our senior unsecured debt rating. The Credit Facility requires our Consolidated Total Leverage Ratio to be less than 4.5x (which we may elect to increase to 5.0x for up to four consecutive

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quarters following a qualified acquisition) at the end of each quarter, to be applied retrospectively from December 31, 2019. The Consolidated Total Leverage Ratio reflects the ratio of our Consolidated Indebtedness at the end of a quarter, to our Consolidated EBITDA (each as defined in the amended credit agreement) for the trailing twelve-month period. We met this covenant as of December 31, 2019.

**Liquidity and Capital Resources**

We project anticipated cash requirements for our operating, investing and financing needs as well as cash flows generated from operating activities available to meet these needs. Our operating needs include, among other items, commitments for sports programming rights, television and film programming, talent contracts, leases, interest payments, income taxes payments and pension funding obligations. Our investing and financing spending includes capital expenditures, investments and acquisitions, share repurchases, dividends and principal payments on our outstanding indebtedness.

We believe that our operating cash flows, cash and cash equivalents, borrowing capacity under the \$3.50 billion Credit Facility, and access to capital markets are sufficient to fund our operating, investing and financing requirements for the next twelve months.

Our funding for short-term and long-term obligations will come primarily from cash flows from operating activities. Any additional cash funding requirements are financed with short-term borrowings, including commercial paper, and long-term debt. To the extent that commercial paper is not available to us, the Credit Facility provides sufficient capacity to satisfy short-term borrowing needs. We routinely assess our capital structure and opportunistically enter into transactions to lower our interest expense, which could result in a charge from the early extinguishment of debt.

Funding for our long-term debt obligations due over the next five years of \$5.90 billion is expected to come from our ability to refinance our debt and cash generated from operating activities.

Our access to capital markets can be impacted by factors outside our control, including economic conditions; however, we believe that our strong cash flows and balance sheet, our credit facility and our credit rating will provide us with adequate access to funding for our expected cash needs. The cost of any new borrowings are affected by market conditions and short and long-term debt ratings assigned by independent rating agencies, and there can be no assurance that we will be able to access capital markets on terms and conditions that will be favorable to us.

At December 31, 2019, we had \$2.41 billion of remaining availability under our share repurchase program. Share repurchases under the program are expected to be funded by cash flows from operations and, as appropriate, with short-term borrowings, including commercial paper, and/or the issuance of long-term debt.

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**Contractual Obligations**

As of December 31, 2019, payments due by period under our significant contractual obligations with remaining terms in excess of one year were as follows:

	Payments Due by Period				
	Total	2020	2021-2022	2023-2024	and 2025 and Thereafter
<b>Off-Balance Sheet Arrangements</b>					
Programming and talent commitments <sup>(a)</sup>	\$ 10,355	\$ 3,003	\$ 5,350	\$ 1,159	\$ 843
Purchase obligations <sup>(b)</sup>	1,517	609	744	82	82
<b>On-Balance Sheet Arrangements</b>					
Operating leases <sup>(c)</sup>	2,709	371	648	456	1,234
Long-term debt obligations <sup>(d)</sup>	18,486	—	2,345	3,557	12,584
Interest commitments on long-term debt <sup>(e)</sup>	13,046	868	1,627	1,418	9,133
Finance leases (including interest) <sup>(f)</sup>	47	21	23	2	1
Other long-term contractual obligations <sup>(g)</sup>	2,076	—	1,479	412	185
<b>Total</b>	<b>\$ 48,236</b>	<b>\$ 4,872</b>	<b>\$ 12,216</b>	<b>\$ 7,086</b>	<b>\$ 24,062</b>

(a) Our programming and talent commitments include \$5.39 billion for sports programming rights, \$3.80 billion relating to the production and licensing of television and film programming, and \$1.17 billion for talent contracts.

(b) Purchase obligations include agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including open purchase orders.

(c) Consists of operating lease commitments for office space, equipment, satellite transponders and studio facilities.

(d) Long-term debt obligations are presented at face value, excluding finance leases.

(e) Future interest based on scheduled debt maturities. Interest payments on junior subordinated debentures subsequent to the expiration of their fixed-rate periods have been included based on their current fixed rates.

(f) Includes finance lease obligations for satellite transponders and equipment.

(g) Reflects long-term contractual obligations recorded on the Consolidated Balance Sheet, including program liabilities; participations due to producers; residuals; and a tax liability resulting from the enactment of the Tax Reform Act in December 2017. This tax liability reflects the remaining tax on our historical accumulated foreign earnings and profits, which is payable to the IRS in 2024 and 2025.

The table above does not include payments relating to reserves for uncertain tax positions of \$384 million, and related interest and penalties, interest under our credit facility and for commercial paper borrowings, redeemable noncontrolling interest of \$254 million, our guarantee liability of \$124 million relating to the sale of CBS Television City; lease indemnification obligations of \$86 million or potential future contributions to our qualified defined benefit pension plans. The amount and timing of payments with respect to these items are subject to a number of uncertainties such that we are unable to make sufficiently reliable estimations of future payments.

In 2020, we expect to make contributions of approximately \$70 million to our non-qualified pension plans to satisfy the benefit payments due under these plans. Also in 2020, we expect to contribute approximately \$43 million to our other postretirement benefit plans to satisfy our portion of benefit payments due under these plans.

**Guarantees**

**Letters of Credit and Surety Bonds.** We have indemnification obligations with respect to letters of credit and surety bonds primarily used as security against non-performance in the normal course of business. At December 31, 2019, the outstanding letters of credit and surety bonds approximated \$136 million and were not recorded on the Consolidated Balance Sheet.

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*CBS Television City.* During 2019, we completed the sale of CBS Television City. We have guaranteed a specified level of cash flows to be generated by the business during the first five years following the completion of the sale. Included on the Consolidated Balance Sheet at December 31, 2019 is a liability of \$124 million, reflecting the present value of the estimated amount payable under the guarantee obligation.

*Lease Guarantees.* As noted above, we have indemnification obligations of \$86 million with respect to leases primarily associated with the previously discontinued operations of Famous Players Inc.

*Film Financing Arrangements.* From time to time we enter into film or television programming (collectively referred to as "film") financing arrangements that involve the sale of a partial copyright interest in a film to third-party investors. Since the investors typically have the risks and rewards of ownership proportionate to their ownership in the film, we generally record the amounts received for the sale of copyright interest as a reduction of the cost of the film and related cash flows are reflected in net cash flow from operating activities. We also enter into collaborative arrangements with other studios to jointly finance and distribute films ("co-financing arrangements"), under which each partner is responsible for distribution of the film in specific territories or distribution windows. The partners' share in the profits and losses of the films under these arrangements are included within participations expense.

In the course of our business, we both provide and receive indemnities which are intended to allocate certain risks associated with business transactions. Similarly, we may remain contingently liable for various obligations of a business that has been divested in the event that a third party does not live up to its obligations under an indemnification obligation. We record a liability for its indemnification obligations and other contingent liabilities when probable and reasonably estimable.

### **Critical Accounting Policies**

The preparation of our financial statements in conformity with generally accepted accounting principles requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. On an ongoing basis, we evaluate these estimates, which are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The result of these evaluations forms the basis for making judgments about the carrying values of assets and liabilities and the reported amount of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions.

We consider the following accounting policies to be the most critical as they are important to our financial condition and results of operations, and require significant judgment and estimates on the part of management in their application. The risks and uncertainties involved in applying our critical accounting policies are provided below. Unless otherwise noted, we applied our critical accounting policies and estimation methods consistently in all material respects and for all periods presented, and have discussed such policies with our Audit Committee. For a summary of our significant accounting policies, see the accompanying notes to the consolidated financial statements.

#### *Revenue Recognition*

Revenue is recognized when control of a good or service is transferred to a customer in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. Significant judgments used in the determination of the amount and timing of revenue recognition include the identification of distinct performance obligations in contracts containing bundled advertising sales and content licenses, and the allocation of consideration among individual performance obligations within these arrangements based on their relative standalone selling prices.

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*Advertising Revenues*—Advertising revenues are recognized when the advertising spots are aired on television or displayed on digital platforms. If a contract includes a guarantee to deliver a targeted audience rating or number of impressions, the delivery of the advertising spots that achieve the guarantee represents the performance obligation to be satisfied over time and revenues are recognized based on the proportion of the audience rating or impressions delivered to the total guaranteed in the contract. To the extent the amounts billed exceed the amount of revenue recognized, such excess is deferred until the guaranteed audience ratings or impressions are delivered. For contracts that do not include impressions guarantees, the individual advertising spots are the performance obligation and consideration is allocated among the individual advertising spots based on relative standalone selling price.

*Content Licensing Revenues*—For licenses of exhibition rights for internally-produced programming, each individual episode or film delivered represents a separate performance obligation and revenues are recognized when the episode or film is made available to the licensee for exhibition and the license period has begun. For license agreements that include delivery of content on one or more dates for a fixed fee, consideration is allocated based on the relative standalone selling price of each episode or film, which is based on licenses for comparable content within the marketplace. Estimation of standalone selling prices requires judgment, which can impact the timing of recognizing revenues.

*Affiliate Revenues*—The performance obligation for our affiliate agreements is a license to our programming provided through the continuous delivery of live linear feeds and, for agreements with MVPDs and subscribers to our digital streaming services, also includes a license to programming for video on demand viewing. Affiliate revenues are recognized over the term of the agreement as we satisfy our performance obligation by continuously providing our customer with the right to use our programming. For agreements that provide for a variable fee, revenues are determined each month based on an agreed upon contractual rate applied to the number of subscribers to our customer’s service. For agreements that provide for a fixed fee, revenues are recognized based on the relative fair value of the content provided over the term of the agreement. These agreements primarily include agreements with television stations affiliated with the CBS Television Network (“network affiliates”) for which fair value is determined based on the fair value of the network affiliate’s service and the value of our programming.

*Film and Television Production Costs*

Costs incurred to produce television programs and feature films are capitalized and amortized over the projected life of each television program or feature film based on the ratio of current period revenues to estimated remaining total revenues to be earned (“Ultimate Revenues”). Management’s judgment is required in estimating Ultimate Revenues and the costs to be incurred throughout the life of each television program or feature film. These estimates are used to determine the amortization of capitalized production costs, expensing of participation costs, and any necessary impairments to capitalized production costs.

For television programming, our estimates of Ultimate Revenue are initially limited to the amount of revenue contracted for each episode in the initial market and estimates of revenue from a secondary market where we can demonstrate a history of earning such revenue in that market. Estimates for additional secondary market revenues such as domestic and foreign syndication and home entertainment are included in the estimates of Ultimate Revenues once it can be demonstrated that a program can be successfully licensed in such secondary market. For each television program, management bases these estimates on the performance in the initial markets, the existence of future firm commitments to sell and the past performance of similar television programs.

For feature films, our estimate of Ultimate Revenues includes revenues from all sources that are estimated to be earned within 10 years from the date of a film’s initial theatrical release. For acquired film libraries, our estimate of Ultimate Revenues is for a period within 20 years from the date of acquisition. Prior to the release of feature films, we estimate Ultimate Revenues based on the historical performance of similar content and pre-release market research

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(including test market screenings), as well as factors relating to the specific film, including the expected number of theaters and markets in which the original content will be released, the genre of the original content and the past box office performance of the lead actors and actresses. For films intended for theatrical release, we believe the performance during the theatrical exhibition is the most sensitive factor affecting our estimate of Ultimate Revenues as subsequent markets have historically exhibited a high correlation to theatrical performance. Upon a film's initial release, we update our estimate of Ultimate Revenues based on actual and expected future performance. Our estimates of revenues from succeeding windows and markets are revised based on historical relationships to theatrical performance and an analysis of current market trends. We also review and revise estimates of Ultimate Revenue and participation costs as of each reporting date to reflect the most current available information. After their theatrical release the most sensitive factor affecting our estimates for feature films is the extent of home entertainment sales. In addition to theatrical performance, home entertainment sales vary based on a variety of factors including demand for our titles, the volume and quality of competing products, marketing and promotional strategies, as well as economic conditions.

Estimates of Ultimate Revenues for internally-produced television programming are updated regularly based on information available as the television program progresses through its life cycle. If Ultimate Revenue estimates are revised, the difference between amortization expense determined using the new estimate and any amounts previously expensed during that year are reflected in our Consolidated Statement of Operations in the quarter in which the estimates are revised. Overestimating Ultimate Revenues for internally-produced programming could result in the understatement of the amortization of capitalized production costs and future net realizable value adjustments, as well as the misstatement of accruals for participation expense.

*Acquired Program Rights*

The costs incurred in acquiring television series and feature film programming rights, including advances, are capitalized when the program is accepted and available for airing at the commencement of the license period. The costs of programming rights licensed under multi-year sports programming agreements are capitalized if the rights payments are made before the related economic benefit has been received. These costs are expensed over the shorter of the license period or the period in which an economic benefit is expected to be derived. The economic benefit is determined based on management's estimates of revenues to be derived from the programming, the expected number of future airings, which may differ from the contracted number of airings, and the length of the license period. If initial airings are expected to generate higher revenues an accelerated method of amortization is used. Management's judgment is required in determining the value of the future economic benefit and the timing of the expensing of these costs.

The estimated economic benefit for acquired programming, including revenue projections for multi-year sports programming, are periodically reviewed and updated based on information available throughout the contractual term. A failure to adjust for a downward revision in the estimated economic benefit to be generated from acquired programming could result in the understatement of programming costs or future net realizable value adjustments.

The net realizable value of acquired programming is regularly evaluated either by title or on a daypart basis, which is defined as an aggregation of programs broadcast during a particular time of day or an aggregation of programs of a similar type based on the specific demographic targeted by each respective program or program service. Net realizable value is determined by estimating advertising revenues to be derived from the future airing of the programming within the daypart and allocating affiliate revenues to the programming, each as applicable. An impairment charge may be necessary if our estimates of future cash flows are below the carrying value of the programming or if programming is abandoned.



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*Goodwill and Intangible Assets Impairment Test*

We perform fair value-based impairment tests of goodwill and intangible assets with indefinite lives, comprised primarily of television FCC licenses in the U.S. and broadcast licenses in Australia, on an annual basis and also between annual tests if an event occurs or if circumstances change that would more likely than not reduce the fair value of a reporting unit or an indefinite-lived intangible asset below its carrying value.

*Television FCC Licenses and International Broadcast Licenses*—FCC licenses are tested for impairment at the geographic market level. We consider each geographic market, which is comprised of all of our television stations within that geographic market, to be a single unit of accounting because the FCC licenses at this level represent their highest and best use. At December 31, 2019, we had 14 television markets with FCC license book values. For broadcast licenses in Australia, we consider all of our broadcast licenses within the country to be a single unit of accounting because this represents their highest and best use.

For our annual impairment test, we perform qualitative assessments for each U.S. television market that we estimate has an aggregate fair value of FCC licenses that significantly exceed their respective carrying values, and for our Australian broadcast licenses when we estimate that the aggregate fair value significantly exceeds the carrying value. Additionally, we consider the duration of time since a quantitative test was performed. For the 2019 annual impairment test, we performed qualitative assessments for all of our U.S. television markets. For each market, we weighed the relative impact of market-specific and macroeconomic factors. The market-specific factors considered include recent projections by geographic market from both independent and internal sources for revenue and operating costs, as well as market share and capital expenditures. We also considered the macroeconomic impact on discount rates and growth rates, as well as the impact from tax law changes that were enacted since the most recent quantitative tests were performed on these markets. Based on the qualitative assessments, considering the aggregation of the relevant factors, we concluded that it is not more likely than not that the fair values of the FCC licenses in each of these television markets are less than their respective carrying values. Therefore, performing the quantitative impairment test was unnecessary.

A quantitative impairment test of broadcast licenses calculates an estimated fair value using the Greenfield Discounted Cash Flow Method, which values a hypothetical start-up station in the relevant market by adding discounted cash flows over a five-year build-up period to a residual value. The assumptions for the build-up period include industry projections of overall market revenues; the start-up station's operating costs and capital expenditures, which are based on both industry and internal data; and average market share. The discount rate is determined based on the industry and market-based risk of achieving the projected cash flows, and the residual value is calculated using a perpetual nominal growth rate, which is based on projected long-range inflation and industry projections.

For 2019, we performed a quantitative impairment test for our Australian broadcast licenses. The discount rate and perpetual nominal growth rate were 11% and 0.5%, respectively. The impairment test indicated that the estimated fair value of the broadcast licenses was lower than the carrying value, which was the result of a sustained decline in the advertising marketplace in Australia. Accordingly, we recorded an impairment charge during the fourth quarter of 2019 of \$20 million, which is included within "Depreciation and amortization" on the Consolidated Statements of Operations.

The estimated fair values of the FCC licenses and Australian broadcast licenses are highly dependent on the assumptions of future economic conditions in the individual geographic markets in which we own and operate television stations. Certain future events and circumstances, including deterioration of market conditions, higher cost of capital, or a decline in the local television advertising marketplace in the U.S. or further decline in the advertising marketplace in Australia could result in a downward revision to our current assumptions and judgments. Various factors may contribute to a future decline in an advertising marketplace including declines in economic conditions;

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an other-than-temporary decrease in spending by advertisers in certain industries that have historically represented a significant portion of television advertising revenues in that market; a shift by advertisers to competing advertising platforms; changes in consumer behavior; and/or a change in population size. A downward revision to the present value of future cash flows could result in impairment and a noncash charge would be required. Such a charge could have a material effect on the Consolidated Statement of Operations and Consolidated Balance Sheet.

*Goodwill*—Goodwill is tested for impairment at the reporting unit level, which is an operating segment, or one level below. At December 31, 2019, we had six reporting units with goodwill balances, which were determined based on the post-Merger reporting structure. For the 2019 annual impairment test, the reporting units tested were those in place prior to the Merger, which closed after the testing dates. We tested two reporting units for impairment as of August 31 and eight reporting units as of October 31.

For our annual impairment test, we perform a qualitative assessment for each reporting unit that management estimates has a fair value that significantly exceeds its respective carrying value. For the 2019 annual impairment test, we performed qualitative assessments for all of our reporting units. For each reporting unit, we weighed the relative impact of factors that are specific to the reporting unit as well as industry and macroeconomic factors. The reporting unit specific factors that were considered included financial performance and changes to the reporting units' carrying amounts since the most recent impairment tests. For each industry in which the reporting units operate, we considered growth projections from independent sources and significant developments or transactions within the industry. We also determined that the impact of macroeconomic factors on the discount rates and growth rates used for the most recent impairment tests would not significantly affect the fair value of the reporting units, and that the lower tax rate from tax law changes enacted since the most recent quantitative tests would positively impact the fair value of the reporting units. Based on the qualitative assessments, considering the aggregation of the relevant factors, we concluded that it is not more likely than not that the fair value of each reporting unit is less than its respective carrying amount and therefore performing quantitative impairment tests was unnecessary.

As of the closing date of the Merger on December 4, 2019, we performed qualitative assessments on the pre-Merger reporting units that were to be combined as a result of the new reporting structure, as well as the post-Merger reporting units that resulted from this combination. Based on these assessments, we concluded that there were no changes to the conclusions reached in our annual impairment test.

A quantitative goodwill impairment test, when performed, requires estimating fair value of a reporting unit based on a discounted cash flow analysis. A discounted cash flow analysis requires us to make various judgmental assumptions, including assumptions about the timing and amount of future cash flows, growth rates and discount rates.

Certain future events and circumstances, including deterioration of market conditions, higher cost of capital, a decline in the advertising market, a decrease in audience acceptance of programming, a shift by advertisers to competing advertising platforms; and/or changes in consumer behavior could result in changes to our assumptions and judgments used in the goodwill impairment tests. A downward revision of these assumptions could cause the fair values of the reporting units to fall below their respective carrying values and a noncash impairment charge would be required. Such a charge could have a material effect on the Consolidated Statement of Operations and Consolidated Balance Sheet.

#### *Legal Matters*

Estimates of liabilities related to legal issues and discontinued businesses, including asbestos and environmental matters, require significant judgments by management. We continually evaluate these estimates based on changes in the relevant facts and circumstances and events that may impact estimates. It is difficult to predict future asbestos

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liabilities as events and circumstances may impact the estimate of our liabilities. While we believe that our liabilities for matters related to our predecessor operations, including environmental and asbestos, are adequate to cover our liabilities, there can be no assurance that circumstances will not change in future periods. Our liability estimate is based upon many factors, including the number of outstanding claims, estimated average cost per claim, the breakdown of claims by disease type, historic claim filings, costs per claim of resolution and the filing of new claims, as well as consultation with a third party firm on trends that may impact our future asbestos liability.

*Pensions*

Pension benefit obligations and net periodic pension costs are calculated using many actuarial assumptions. Two key assumptions used in accounting for pension liabilities and expenses are the discount rate and expected rate of return on plan assets. The discount rate is determined based on the yield on a portfolio of high quality bonds, constructed to provide cash flows necessary to meet our pension plans' expected future benefit payments, as determined for the projected benefit obligation. The expected return on plan assets assumption is derived using the current and expected asset allocation of the pension plan assets and considering historical as well as expected returns on various classes of plan assets. As of December 31, 2019, the unrecognized actuarial losses included in accumulated other comprehensive income increased from the prior year-end due primarily to a decrease in the discount rate, partially offset by the favorable performance of pension plan assets. A 25 basis point change in the discount rate would result in an estimated change to the projected benefit obligation of approximately \$137 million and would not have a material impact on 2020 pension expense. A decrease in the expected rate of return on plan assets would increase pension expense. The estimated impact of a 25 basis point change in the expected rate of return on plan assets is a change of approximately \$8 million to 2020 pension expense.

*Income Taxes*

We are subject to income taxes in both the U.S. and numerous foreign jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and evaluating our income tax positions. When recording an interim worldwide provision for income taxes, an estimated effective tax rate for the year is applied to interim operating results. In the event there is a significant or unusual item recognized in the quarterly operating results, the tax attributable to that item is separately calculated and recorded in the same quarter. Deferred tax assets and liabilities are recognized for the estimated future tax effects of temporary differences between the financial statement carrying amounts and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which the temporary differences are expected to be reversed. We evaluate the realizability of deferred tax assets and establish a valuation allowance when it is more likely than not that all or a portion of deferred tax assets will not be realized.

A number of years may elapse before a tax return containing tax matters for which a reserve has been established is audited and finally resolved. For positions taken in a previously filed tax return or expected to be taken in a future tax return, we evaluate each position to determine whether it is more likely than not that the tax position will be sustained upon examination, based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is subject to a measurement assessment to determine the amount of benefit to recognize in the Consolidated Statement of Operations and the appropriate reserve to establish, if any. If a tax position does not meet the more-likely-than-not recognition threshold a tax reserve is established and no benefit is recognized. We evaluate our uncertain tax positions quarterly based on many factors, including, changes in tax laws and interpretations, information received from tax authorities, and other changes in facts and circumstances. Our income tax returns are routinely audited by U.S. federal and state as well as foreign tax authorities. While it is often difficult to predict the final outcome or the timing of resolution of any particular tax matter, we believe that the reserve for uncertain tax positions of \$384 million at December 31, 2019 is properly recorded pursuant to the recognition and measurement provisions of FASB guidance for uncertainty in income taxes.

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**Legal Matters**

*General.* On an ongoing basis, we vigorously defend ourselves in numerous lawsuits and proceedings and respond to various investigations and inquiries from federal, state, local and international authorities (collectively, “litigation”). Litigation may be brought against us without merit, is inherently uncertain and always difficult to predict. However, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the below-described legal matters and other litigation to which we are a party are not likely, in the aggregate, to have a material adverse effect on our results of operations, financial position or cash flows.

*Litigation Relating to the Merger.* On September 27, 2019, Bucks County Employees Retirement Fund (the “Bucks County Fund”), a purported holder of CBS Class B Common Stock, served us with a demand for inspection of books and records pursuant to 8 Del. C. § 220 in connection with the Merger (the “Demand”). On October 10, 2019, we offered to produce certain categories of documents properly within the scope of a books and records demand under § 220. The Bucks County Fund rejected our offer and filed litigation in the Court of Chancery of the State of Delaware on October 15, 2019, seeking to compel production of all documents requested in the Demand (the “Section 220 Complaint”). A trial on the Section 220 Complaint took place on November 22, 2019, and the Court ordered limited additional production on November 25, 2019. On December 2, 2019, we certified that we had completed production of all relevant documents. On February 20, 2020, the Bucks County Fund filed a putative derivative and class action complaint in the Court of Chancery of the State of Delaware against Shari Redstone, NAI, Sumner M. Redstone National Amusements Trust (“SMR Trust”), the CBS board of directors (comprised of Candace K. Beinecke, Barbara M. Byrne, Gary L. Countryman, Brian Goldner, Linda M. Griego, Robert N. Klieger, Martha L. Minow, Susan Schuman, Frederick O. Terrell and Strauss Zelnick), former CBS President and Acting Chief Executive Officer Joseph Ianniello and ViacomCBS Inc. The complaint alleges breaches of fiduciary duties to CBS stockholders and waste in connection with the negotiation and approval of the Merger Agreement. The complaint seeks unspecified damages, costs and expenses as well as other relief. We believe that the claims are without merit and we intend to defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

On January 23, 2020, the Court of Chancery of the State of Delaware consolidated four putative class action suits filed by purported Viacom stockholders against NAI, NAI Entertainment Holdings LLC, Shari E. Redstone, the members of the Viacom special transaction committee of the Viacom board of directors (comprised of Thomas J. May, Judith A. McHale, Ronald L. Nelson and Nicole Seligman) and our President and Chief Executive Officer and director, Robert M. Bakish, in *In re Viacom Inc. Stockholders Litigation*. The four actions allege breaches of fiduciary duties to Viacom stockholders in connection with the negotiation and approval of the Merger Agreement, and seek unspecified damages, costs and expenses. On February 6, 2020, the Court appointed the California Public Employees’ Retirement System as the lead plaintiff in the consolidated action. We believe that the claims are without merit and we intend to defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

*Investigation-Related Matters.* As announced on August 1, 2018, the CBS Board of Directors (the “CBS Board”) retained two law firms to conduct a full investigation of the allegations in press reports about CBS’ former Chairman of the Board, President and Chief Executive Officer, Leslie Moonves, CBS News and cultural issues at CBS. On December 17, 2018, the CBS Board announced the completion of its investigation, certain findings of the investigation and the CBS Board’s determination, discussed below, with respect to the termination of Mr. Moonves’ employment. We have received subpoenas from the New York County District Attorney’s Office and the New York City Commission on Human Rights regarding the subject matter of this investigation and related matters. The New York State Attorney General’s Office and the United States Securities and Exchange Commission have also requested information about these matters, including with respect to CBS’ related public disclosures. We may continue to receive additional related regulatory and investigative inquiries from these and other entities in the future. We are cooperating with these inquiries.

**Management's Discussion and Analysis of  
Results of Operations and Financial Condition (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

On August 27, 2018 and on October 1, 2018, each of Gene Samit and John Lantz, respectively, filed putative class action suits in the United States District Court for the Southern District of New York, individually and on behalf of others similarly situated, for claims that are similar to those alleged in the amended complaint described below. On November 6, 2018, the Court entered an order consolidating the two actions. On November 30, 2018, the Court appointed Construction Laborers Pension Trust for Southern California as the lead plaintiff of the consolidated action. On February 11, 2019, the lead plaintiff filed a consolidated amended putative class action complaint against CBS, certain current and former senior executives and members of the CBS Board. The consolidated action is stated to be on behalf of purchasers of CBS Class A Common Stock and Class B Common Stock between September 26, 2016 and December 4, 2018. This action seeks to recover damages arising during this time period allegedly caused by the defendants' purported violations of the federal securities laws, including by allegedly making materially false and misleading statements or failing to disclose material information, and seeks costs and expenses as well as remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. On April 12, 2019, the defendants filed motions to dismiss this action, which the Court granted in part and denied in part on January 15, 2020. With the exception of one statement made by Mr. Moonves at an industry event in November 2017, in which he allegedly was acting as the agent of CBS, all claims as to all other allegedly false and misleading statements were dismissed. We believe that the remaining claims are without merit and we intend to defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

*Separation Agreement.* On September 9, 2018, CBS entered into a separation and settlement agreement and releases (the "Separation Agreement") with Mr. Moonves, pursuant to which Mr. Moonves resigned as a director and as Chairman of the Board, President and Chief Executive Officer of CBS. In October 2018, we contributed \$120 million to a grantor trust pursuant to the Separation Agreement. On December 17, 2018, the CBS Board announced that, following its consideration of the findings of the investigation referred to above, it had determined that there were grounds to terminate Mr. Moonves' employment for cause under his employment agreement with CBS. Any dispute related to the CBS Board's determination is subject to binding arbitration as set forth in the Separation Agreement. On January 16, 2019, Mr. Moonves commenced a binding arbitration proceeding with respect to this matter and the related CBS Board investigation, which proceeding is ongoing. The assets of the grantor trust will remain in the trust until a final determination in the arbitration. We are currently unable to determine the outcome of the arbitration and the amount, if any, that may be awarded thereunder and, accordingly, no accrual for this matter has been made in our consolidated financial statements.

*Claims Related to Former Businesses: Asbestos.* We are a defendant in lawsuits claiming various personal injuries related to asbestos and other materials, which allegedly occurred as a result of exposure caused by various products manufactured by Westinghouse, a predecessor, generally prior to the early 1970s. Westinghouse was neither a producer nor a manufacturer of asbestos. We are typically named as one of a large number of defendants in both state and federal cases. In the majority of asbestos lawsuits, the plaintiffs have not identified which of our products is the basis of a claim. Claims against us in which a product has been identified most commonly relate to allegations of exposure to asbestos-containing insulating material used in conjunction with turbines and electrical equipment.

Claims are frequently filed and/or settled in groups, which may make the amount and timing of settlements, and the number of pending claims, subject to significant fluctuation from period to period. We do not report as pending those claims on inactive, stayed, deferred or similar dockets that some jurisdictions have established for claimants who allege minimal or no impairment. As of December 31, 2019, we had pending approximately 30,950 asbestos claims, as compared with approximately 31,570 as of December 31, 2018 and 31,660 as of December 31, 2017. During 2019, we received approximately 3,460 new claims and closed or moved to an inactive docket approximately 4,080 claims. We report claims as closed when we become aware that a dismissal order has been entered by a court or when we have reached agreement with the claimants on the material terms of a settlement. Settlement costs depend on the seriousness of the injuries that form the basis of the claims, the quality of evidence supporting the claims and other

**Management's Discussion and Analysis of  
Results of Operations and Financial Condition (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

factors. Our total costs for the years 2019 and 2018 for settlement and defense of asbestos claims after insurance recoveries and net of tax were approximately \$58 million and \$45 million, respectively. Our costs for settlement and defense of asbestos claims may vary year to year and insurance proceeds are not always recovered in the same period as the insured portion of the expenses.

Filings include claims for individuals suffering from mesothelioma, a rare cancer, the risk of which is allegedly increased by exposure to asbestos; lung cancer, a cancer which may be caused by various factors, one of which is alleged to be asbestos exposure; other cancers, and conditions that are substantially less serious, including claims brought on behalf of individuals who are asymptomatic as to an allegedly asbestos-related disease. The predominant number of pending claims against us are non-cancer claims. It is difficult to predict future asbestos liabilities, as events and circumstances may impact the estimate of our asbestos liabilities, including, among others, the number and types of claims and average cost to resolve such claims. We record an accrual for a loss contingency when it is both probable that a liability has been incurred and when the amount of the loss can be reasonably estimated. We believe that our accrual and insurance are adequate to cover our asbestos liabilities. Our liability estimate is based upon many factors, including the number of outstanding claims, estimated average cost per claim, the breakdown of claims by disease type, historic claim filings, costs per claim of resolution and the filing of new claims, as well as consultation with a third party firm on trends that may impact our future asbestos liability.

*Other.* From time to time we receive claims from federal and state environmental regulatory agencies and other entities asserting that we are or may be liable for environmental cleanup costs and related damages principally relating to our historical and predecessor operations. In addition, from time to time we receive personal injury claims including toxic tort and product liability claims (other than asbestos) arising from our historical operations and predecessors.

**Market Risk**

We are exposed to fluctuations in foreign currency exchange rates and interest rates and use derivative financial instruments to manage this exposure. In accordance with our policy, we do not use derivative instruments unless there is an underlying exposure and, therefore, we do not hold or enter into derivative financial instruments for speculative trading purposes.

*Foreign Exchange Risk*

We conduct business in various countries outside the U.S., resulting in exposure to movements in foreign exchange rates when translating from the foreign local currency to the U.S. dollar. In order to hedge anticipated cash flows in currencies such as the British Pound, the Euro, the Canadian Dollar and the Australian Dollar, foreign currency forward contracts, for periods generally up to 24 months, are used. Additionally, we designate forward contracts used to hedge committed and forecasted foreign currency transactions, including future production costs and programming obligations, as cash flow hedges. Gains or losses on the effective portion of designated cash flow hedges are initially recorded in other comprehensive income (loss) and reclassified to the statement of operations when the hedged item is recognized. Additionally, we enter into non-designated forward contracts to hedge non-U.S. dollar denominated cash flows. The change in fair value of the non-designated contracts is included in "Other items, net" in the Consolidated Statements of Operations. We manage the use of foreign exchange derivatives centrally.

At December 31, 2019 and 2018, the notional amount of all foreign currency contracts was \$1.44 billion and \$995 million, respectively. For 2019, \$833 million related to future production costs and \$606 million related to our foreign currency balances and other expected foreign currency cash flows. For 2018, \$481 million related to future production costs and \$514 million related to our foreign currency balances and other expected foreign currency cash flows.

**Management's Discussion and Analysis of  
Results of Operations and Financial Condition (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

*Interest Risk*

Interest on commercial paper borrowings is exposed to risk related to movements in short-term interest rates. A 100 basis point change to the weighted average interest rate on commercial paper borrowings in 2019 would increase or decrease interest expense by approximately \$7 million. In addition, interest rates on future long-term debt issuances are exposed to risk related to movements in long-term interest rates. Interest rate hedges may be used to modify both of these exposures at our discretion. There were no interest rate hedges outstanding at December 31, 2019 or 2018 but in the future we may use derivatives to manage our exposure to interest rates.

At December 31, 2019, the carrying value of our outstanding notes and debentures was \$17.98 billion and the estimated fair value was \$20.6 billion. A 1% increase or decrease in interest rates would decrease or increase the fair value of our notes and debentures by approximately \$1.22 billion and \$2.68 billion, respectively.

*Credit Risk*

We continually monitor our positions with, and credit quality of, the financial institutions that are counterparties to our financial instruments. We are exposed to credit loss in the event of nonperformance by the counterparties to the agreements. However, we do not anticipate nonperformance by the counterparties.

Our receivables do not represent significant concentrations of credit risk at December 31, 2019 or 2018, due to the wide variety of customers, markets and geographic areas to which our products and services are sold.

**Related Parties**

For a discussion of related parties, see Note 6 to the consolidated financial statements.

**Recently Adopted Accounting Pronouncements and Accounting Pronouncements Not Yet Adopted**

See Note 1 to the consolidated financial statements.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

Information required by this item is presented in "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition—Market Risk."

**Item 8. Financial Statements and Supplementary Data.**

**INDEX TO FINANCIAL STATEMENTS AND SCHEDULE**

The following Consolidated Financial Statements and schedule of the registrant and its subsidiaries are submitted herewith as part of this report:

	<u>Page</u>
Item 15(a)(1) Financial Statements:	
1. <a href="#">Management's Report on Internal Control Over Financial Reporting</a>	<a href="#">II-48</a>
2. <a href="#">Report of Independent Registered Public Accounting Firm</a>	<a href="#">II-49</a>
3. <a href="#">Consolidated Statements of Operations for the years ended December 31, 2019, 2018 and 2017</a>	<a href="#">II-53</a>
4. <a href="#">Consolidated Statements of Comprehensive Income for the years ended December 31, 2019, 2018 and 2017</a>	<a href="#">II-54</a>
5. <a href="#">Consolidated Balance Sheets at December 31, 2019 and 2018</a>	<a href="#">II-55</a>
6. <a href="#">Consolidated Statements of Cash Flows for the years ended December 31, 2019, 2018 and 2017</a>	<a href="#">II-56</a>
7. <a href="#">Consolidated Statements of Stockholders' Equity for the years ended December 31, 2019, 2018 and 2017</a>	<a href="#">II-57</a>
8. <a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">II-58</a>
Item 15(a)(2) Financial Statement Schedule:	
<a href="#">II. Valuation and Qualifying Accounts for the years ended December 31, 2019, 2018 and 2017</a>	<a href="#">F-1</a>

All other Schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule.



## MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting and for the effectiveness of internal control over financial reporting, as such term is defined in Rule 13a-15(f) or Rule 15d-15(f) of the Exchange Act. ViacomCBS Inc. and its subsidiaries’ (the “Company”) internal control over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements prepared for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of the Company’s internal control over financial reporting as of December 31, 2019 based on the framework set forth in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company’s internal control over financial reporting was effective as of December 31, 2019.

The effectiveness of our internal control over financial reporting as of December 31, 2019 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

### VIACOMCBS INC.

By: \_\_\_\_\_ /s/ Robert M. Bakish

Robert M. Bakish  
*President and  
Chief Executive Officer*

By: \_\_\_\_\_ /s/ Christina Spade

Christina Spade  
*Executive Vice President,  
Chief Financial Officer*

By: \_\_\_\_\_ /s/ Katherine Gill-Charest

Katherine Gill-Charest  
*Executive Vice President, Controller and  
Chief Accounting Officer*

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of ViacomCBS Inc.

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of ViacomCBS Inc. and its subsidiaries (the “Company”) as of December 31, 2019 and 2018, and the related consolidated statements of operations, of comprehensive income, of stockholders’ equity and of cash flows for each of the three years in the period ended December 31, 2019, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

### ***Changes in Accounting Principles***

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019 and the manner in which it accounts for revenues from contracts with customers in 2018.

### ***Basis for Opinions***

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### ***Critical Audit Matters***

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### ***Merger with Viacom Inc.***

As described in Note 1 to the consolidated financial statements, Viacom Inc. ("Viacom") merged with and into CBS Corporation ("CBS") on December 4, 2019 (the "Merger"), with CBS continuing as the surviving company. At the effective time of the Merger, the combined company changed its name to ViacomCBS Inc. The Merger has been accounted for as a transaction between entities under common control as National Amusements, Inc. was the controlling stockholder of each of CBS and Viacom. Upon the closing of the Merger, the net assets of Viacom were combined with those of CBS at their historical carrying amounts and the companies have been presented on a combined basis for all periods presented in the consolidated financial statements.

The principal considerations for our determination that the Merger is a critical audit matter are significant audit effort was necessary to perform procedures and evaluate the audit evidence obtained relating to management's accounting for the Merger due to the pervasive nature of the Merger on the composition of the Company's consolidated financial statements and disclosures to include the entirety of the legacy Viacom businesses.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls over the accounting for the Merger, including the combination and presentation of the historical carrying amounts in the consolidated financial statements. The procedures also included evaluating management's assessment of the accounting associated with the transaction between entities under common control and the completeness and accuracy of the consolidated financial statements, including the presentation of Viacom's financial information given the change in Viacom's fiscal year-end, and the retrospective combination of Viacom and CBS. Procedures were also performed to evaluate the sufficiency of the disclosures in the consolidated financial statements of the Company.

### *Amortization of Internally Produced Television Programming Inventory Based on Estimated Secondary Market Revenues*

As described in Notes 1 and 3 to the consolidated financial statements, the Company's internally produced television programming inventory was \$6.3 billion as of December 31, 2019, a portion of which relates to costs that will be amortized based on estimated secondary market revenues. Television programming costs incurred subsequent to the establishment of the secondary market are initially capitalized and amortized, based on the proportion that current period revenues bear to the estimated remaining total lifetime revenues. Estimates for secondary market revenues such as domestic and foreign syndication are included in the estimated lifetime revenues once it can be demonstrated that a program can be successfully licensed in such secondary market. Management bases these estimates on the performance in the initial markets, the existence of future firm commitments to sell and the past performance of similar television programs.

The principal considerations for our determination that performing procedures relating to amortization of internally produced television programming inventory based on estimated secondary market revenues is a critical audit matter are there was significant judgment required by management when estimating secondary market revenues. This led to a high degree of auditor judgment, effort and subjectivity in performing procedures to evaluate management's estimate of secondary market revenues and the significant assumptions, including consideration of the performance in the initial markets and past performance of similar television programs.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to amortization of internally produced television programming inventory, including the control over the estimation of secondary market revenues. These procedures also included, among others, testing management's process for estimating secondary market revenues, including evaluating whether the significant assumptions were reasonable considering information such as the historical performance in the initial markets and past performance of television programs. Procedures were also performed to test the reliability, completeness and relevance of management's data used in the estimate of ultimate revenues.

### *Amortization of Film Inventory*

As described in Notes 1 and 3 to the consolidated financial statements, film inventory was approximately \$1.6 billion as of December 31, 2019. Management uses an individual-film-forecast-computation method to amortize capitalized production costs based upon the ratio of current period revenues to estimated remaining total gross revenues to be earned ("Ultimate Revenues") for each title. The estimate of Ultimate Revenues for feature films includes revenues from all sources that are estimated to be earned within 10 years from the date of a film's initial theatrical release. Prior to the release of feature films, management estimates Ultimate Revenues based on the historical performance of similar content and pre-release market research (including test market screenings), as well as factors relating to the specific film, including the expected number of theaters and markets in which the original content will be released, the genre of the original content and the past box office performance of the lead actors and actresses. Upon a film's initial release, management updates their estimate of Ultimate Revenues based on actual and expected future performance. As disclosed by management, management believes the most sensitive factor affecting the estimate of Ultimate Revenues for films intended for theatrical release is theatrical exhibition, as revenues from subsequent markets have historically exhibited a high correlation to theatrical performance.

The principal considerations for our determination that performing procedures relating to amortization of film inventory is a critical audit matter are there was significant judgment by management when estimating ultimate revenues. This in turn led to a high degree of auditor judgment, effort and subjectivity in performing procedures to evaluate management's estimate of ultimate revenues and the significant assumptions, including the historical performance of similar films and theatrical exhibition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of

controls over management's estimation of ultimate revenues and controls over the significant assumptions used in the ultimate revenues estimate. These procedures also included, among others, testing management's process for estimating ultimate revenues, including evaluating whether the significant assumptions were reasonable considering information such as historical performance of similar content, market research performed, impact of competing products, marketing budget and strategy, economic conditions, and theatrical exhibition, including actual box office performance. Procedures were also performed to test the reliability, completeness and relevance of management's data used in the estimate of ultimate revenues.

/s/ PricewaterhouseCoopers LLP  
New York, New York  
February 20, 2020

We have served as the Company's or its predecessor's auditor since 1970.

**VIACOMCBS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In millions, except per share amounts)

	Year Ended December 31,		
	2019	2018	2017
Revenues	\$ 27,812	\$ 27,250	\$ 26,535
Costs and expenses:			
Operating	17,223	15,917	15,483
Selling, general and administrative	5,647	5,206	5,156
Depreciation and amortization	443	433	443
Restructuring and other corporate matters	775	490	258
Total costs and expenses	24,088	22,046	21,340
Gain on sale of assets	549	—	146
Operating income	4,273	5,204	5,341
Interest expense	(962)	(1,030)	(1,088)
Interest income	66	79	87
Gain (loss) on marketable securities	113	(23)	—
Gain (loss) on early extinguishment of debt	—	18	(38)
Gain on sale of EPIX	—	—	285
Pension settlement charge	—	—	(352)
Other items, net	(145)	(124)	(115)
Earnings from continuing operations before income taxes and equity in earnings (loss) of investee companies	3,345	4,124	4,120
Benefit (provision) for income taxes	9	(617)	(804)
Equity in earnings (loss) of investee companies, net of tax	(53)	(47)	4
Net earnings from continuing operations	3,301	3,460	3,320
Net earnings (loss) from discontinued operations, net of tax	38	32	(947)
Net earnings (ViacomCBS and noncontrolling interests)	3,339	3,492	2,373
Net earnings attributable to noncontrolling interests	(31)	(37)	(52)
Net earnings attributable to ViacomCBS	\$ 3,308	\$ 3,455	\$ 2,321
Amounts attributable to ViacomCBS:			
Net earnings from continuing operations	\$ 3,270	\$ 3,423	\$ 3,268
Net earnings (loss) from discontinued operations, net of tax	38	32	(947)
Net earnings attributable to ViacomCBS	\$ 3,308	\$ 3,455	\$ 2,321
Basic net earnings (loss) per common share attributable to ViacomCBS:			
Net earnings from continuing operations	\$ 5.32	\$ 5.55	\$ 5.11
Net earnings (loss) from discontinued operations	\$ .06	\$ .05	\$ (1.48)
Net earnings	\$ 5.38	\$ 5.60	\$ 3.63
Diluted net earnings (loss) per common share attributable to ViacomCBS:			
Net earnings from continuing operations	\$ 5.30	\$ 5.51	\$ 5.05
Net earnings (loss) from discontinued operations	\$ .06	\$ .05	\$ (1.46)
Net earnings	\$ 5.36	\$ 5.56	\$ 3.59
Weighted average number of common shares outstanding:			
Basic	615	617	640
Diluted	617	621	647

See notes to consolidated financial statements.

**VIACOMCBS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In millions)

	Year Ended December 31,		
	2019	2018	2017
Net earnings (ViacomCBS and noncontrolling interests)	\$ 3,339	\$ 3,492	\$ 2,373
Other comprehensive income (loss), net of tax:			
Cumulative translation adjustments	15	(254)	192
Net actuarial gain (loss) and prior service costs	(145)	(61)	73
Available-for-sale securities	—	—	30
Other comprehensive income (loss), net of tax (ViacomCBS and noncontrolling interests)	(130)	(315)	295
Comprehensive income	3,209	3,177	2,668
Less: Comprehensive income attributable to noncontrolling interests	33	31	52
Comprehensive income attributable to ViacomCBS	\$ 3,176	\$ 3,146	\$ 2,616

See notes to consolidated financial statements.

**VIACOMCBS INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**  
**(In millions, except per share amounts)**

	At December 31,	
	2019	2018
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 632	\$ 856
Receivables, net	7,206	7,199
Programming and other inventory	2,876	2,785
Prepaid expenses	401	372
Other current assets	787	668
<b>Total current assets</b>	<b>11,902</b>	<b>11,880</b>
Property and equipment, net	2,085	2,079
Programming and other inventory	8,652	7,298
Goodwill	16,980	16,526
Intangible assets, net	2,993	2,943
Operating lease assets	1,939	—
Deferred income tax assets, net	939	266
Other assets	4,006	3,449
Assets held for sale	23	56
<b>Total Assets</b>	<b>\$ 49,519</b>	<b>\$ 44,497</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 667	\$ 502
Accrued expenses	1,760	1,633
Participants' share and royalties payable	1,977	1,828
Accrued programming and production costs	1,500	1,453
Deferred revenues	739	643
Debt	717	1,013
Other current liabilities	1,688	1,249
<b>Total current liabilities</b>	<b>9,048</b>	<b>8,321</b>
Long-term debt	18,002	18,100
Participants' share and royalties payable	1,546	1,587
Pension and postretirement benefit obligations	2,121	1,908
Deferred income tax liabilities, net	500	656
Operating lease liabilities	1,909	—
Program rights obligations	356	459
Other liabilities	2,494	2,724
Redeemable noncontrolling interest	254	239
Commitments and contingencies		
ViacomCBS stockholders' equity:		
Class A Common Stock, par value \$.001 per share; 375 shares authorized; 52 (2019) and 64 (2018) shares issued	—	—
Class B Common Stock, par value \$.001 per share; 5,000 shares authorized; 1,064 (2019) and 1,283 (2018) shares issued	1	1
Additional paid-in capital	29,590	49,907
Treasury stock, at cost; 501 (2019) and 734 (2018) Class B Shares	(22,908)	(43,420)
Retained earnings	8,494	5,569
Accumulated other comprehensive loss	(1,970)	(1,608)
<b>Total ViacomCBS stockholders' equity</b>	<b>13,207</b>	<b>10,449</b>
Noncontrolling interests	82	54
<b>Total Equity</b>	<b>13,289</b>	<b>10,503</b>
<b>Total Liabilities and Equity</b>	<b>\$ 49,519</b>	<b>\$ 44,497</b>

See notes to consolidated financial statements.



**VIACOMCBS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)

	Year Ended December 31,		
	2019	2018	2017
<b>Operating Activities:</b>			
Net earnings (ViacomCBS and noncontrolling interests)	\$ 3,339	\$ 3,492	\$ 2,373
Less: Net earnings (loss) from discontinued operations, net of tax	38	32	(947)
Net earnings from continuing operations	3,301	3,460	3,320
Adjustments to reconcile net earnings from continuing operations to net cash flow provided by operating activities from continuing operations:			
Depreciation and amortization	443	433	443
Television programming and feature film cost amortization	12,554	11,595	10,911
Deferred tax (benefit) provision	(769)	58	(367)
Stock-based compensation	291	191	232
Net (gain) loss on dispositions and impairment of assets	(498)	38	(377)
(Gain) loss on marketable securities	(113)	23	—
Equity in loss of investee companies, net of tax and distributions	58	54	15
Change in assets and liabilities			
Increase in receivables	(256)	(368)	(147)
Increase in inventory and related program and participation liabilities, net	(14,215)	(12,185)	(11,544)
Increase (decrease) in accounts payable and other liabilities	297	(158)	(248)
Increase (decrease) in pension and postretirement benefit obligations	16	(65)	(239)
Increase in income taxes	160	398	345
Other, net	(39)	(11)	1
Net cash flow provided by operating activities from continuing operations	1,230	3,463	2,345
Net cash flow provided by operating activities from discontinued operations	—	1	94
Net cash flow provided by operating activities	1,230	3,464	2,439
<b>Investing Activities:</b>			
Investments	(171)	(161)	(128)
Capital expenditures	(353)	(352)	(356)
Acquisitions, net of cash acquired	(399)	(118)	(289)
Proceeds from dispositions	756	39	892
Other investing activities	14	4	31
Net cash flow (used for) provided by investing activities from continuing operations	(153)	(588)	150
Net cash flow used for investing activities from discontinued operations	(2)	(23)	(24)
Net cash flow (used for) provided by investing activities	(155)	(611)	126
<b>Financing Activities:</b>			
Proceeds from (repayments of) short-term debt borrowings, net	25	(5)	229
Proceeds from issuance of senior notes	492	—	3,157
Repayment of notes and debentures	(910)	(1,102)	(4,729)
Dividends	(595)	(599)	(616)
Purchase of Company common stock	(57)	(586)	(1,111)
Payment of payroll taxes in lieu of issuing shares for stock-based compensation	(56)	(67)	(103)
Proceeds from exercise of stock options	15	29	263
Other financing activities	(130)	(201)	(99)
Net cash flow used for financing activities	(1,216)	(2,531)	(3,009)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1)	(25)	58
Net (decrease) increase in cash, cash equivalents and restricted cash	(142)	297	(386)
Cash, cash equivalents and restricted cash at beginning of year (includes \$120 (2019) of restricted cash and \$24 (2017) of discontinued operations cash)	976	679	1,065
Cash, cash equivalents and restricted cash at end of year (includes \$202 (2019) and \$120 (2018) of restricted cash)	\$ 834	\$ 976	\$ 679

See notes to consolidated financial statements.

**VIACOMCBS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In millions)

	Class A and B Common Stock		Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total ViacomCBS Stockholders' Equity	Non- Controlling Interests	Total Equity
	(Shares)								
<b>December 31, 2016</b>	648	\$ 1	\$ (40,997)	\$ 50,499	\$ 296	\$ (1,564)	\$ 8,235	\$ 51	\$ 8,286
Stock-based compensation activity	8	—	122	281	—	—	403	—	403
Retirement of treasury stock	—	—	89	(89)	—	—	—	—	—
Class B Common Stock purchased	(16)	—	(1,050)	—	—	—	(1,050)	—	(1,050)
CBS Radio Split-off	(18)	—	(1,007)	—	—	—	(1,007)	—	(1,007)
Dividends	—	—	—	(612)	—	—	(612)	—	(612)
Noncontrolling interests	—	—	—	(11)	(55)	—	(66)	(22)	(88)
Net earnings	—	—	—	—	2,321	—	2,321	52	2,373
Other comprehensive income	—	—	—	—	—	295	295	—	295
<b>December 31, 2017</b>	622	1	(42,843)	50,068	2,562	(1,269)	8,519	81	8,600
Stock-based compensation activity	3	—	(36)	198	—	—	162	—	162
Retirement of treasury stock	—	—	59	(59)	—	—	—	—	—
Class B Common Stock purchased	(12)	—	(600)	—	—	—	(600)	—	(600)
Dividends	—	—	—	(300)	(299)	—	(599)	—	(599)
Noncontrolling interests	—	—	—	—	—	—	—	(58)	(58)
Net earnings	—	—	—	—	3,455	—	3,455	37	3,492
Adoption of accounting standards	—	—	—	—	(149)	(30)	(179)	—	(179)
Other comprehensive loss	—	—	—	—	—	(309)	(309)	(6)	(315)
<b>December 31, 2018</b>	613	1	(43,420)	49,907	5,569	(1,608)	10,449	54	10,503
Stock-based compensation activity and other	3	—	(15)	270	(4)	—	251	—	251
Retirement of treasury stock	—	—	20,577	(20,577)	—	—	—	—	—
Class B Common Stock purchased	(1)	—	(50)	—	—	—	(50)	—	(50)
Dividends	—	—	—	—	(600)	—	(600)	—	(600)
Noncontrolling interests	—	—	—	(10)	(9)	—	(19)	(5)	(24)
Net earnings	—	—	—	—	3,308	—	3,308	31	3,339
Reclassification of income tax effect of the Tax Reform Act	—	—	—	—	230	(230)	—	—	—
Other comprehensive income (loss)	—	—	—	—	—	(132)	(132)	2	(130)
<b>December 31, 2019</b>	615	\$ 1	\$ (22,908)	\$ 29,590	\$ 8,494	\$ (1,970)	\$ 13,207	\$ 82	\$13,289

See notes to consolidated financial statements.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Tabular dollars in millions, except per share amounts)**

**1) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Description of Business*—ViacomCBS Inc. is comprised of the following segments: *TV Entertainment* (CBS Television Network, CBS Television Studios, CBS Television Distribution, CBS Interactive, CBS Sports Network, CBS Television Stations and CBS-branded streaming services), *Cable Networks* (Showtime Networks, Nickelodeon, MTV, BET, Comedy Central, Paramount Network, Nick Jr., VH1, TV Land, CMT, Pop TV, Smithsonian Networks, ViacomCBS Networks International, Network 10, Channel 5, Telefe and Pluto TV), *Filmed Entertainment* (Paramount Pictures, Paramount Players, Paramount Animation and Paramount Television Studios); and *Publishing* (Simon & Schuster). References to “ViacomCBS”, the “Company”, “we”, “us” and “our” refer to ViacomCBS Inc. and its consolidated subsidiaries, unless the context otherwise requires.

*Merger with Viacom Inc.*—On December 4, 2019, Viacom Inc. (“Viacom”) merged with and into CBS Corporation (“CBS”), with CBS continuing as the surviving company (the “Merger”). At the effective time of the Merger (the “Effective Time”), the combined company changed its name to ViacomCBS Inc. (“ViacomCBS”). At the Effective Time, (1) each share of Viacom Class A Common Stock issued and outstanding immediately prior to the Effective Time, other than shares held directly by Viacom as treasury shares or held by CBS, was converted automatically into 0.59625 shares of ViacomCBS Class A Common Stock, and (2) each share of Viacom Class B Common Stock issued and outstanding immediately prior to the Effective Time, other than shares held directly by Viacom as treasury shares or held by CBS, was converted automatically into 0.59625 shares of ViacomCBS Class B Common Stock (together with ViacomCBS Class A Common Stock, the “ViacomCBS Common Stock”). At the Effective Time, each share of CBS Class A Common Stock and each share of CBS Class B Common Stock (together with CBS Class A Common Stock, the “CBS Common Stock”) issued and outstanding immediately prior to the Effective Time, remained an issued and outstanding share of ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock, respectively, and was not affected by the Merger.

Following the Merger, the CBS Common Stock was delisted from the New York Stock Exchange and the Viacom Common Stock ceased trading on the Nasdaq Stock Market LLC (“Nasdaq”). On December 5, 2019, ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock were listed on Nasdaq and began trading under the ticker symbols VIACA and VIAC, respectively.

*Change in Reporting Entity*— The Merger has been accounted for as a transaction between entities under common control as National Amusements, Inc. (“NAI”) was the controlling stockholder of each of CBS and Viacom (and remains the controlling stockholder of ViacomCBS). Upon the closing of the Merger, the net assets of Viacom were combined with those of CBS at their historical carrying amounts and the companies have been presented on a combined basis for all periods presented in the consolidated financial statements. This presentation constitutes a change in reporting entity. The following table provides the impact of the change in reporting entity on our results of operations for periods prior to the Merger.

	<b>Period from January 1 to December 4, 2019</b>	<b>Year Ended December 31,</b>	
		<b>2018</b>	<b>2017</b>
Net earnings from continuing operations attributable to ViacomCBS	\$ 1,353	\$ 1,463	\$ 1,959
Net earnings per common share from continuing operations attributable to ViacomCBS:			
Basic	\$ .44	\$ .35	\$ 1.85
Diluted	\$ .45	\$ .37	\$ 1.83
Other comprehensive income (loss)	\$ (148)	\$ (202)	\$ 190

*Discontinued Operations*—On November 16, 2017, we completed the disposition of CBS Radio Inc. (“CBS Radio”) through a split-off. CBS Radio has been presented as a discontinued operation in our consolidated financial

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

statements (see Note 18). Also included in discontinued operations are liabilities associated with indemnification obligations for leases primarily associated with the previously discontinued operations of Famous Players Inc.

*Principles of Consolidation*—The consolidated financial statements include the accounts of ViacomCBS, its subsidiaries in which a controlling interest is maintained and variable interest entities (“VIEs”) where we are considered the primary beneficiary, after the elimination of intercompany accounts and transactions. Controlling interest is determined by majority ownership interest and the absence of substantive third party participating rights. Investments over which we have a significant influence, without a controlling interest, are accounted for under the equity method. Our proportionate share of net earnings or loss of the entity is recorded in “Equity in earnings (loss) of investee companies, net of tax” on the Consolidated Statements of Operations.

*Use of Estimates*—The preparation of our financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenses during the periods presented. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from these estimates under different assumptions or conditions.

*Business Combinations*—We generally account for business combinations using the acquisition method of accounting. Under the acquisition method, once control is obtained of a business, 100% of the assets, liabilities and certain contingent liabilities acquired, as well as amounts attributed to noncontrolling interests, are recorded at fair value. Any transaction costs are expensed as incurred. The Merger was accounted for as a transaction between entities under common control as NAI was the controlling stockholder of each of CBS and Viacom.

*Cash and Cash Equivalents*—Cash and cash equivalents consist of cash on hand and highly liquid investments with maturities of three months or less at the date of purchase, including money market funds, commercial paper and bank time deposits. At December 31, 2019 and 2018, we had restricted cash of \$202 million and \$120 million, respectively, consisting of amounts held in grantor trusts related to agreements with former executives. Restricted cash is included within “Other current assets” and “Other assets” on the Consolidated Balance Sheets.

*Programming Inventory*—We acquire rights to programming and produce programming to exhibit on our broadcast and cable networks, on our broadcast television stations, direct to consumers through our digital streaming services, and in theaters. We also produce programming for third parties.

*Internally-Produced Programming*—Costs incurred to produce television programs and feature films (which include direct production costs, production overhead, acquisition costs and development costs) are capitalized when incurred. We use an individual-film-forecast-computation method to amortize capitalized production costs and to accrue estimated liabilities for residuals and participations over the applicable title’s life cycle based upon the ratio of current period revenues to estimated remaining total gross revenues to be earned (“Ultimate Revenues”) for each title. The estimate of Ultimate Revenues impacts the timing of amortization and accrual of residuals and participations. For television programming, Ultimate Revenue estimates are initially limited to the amount of revenue contracted for each episode in the initial market and estimates of revenue from a secondary market where we can demonstrate a history of earning such revenue in that market. Television programming costs and participation costs incurred in excess of such amounts are expensed as incurred on an episode by episode basis. Estimates for additional secondary market revenues such as domestic and foreign syndication and home entertainment are included in the estimated lifetime revenues once it can be demonstrated that a program can be successfully licensed in such secondary market. For each television program, management bases these estimates on the performance in the initial markets, the existence

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

of future firm commitments to sell and the past performance of similar television programs. Television programming costs incurred subsequent to the establishment of the secondary market are initially capitalized and amortized, and estimated liabilities for participations are accrued, based on the proportion that current period revenues bear to the estimated remaining total lifetime revenues.

For feature films, our estimate of Ultimate Revenues includes revenues from all sources that are estimated to be earned within 10 years from the date of a film's initial theatrical release. Prior to the release of feature films, we estimate Ultimate Revenues based on the historical performance of similar content and pre-release market research (including test market screenings), as well as factors relating to the specific film, including the expected number of theaters and markets in which the original content will be released, the genre of the original content and the past box office performance of the lead actors and actresses. Upon a film's initial release, we update our estimate of Ultimate Revenues based on actual and expected future performance. Our estimates of revenues from succeeding windows and markets are revised based on historical relationships to theatrical performance and an analysis of current market trends. For acquired film libraries, our estimate of Ultimate Revenues is for a period within 20 years from the date of acquisition.

Ultimate Revenue estimates are periodically reviewed and adjustments, if any, will result in changes to inventory amortization rates and estimated accruals for residuals and participations. An impairment charge is recorded if the fair value of a television program or feature film falls below the unamortized production costs. Film development costs that have not been set for production are expensed within three years unless they are abandoned earlier, in which case these projects are written down to their estimated fair value in the period the decision to abandon the project is determined.

*Acquired Programming Rights*—Costs incurred in acquiring program rights, including advances, are capitalized when the license period has begun and the program is accepted and available for airing. These costs are amortized over the shorter of the license period or the period in which an economic benefit is expected to be derived based on the timing of our usage of and benefit from such programming. The net realizable value of acquired programming rights is regularly evaluated by us either by title or on a daypart basis, which is defined as an aggregation of programs broadcast during a particular time of day or an aggregation of programs of a similar type based on the specific demographic targeted by each respective program or program service. Net realizable value is determined by estimating advertising revenues to be derived from the future airing of the programming and allocating affiliate revenue to the programming, each as applicable. An impairment charge is recorded if our estimates of future cash flows are below the carrying amount of the programming or if programming is abandoned.

The costs of programming rights licensed under multi-year sports programming agreements are capitalized if the rights payments are made before the related economic benefit has been received. These costs are expensed over the period in which an economic benefit is expected to be derived based on the relative value of the events broadcast by us during a period. The relative value for an event is determined based on the revenues generated for that event in relation to the estimated total revenues over the remaining term of the sports programming agreement.

The estimated economic benefit for acquired programming, including revenue projections for multi-year sports programming, are periodically reviewed. Adjustments, if any, will result in changes to amortization rates and could result in future net realizable value adjustments.

Television and feature film programming and production costs, including inventory amortization, development costs, residuals and participations and impairment charges, if any, are included within "Operating expenses" in the Consolidated Statements of Operations.

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

*Property and Equipment*—Property and equipment is stated at cost. Depreciation is calculated using the straight-line method over estimated useful lives as follows:

Buildings and building improvements	10 to 40 years
Leasehold improvements	Shorter of lease term or useful life
Equipment and other (including finance leases)	3 to 20 years

Costs associated with repairs and maintenance of property and equipment are expensed as incurred.

*Impairment of Long-Lived Assets*—The Company assesses long-lived assets and intangible assets, other than goodwill and intangible assets with indefinite lives, for impairment whenever there is an indication that the carrying amount of the asset may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted cash flows expected to be generated by these assets to their net carrying value. If the carrying value is not recoverable, the amount of impairment charge, if any, is measured by the difference between the net carrying value and the estimated fair value of the asset.

*Investments*—Investments over which we have a significant influence, without a controlling interest, are accounted for under the equity method. Investments for which we have no significant influence are measured at fair value where a readily determinable fair value exists. Investments that do not have a readily determinable fair value are measured at cost less impairment, if any, and adjusted for observable price changes. Gains and losses resulting from changes in the fair value of equity investments are recorded in the Consolidated Statements of Operations. Prior to the adoption of new Financial Accounting Standards Board (“FASB”) guidance in 2018, we recorded unrealized gains and losses on publicly traded equity investments in other comprehensive income. We monitor our investments for impairment and reduce the carrying value of the investment if we determine that an impairment charge is required based on qualitative and quantitative information. Our investments are included in “Other assets” on the Consolidated Balance Sheets.

*Goodwill and Intangible Assets*—Goodwill is allocated to various reporting units, which are at or one level below our operating segments. Intangible assets with finite lives, which primarily consist of trade names, licenses, and customer agreements are generally amortized using the straight-line method over their estimated useful lives, which range from 4 to 40 years. Goodwill and other intangible assets with indefinite lives, which consist primarily of FCC licenses in the U.S. and broadcast licenses in Australia, are not amortized but are tested for impairment on an annual basis and between annual tests if events occur or circumstances change that would more likely than not reduce the fair value below its carrying amount. If the carrying value of goodwill or the indefinite-lived intangible asset exceeds its fair value, an impairment charge is recognized (see Note 4).

*Guarantees*—At the inception of a guarantee, we recognize a liability for the fair value of an obligation assumed by issuing the guarantee. The related liability is subsequently reduced as utilized or extinguished and increased if there is a probable loss associated with the guarantee which exceeds the value of the recorded liability.

*Treasury Stock*—Treasury stock is accounted for using the cost method. Retirements of treasury stock are reflected as a reduction to additional paid-in capital.

*Fair Value Measurements*—Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation techniques used in measuring fair value. Level 1 is based on publicly quoted prices for the asset or liability in active markets. Level 2 is based on inputs that are observable other than quoted market prices in active markets, such as quoted prices for the asset or liability in inactive markets or quoted prices for similar assets or liabilities. Level 3 is based on unobservable inputs reflecting our own assumptions

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

about the assumptions that market participants would use in pricing the asset or liability. Certain assets and liabilities, including foreign currency hedges and deferred compensation liabilities, are measured and recorded at fair value on a recurring basis. Film and television production costs, goodwill, intangible assets, and equity method investments are recorded at fair value only if an impairment charge is recognized. Impairment charges, if applicable, are determined using discounted cash flows, which is a Level 3 valuation technique.

*Derivative Financial Instruments*—Derivative financial instruments are recorded on the Consolidated Balance Sheets as assets or liabilities and measured at fair value. For derivatives designated as hedges of the fair value of assets or liabilities, the changes in fair value of both the derivatives and the hedged items are recorded in “Other items, net” in the Consolidated Statements of Operations. For derivatives designated as cash flow hedges, the effective portion of the changes in fair value of the derivatives is recorded in “Accumulated other comprehensive loss” on the Consolidated Balance Sheets and subsequently recognized in net earnings.

*Pension and Postretirement Benefits*—The service cost component of net benefit cost for our pension and postretirement benefits is recorded on the same line items in the Consolidated Statements of Operations as other compensation costs of the related employees. All of the other components of net benefit cost are presented separately from the service cost component and below the subtotal of operating income in “Other items, net” or “Pension settlement charge” in the Consolidated Statements of Operations.

*Other Liabilities*—Other liabilities consist primarily of the noncurrent portion of residual liabilities of previously disposed businesses, long-term income tax liabilities, deferred compensation and other employee benefit accruals.

#### *Revenues*

Revenue is recognized when control of a good or service is transferred to a customer. Control is considered to be transferred when the customer has the ability to direct the use of and obtain substantially all of the remaining benefits of that good or service.

*Advertising Revenues*—Advertising revenues are recognized when the advertising spots are aired on television or displayed on digital platforms. Advertising spots are typically sold as part of advertising campaigns consisting of multiple commercial units. If a contract includes a guarantee to deliver a targeted audience rating or number of impressions, the delivery of the advertising spots that achieve the guarantee represents the performance obligation to be satisfied over time and revenues are recognized based on the proportion of the audience rating or impressions delivered to the total guaranteed in the contract. Audience ratings and impressions are determined based on data provided by independent third-party companies. To the extent the amounts billed exceed the amount of revenue recognized, such excess is deferred until the guaranteed audience ratings or impressions are delivered. For contracts that do not include impressions guarantees, the individual advertising spots are the performance obligation and consideration is allocated among the individual advertising spots based on relative standalone selling price. Advertising contracts, which are generally short-term, are billed monthly, with payments due shortly after the invoice date.

Advertising revenues are generated by the *TV Entertainment* and *Cable Networks* segments.

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

*Affiliate Revenues*—Affiliate revenues primarily consist of fees received from multichannel video programming distributors (“MVPDs”) and third-party live television digital streaming offerings (“virtual MVPDs”) for carriage of our cable networks (“cable affiliate fees”) and television stations (“retransmission fees”); fees from television stations affiliated with the CBS Television Network (“station affiliation fees”); and subscription fees for our digital streaming subscription offerings, including CBS All Access, the Showtime streaming subscription offering (“Showtime OTT”) and BET+. Costs incurred for advertising, marketing and other services provided to us by cable, satellite and other distributors that are in exchange for a distinct service are recorded as expenses. If a distinct service is not received, such costs are recorded as a reduction to revenues.

The performance obligation for our affiliate agreements is a license to our programming provided through the continuous delivery of live linear feeds and, for agreements with MVPDs and subscribers to our digital streaming services, also includes a license to programming for video-on-demand viewing. Affiliate revenues are recognized over the term of the agreement as we satisfy our performance obligation by continuously providing our customer with the right to use our programming. For agreements that provide for a variable fee, revenues are determined each month based on an agreed upon contractual rate applied to the number of subscribers to our customer’s service. For agreements that provide for a fixed fee, revenues are recognized based on the relative fair value of the content provided over the term of the agreement. These agreements primarily include agreements with television stations affiliated with the CBS Television Network (“network affiliates”) for which fair value is determined based on the fair value of the network affiliate’s service and the value of our programming. For affiliate revenues, payments are generally due monthly.

Affiliate revenues are generated by the *TV Entertainment* and *Cable Networks* segments.

*Content Licensing Revenues*—Content licensing revenues are generated from the licensing of exhibition rights for our internally-produced television and film programming to television stations, cable networks and subscription streaming services; licensing of our content for distribution on transactional video-on-demand services; the distribution of our content through DVD and Blu-ray disc sales to wholesale and retail partners; the use of our trademarks and brands for consumer products, recreation and live events; and fees from the distribution of third-party programming.

For licenses of exhibition rights for internally-produced programming, each individual episode or film delivered represents a separate performance obligation and revenues are recognized when the episode or film is made available to the licensee for exhibition and the license period has begun. For license agreements that include delivery of content on one or more dates for a fixed fee, consideration is allocated based on the relative standalone selling price of each episode or film. Estimation of standalone selling prices requires judgment, which can impact the timing of recognizing revenues. Agreements to license programming are often long term, with collection terms ranging from one to five years.

When payment is due from a customer more than one year before or after revenue is recognized, we consider the contract to contain a significant financing component and the transaction price is adjusted for the effects of the time value of money. We do not adjust the transaction price for the time value of money if payment is expected within one year of recognizing revenues.

We also license our programming to distributors of transactional video-on-demand and similar services. Under these arrangements, our performance obligation is the delivery of our content to such distributors who then license our content to the end customer. Our revenues are determined each month based on a contractual rate applied to the number of licenses to the distributors’ end customers. Similarly, revenues earned from electronic sell-through services are recognized as each program is downloaded by the end customer.



## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

Revenues associated with the licensing of our brands for consumer products, recreation and live events are generally determined based on contractual royalty rates applied to sales reported by the licensees. For consumer products and recreation arrangements that include minimum guaranteed consideration, revenue is recognized as sales occur by the licensee, if the sales-based consideration is expected to exceed the minimum guarantee, or ratably if it is not expected to exceed the minimum guarantee. For live events, we recognize revenue when the event is held.

Revenues from the sales of DVDs and Blu-ray discs to wholesalers and retailers are recognized upon the later of the physical delivery to the customer or the date that any sales restrictions on the retailers are lifted.

We earn revenues from the distribution of content on behalf of third parties. We also have arrangements for the distribution or sale of our content by third parties. Under such arrangements, we determine whether revenues should be recognized based on the gross amount of consideration received from the customer or the net amount of revenue we retain after payment to the third party producer or distributor, based on an assessment of which party controls the good or service being transferred.

Content licensing revenues are generated by the *TV Entertainment*, *Cable Networks* and *Filmed Entertainment* segments.

*Theatrical Revenues*—Theatrical revenue is earned from the theatrical distribution of our films during the exhibition period. Under these arrangements, revenues are recognized based on sales to the end customer. Theatrical revenues are generated by the *Filmed Entertainment* segment.

*Publishing*—Publishing revenues are recognized when merchandise is shipped or electronically delivered to the consumer. Payments for publishing revenues are due shortly after shipment or electronic delivery.

*Revenue Allowances*—Print books, DVDs and Blu-ray discs are generally sold with a right of return. We record a provision for sales returns and allowances at the time of sale based upon an estimate of future returns, rebates and other incentives. In determining this provision, we consider sources of qualitative and quantitative evidence including forecast sales data, customers' rights of return, sales levels for units already shipped, historical return rates for similar products, current economic trends, the competitive environment, promotions and our sales strategies. Reserves for sales returns and allowances of \$153 million and \$186 million at December 31, 2019 and 2018, respectively, are recorded in "Other current liabilities" on the Consolidated Balance Sheets.

Reserves for accounts receivable are estimated based on historical bad debt experience, the aging of accounts receivable, industry trends and economic indicators, as well as recent payment history for specific customers. Our allowance for doubtful accounts was \$86 million at both December 31, 2019 and 2018. The provision for doubtful accounts charged to expense was \$26 million in each of the years 2019 and 2018, and \$31 million in 2017.

*Noncurrent Accounts Receivables*—Included in "Other assets" on the Consolidated Balance Sheets are noncurrent accounts receivables of \$2.11 billion and \$1.84 billion at December 31, 2019 and 2018, respectively. Noncurrent accounts receivables primarily relate to revenues recognized under long-term television licensing arrangements. Television license fee revenues are recognized at the beginning of the license period in which programs are made available to the licensee for exhibition, while the related cash is generally collected over the term of the license period.

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

*Contract Liabilities*—A contract liability is recorded when consideration is received from a customer prior to fully satisfying a performance obligation in a contract. Our contract liabilities primarily consist of cash received related to advertising arrangements for which the required audience rating or impressions have not been delivered; consumer products arrangements with minimum guarantees; and television licensing arrangements under which the content has not yet been made available to the customer. These contract liabilities will be recognized as revenues when control of the related product or service is transferred to the customer.

Contract liabilities are included in “Deferred revenues” and “Other liabilities” on the Consolidated Balance Sheets and were \$910 million and \$745 million at December 31, 2019 and December 31, 2018, respectively. The change in contract liabilities for the year ended December 31, 2019 primarily reflects cash payments received during the period for which the performance obligation was not satisfied prior to the end of the period partially offset by \$501 million of revenues recognized that were included in deferred revenues at December 31, 2018. For the year ended December 31, 2018, we recognized revenues of \$560 million that were included in deferred revenues at December 31, 2017.

*Unrecognized Revenues Under Contract*—As of December 31, 2019, unrecognized revenues attributable to unsatisfied performance obligations under our long-term contracts was \$7.72 billion, of which \$4.27 billion is expected to be recognized in 2020, \$1.93 billion in 2021, \$1.04 billion in 2022, and \$478 million thereafter. These amounts only include contracts subject to a guaranteed fixed amount or the guaranteed minimum under variable contracts, primarily consisting of television and film licensing contracts and affiliate arrangements that are subject to a fixed or guaranteed minimum fee. Such amounts change on a regular basis as we renew existing agreements or enter into new agreements. Unrecognized revenues under contract disclosed above do not include (i) contracts with an original expected term of one year or less, mainly consisting of our advertising contracts (ii) contracts for which variable consideration is determined based on the customer’s subsequent sale or usage, mainly consisting of affiliate agreements and (iii) long-term licensing agreements for multiple programs for which our right to invoice corresponds with the value of the programs provided to the customer.

*Performance Obligations Satisfied in Previous Periods*—Under certain licensing arrangements, the amount and timing of our revenue recognition is determined based on our licensees’ subsequent sale to its end customers. As a result, under such arrangements, which primarily include licensing of our content to distributors of transactional video-on-demand and electronic sell-through services, we often satisfy our performance obligation of delivery of our content in advance of revenue recognition. During the years ended December 31, 2019 and 2018, we recognized revenues of approximately \$235 million and \$172 million, respectively in our *Filmed Entertainment* segment for such performance obligations satisfied, or partially satisfied, in a prior period.

*Collaborative Arrangements*—Collaborative arrangements primarily consist of joint efforts with third parties to produce and distribute programming such as television series and live sporting events, including the agreement between us and Turner Broadcasting System, Inc. to telecast the *NCAA Division I Men’s Basketball Championship* (“NCAA Tournament”), which runs through 2032. In connection with this agreement for the NCAA Tournament, advertisements aired on the CBS Television Network are recorded as revenues and our share of the program rights fees and other operating costs are recorded as operating expenses.

We also enter into collaborative arrangements with other studios to jointly finance and distribute film and television programming, under which each partner is responsible for distribution of the program in specific territories or distribution windows. Under these arrangements, co-production costs are initially capitalized as programming inventory and amortized over the estimated economic life of the program. In such arrangements where we have distribution rights, all proceeds generated from such distribution are recorded as revenues and any participation profits due to third party collaborators are recorded as participation expenses. In co-production arrangements where third party collaborators have distribution rights, our net participating profits are recorded as revenues.

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

Amounts attributable to transactions arising from collaborative arrangements between participants were not material to the consolidated financial statements for any period presented.

*Adoption of Revenue Recognition Standard*— On January 1, 2018, we adopted FASB guidance on the recognition of revenues, which provides a single, comprehensive revenue recognition model for all contracts with customers and supersedes most existing revenue recognition guidance. The primary impact to our revenue recognition policies resulting from this standard relates to the timing of revenue recognition for the renewal of an existing licensing agreement, which under the new standard is recognized as revenue when the renewal term begins. Under previous guidance, these revenues were recognized upon the execution of such renewal. In addition, under the new standard, revenues for certain distribution arrangements are recognized based on the gross amount of consideration received from the customer, with an offsetting increase to operating expenses. Under previous accounting guidance, such revenues were recognized at the net amount retained by us after the payment of fees to the third party. Results for reporting periods beginning after January 1, 2018 are presented under the new standard while prior periods have not been adjusted. We applied the modified retrospective method of adoption with the cumulative effect of the initial adoption of \$350 million reflected as an adjustment to the opening balance of retained earnings as of January 1, 2018.

*Leases*— We have operating leases primarily for office space, equipment, satellite transponders and studio facilities and finance leases for satellite transponders and equipment. We determine that a contract contains a lease if we obtain substantially all of the economic benefits of, and the right to direct the use of, an asset identified in the contract. For leases with terms greater than 12 months, we record a right-of-use asset and a lease liability representing the present value of future lease payments. The discount rate used to measure the lease asset and liability is determined at the beginning of the lease term using the rate implicit in the lease, if readily determinable, or our collateralized incremental borrowing rate. For those contracts that include fixed rental payments for both the use of the asset (“lease costs”) as well as for other occupancy or service costs relating to the asset (“non-lease costs”), we generally include both the lease costs and non-lease costs in the measurement of the lease asset and liability. We also own buildings and production facilities where we lease space to lessees.

Our leases have remaining terms ranging from one to 17 years and often contain renewal options to extend the lease for periods of generally up to ten years. For leases that contain renewal options, we include the renewal period in the lease term if it is reasonably certain that the option will be exercised. Lease expense and income for our operating leases are recognized on a straight-line basis over the lease term, with the exception of variable lease costs, which are expensed as incurred, and leases of assets used in the production of programming, which are capitalized in programming assets and amortized over the projected useful life of the related programming. For finance leases, amortization of the right-of-use asset is recognized in amortization expense on a straight-line basis over the lease term and interest expense is accreted on the lease liability using the effective interest method. This results in an accelerated recognition of cost over the lease term.

*Advertising*—Advertising costs are expensed as incurred. We incurred total advertising expenses of \$1.70 billion in 2019, \$1.41 billion in 2018 and \$1.58 billion in 2017.

*Interest*—Costs associated with the refinancing or issuance of debt, as well as debt discounts or premiums, are recorded as interest over the term of the related debt. We may enter into interest rate exchange agreements; the amount to be paid or received under such agreements is accrued and recognized over the life of the agreement as an adjustment to interest expense.

*Income Taxes*—The provision for income taxes includes federal, state, local, and foreign taxes. Deferred tax assets and liabilities are recognized for the estimated future tax effects of temporary differences between the financial statement carrying amounts and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which the temporary differences are expected to be reversed.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

We evaluate the realizability of deferred tax assets and establish a valuation allowance when it is more likely than not that all or a portion of deferred tax assets will not be realized. Deferred tax assets and deferred tax liabilities are classified as noncurrent on the Consolidated Balance Sheets.

For tax positions taken in a previously filed tax return or expected to be taken in a future tax return, we evaluate each position to determine whether it is more likely than not that the tax position will be sustained upon examination, based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is subject to a measurement assessment to determine the amount of benefit to be recognized in the Consolidated Statement of Operations and the appropriate reserve to establish, if any. If a tax position does not meet the more-likely-than-not recognition threshold, a tax reserve is established and no benefit is recognized. A number of years may elapse before a tax return containing tax matters for which a reserve has been established is audited and finally resolved. We recognize interest and penalty charges related to the reserve for uncertain tax positions as income tax expense.

*Foreign Currency Translation and Transactions*—Assets and liabilities of subsidiaries with a functional currency other than the United States (“U.S.”) Dollar are translated into U.S. Dollars at foreign exchange rates in effect at the balance sheet date, while results of operations are translated at average foreign exchange rates for the respective periods. The resulting translation gains and losses are included as a separate component of stockholders’ equity in accumulated other comprehensive income (loss) in the Consolidated Balance Sheet. Effective July 1, 2018, Argentina has been designated as a highly inflationary economy. Transactions denominated in currencies other than the functional currency will result in remeasurement gains and losses, which are included in “Other items, net” in the Consolidated Statements of Operations.

*Net Earnings (Loss) per Common Share*—Basic earnings (loss) per share (“EPS”) is based upon net earnings (loss) divided by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the effect of the assumed exercise of stock options and vesting of restricted stock units (“RSUs”) only in the periods in which such effect would have been dilutive. Excluded from the calculation of diluted EPS because their inclusion would have been anti-dilutive, were 19 million stock options and RSUs for each of the years ended December 31, 2019 and 2018 and 14 million stock options and RSUs for the year ended December 31, 2017.

The table below presents a reconciliation of weighted average shares used in the calculation of basic and diluted EPS.

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>(in millions)</b>			
Weighted average shares for basic EPS	615	617	640
Dilutive effect of shares issuable under stock-based compensation plans	2	4	7
Weighted average shares for diluted EPS	617	621	647

*Stock-based Compensation*—We measure the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award. The cost is recognized over the vesting period during which an employee is required to provide service in exchange for the award.

**Recently Adopted Accounting Pronouncements**

*Leases*

During the first quarter of 2019, we adopted FASB guidance on the accounting for leases, which supersedes previous lease guidance. Under this guidance, for all leases with terms in excess of one year, we recognize on our

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

balance sheet a lease liability and a right-of-use asset representing our right to use the underlying asset for the lease term. The new guidance retains a distinction between finance leases and operating leases and the classification criteria is substantially similar to previous guidance. Additionally, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed. We applied the modified retrospective method of adoption and therefore, results for reporting periods beginning after January 1, 2019 are presented under the new guidance while prior periods have not been adjusted. This guidance did not have an impact on the Consolidated Statement of Operations. See Note 9 for the impact of this guidance on the Consolidated Balance Sheet and additional information.

#### *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*

During the first quarter of 2019, we adopted FASB guidance that permits an entity to reclassify certain income tax effects of federal tax legislation enacted in December 2017 (the “Tax Reform Act”) on items within accumulated other comprehensive income (“AOCI”) to retained earnings. As a result of the Tax Reform Act, in 2017, we remeasured our deferred income tax assets and liabilities to reflect the reduction in the federal income tax rate from 35% to 21%. The remeasurement was recognized in net earnings and as a result, the income tax effects of the Tax Reform Act on items within AOCI remained at historical rates (“stranded tax effects”). During the first quarter of 2019, as a result of the adoption of this guidance, we elected to reclassify the stranded tax effects of \$230 million relating to our pension and postretirement benefit obligations from AOCI to retained earnings. This guidance also requires entities to disclose their accounting policy for releasing stranded tax effects unrelated to the Tax Reform Act from AOCI. For pension and postretirement benefit plans, we release stranded tax effects from AOCI when the pension and postretirement plans are terminated.

#### **Accounting Pronouncements Not Yet Adopted**

##### *Simplifying the Accounting for Income Taxes*

In December 2019, the FASB issued guidance on the accounting for income taxes that, among other provisions, eliminates certain exceptions to existing guidance related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. This guidance also requires an entity to reflect the effect of an enacted change in tax laws or rates in its effective income tax rate in the first interim period that includes the enactment date of the new legislation, aligning the timing of recognition of the effects from enacted tax law changes on the effective income tax rate with the effects on deferred income tax assets and liabilities. Under existing guidance, an entity recognizes the effects of the enacted tax law change on the effective income tax rate in the period that includes the effective date of the tax law. We are currently evaluating the impact of this guidance, which is effective for interim and annual periods beginning after December 15, 2020, with early adoption permitted.

##### *Improvements to Accounting for Costs of Films and License Agreements for Program Materials*

In March 2019, the FASB issued guidance on the accounting for costs of films and episodic television series, which aligns the accounting for capitalizing production costs of episodic television series with the guidance for films. As a result, the capitalization of costs incurred to produce episodic television series will no longer be limited to the amount of revenue contracted in the initial market until persuasive evidence of a secondary market exists. In addition, this guidance requires an entity to test for impairment of films or television series on a title-by-title basis or together with other films and series as part of a group, based on the predominant monetization strategy of the film or series. Further, this guidance requires that an entity reassess estimates of the use of a film or series in a film group and account for changes, if any, prospectively. In addition, this guidance eliminates existing balance sheet classification guidance and adds new disclosure requirements relating to costs for acquired and produced television series. We are currently

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

evaluating the impact of this guidance, which is effective for interim and annual periods beginning after December 15, 2019.

*Collaborative Arrangements: Clarifying the Interaction with the New Revenue Standard*

In November 2018, the FASB issued guidance to clarify that certain transactions between parties to collaborative arrangements should be accounted for in accordance with FASB revenue guidance when the counterparty is a customer. This guidance also prohibits the presentation of collaborative arrangements as revenues from contracts with customers if the counterparty is not a customer. This guidance, which is required to be applied retrospectively and is effective for interim and annual periods beginning after December 15, 2019, is not expected to have a material impact on the consolidated financial statements.

*Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*

In August 2018, the FASB issued guidance on the accounting for implementation costs of a cloud computing arrangement that is considered to be a service contract. This guidance requires companies to follow the guidance for capitalizing costs associated with internal-use software to determine which costs to capitalize in a cloud computing arrangement that is a service contract. The guidance also specifies the financial statement presentation for capitalized implementation costs and the related amortization, as well as required financial statement disclosures. We are currently evaluating the impact of this guidance, which is effective for interim and annual periods beginning after December 15, 2019.

*Changes to the Disclosure Requirements for Defined Benefit Plans*

In August 2018, the FASB issued amended guidance that eliminates, adds and clarifies certain disclosure requirements for defined benefit pension or other postretirement plans. We are currently evaluating the impact of this guidance, which is required to be applied retrospectively and is effective for annual periods ending after December 15, 2020.

*Financial Instruments*

In June 2016, the FASB issued amended guidance on the accounting for credit losses on financial instruments. Among other provisions, this guidance introduces a new impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to use a forward-looking "expected loss" model that will replace the current "incurred loss" model that will generally result in the earlier recognition of allowances for losses. This guidance is effective for interim and annual periods beginning after December 15, 2019. We are currently evaluating the impact of this guidance.

**2) PROPERTY AND EQUIPMENT**

<b>At December 31,</b>	<b>2019</b>	<b>2018</b>
Land	\$ 439	\$ 439
Buildings	1,263	1,242
Finance leases <sup>(a)</sup>	195	335
Equipment and other	4,096	3,899
	5,993	5,915
Less accumulated depreciation and amortization	3,908	3,836
Net property and equipment	\$ 2,085	\$ 2,079

(a) Accumulated amortization of finance leases was \$160 million and \$279 million at December 31, 2019 and 2018, respectively.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Depreciation expense, including amortization of finance leases <sup>(a)</sup>	\$ 366	\$ 382	\$ 395

(a) Amortization expense related to finance leases was \$23 million, \$28 million and \$32 million in 2019, 2018 and 2017, respectively.

During 2019, we completed the sale of our CBS Television City property and sound stage operation (“CBS Television City”) for \$750 million. We have guaranteed a specified level of cash flows to be generated by the business during the first five years following the completion of the sale. Included on the Consolidated Balance Sheet at December 31, 2019 is a liability of \$124 million, reflecting the present value of the estimated amount payable under the guarantee obligation. This transaction resulted in a gain of \$549 million (\$386 million, net of tax), which included a reduction for the guarantee obligation. CBS Television City was classified as held for sale on the Consolidated Balance Sheet at December 31, 2018.

In 2017, we recorded a net gain of \$19 million relating to the disposition of property and equipment, which is included within “Gain on sale of assets” on the Consolidated Statement of Operations.

**3) PROGRAMMING AND OTHER INVENTORY**

<b>At December 31,</b>	<b>2019</b>	<b>2018</b>
Acquired television program rights	\$ 3,477	\$ 3,655
Acquired television library	99	99
Internally produced television programming:		
Released	3,627	2,986
In process and other	2,626	1,917
Film inventory:		
Released	502	619
Completed, not yet released	55	31
In process and other	1,037	674
Home entertainment and Publishing (primarily finished goods)	105	102
Total programming and other inventory	11,528	10,083
Less current portion	2,876	2,785
Total noncurrent programming and other inventory	\$ 8,652	\$ 7,298

We expect to amortize approximately \$2.95 billion of our internally produced television and film programming inventory, including released and completed, not yet released, during the year ended December 31, 2020. In addition, while it is difficult to determine the precise timing of the amortization of the remaining internally produced programming, we estimate that substantially all of the released internally produced television programming and 85% of the film inventory at December 31, 2019 will be amortized over the next three years.

During 2019, we recorded programming charges of \$589 million. See Note 5 for additional information.

**4) GOODWILL AND OTHER INTANGIBLE ASSETS**

*Goodwill and Intangible Assets Impairment Test*

We perform a fair value-based impairment test of goodwill and intangible assets with indefinite lives, comprised primarily of television FCC licenses in the U.S. and broadcast licenses in Australia, on an annual basis, and also between annual tests if an event occurs or if circumstances change that would more likely than not reduce the fair value of a reporting unit or an indefinite-lived intangible asset below its carrying value.

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

FCC licenses are tested for impairment at the geographic market level. We consider each geographic market, which is comprised of all of our television stations within that geographic market, to be a single unit of accounting because the FCC licenses at this level represent their highest and best use. At December 31, 2019, we had 14 television markets with FCC license book values. For broadcast licenses in Australia, we consider all of our licenses within the country to be a single unit of accounting because this represents their highest and best use.

Goodwill is tested for impairment at the reporting unit level, which is an operating segment, or one level below. At December 31, 2019, we had six reporting units with goodwill balances, which were determined based on the post-Merger reporting structure.

For our annual impairment test, we perform qualitative assessments for the reporting units, U.S. television markets with FCC licenses, and Australian broadcast licenses that management estimates have fair values that significantly exceed their respective carrying values. In making this determination, we also consider the duration of time since a quantitative test was performed. For the 2019 annual impairment test, we performed qualitative assessments for all of our U.S. television markets and all of our reporting units. As of the date of our annual impairment tests, which were performed prior to the Merger, we had ten reporting units. For each reporting unit, we weighed the relative impact of factors that are specific to the reporting unit as well as industry and macroeconomic factors. For each television market, we weighed the relative impact of market-specific and macroeconomic factors. Based on the qualitative assessments, considering the aggregation of the relevant factors, we concluded that it is not more likely than not that the fair values of these reporting units and the fair value of FCC licenses within each market are less than their respective carrying values. Therefore, performing the quantitative impairment test was unnecessary.

As of the closing date of the Merger on December 4, 2019, we performed qualitative assessments on the pre-Merger reporting units that were to be combined as a result of the new reporting structure, as well as the post-Merger reporting units that resulted from this combination. Based on these assessments, we concluded that there were no changes to the conclusions reached in our annual impairment test.

A quantitative impairment test of broadcast licenses calculates an estimated fair value using the Greenfield Discounted Cash Flow Method, which values a hypothetical start-up station in the relevant market by adding discounted cash flows over a five-year build-up period to a residual value. The assumptions for the build-up period include industry projections of overall market revenues; the start-up station's operating costs and capital expenditures, which are based on both industry and internal data; and average market share. The discount rate is determined based on the industry and market-based risk of achieving the projected cash flows, and the residual value is calculated using a perpetual nominal growth rate, which is based on projected long-range inflation and industry projections.

For 2019, we performed a quantitative impairment test for our Australian broadcast licenses. The discount rate and perpetual nominal growth rate were 11% and 0.5%, respectively. The impairment test indicated that the estimated fair value of the broadcast licenses was lower than the carrying value, which was the result of a sustained decline in the advertising marketplace in Australia. Accordingly, we recorded an impairment charge during the fourth quarter of 2019 of \$20 million, which is included within "Depreciation and amortization" on the Consolidated Statements of Operations, and recorded in our *Cable Networks* segment.



**VIACOMCBS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

The following tables present the changes in the book value of goodwill by segment for the years ended December 31, 2019 and 2018.

	Balance at December 31, 2018	Acquisitions / (Dispositions)	Foreign Currency	Balance at December 31, 2019
<b>TV Entertainment:</b>				
Goodwill	\$ 17,618	\$ (3)	\$ —	\$ 17,615
Accumulated impairment losses	(13,354)	—	—	(13,354)
Goodwill, net of impairment	4,264	(3)	—	4,261
<b>Cable Networks:</b>				
Goodwill	10,234	451 <sup>(a)</sup>	6	10,691
Accumulated impairment losses	—	—	—	—
Goodwill, net of impairment	10,234	451	6	10,691
<b>Filmed Entertainment:</b>				
Goodwill	1,593	—	—	1,593
Accumulated impairment losses	—	—	—	—
Goodwill, net of impairment	1,593	—	—	1,593
<b>Publishing:</b>				
Goodwill	435	—	—	435
Accumulated impairment losses	—	—	—	—
Goodwill, net of impairment	435	—	—	435
<b>Total:</b>				
Goodwill	29,880	448	6	30,334
Accumulated impairment losses	(13,354)	—	—	(13,354)
Goodwill, net of impairment	\$ 16,526	\$ 448	\$ 6	\$ 16,980

(a) Primarily reflects the acquisitions of Pluto Inc. and Pop TV.

VIACOMCBS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(Tabular dollars in millions, except per share amounts)

	Balance at December 31, 2017		Acquisitions		Foreign Currency		Balance at December 31, 2018	
<b>TV Entertainment:</b>								
Goodwill	\$	17,591	\$	27	\$	—	\$	17,618
Accumulated impairment losses		(13,354)		—		—		(13,354)
Goodwill, net of impairment		4,237		27		—		4,264
<b>Cable Networks:</b>								
Goodwill		10,286		64		(116)		10,234
Accumulated impairment losses		—		—		—		—
Goodwill, net of impairment		10,286		64		(116)		10,234
<b>Filmed Entertainment:</b>								
Goodwill		1,593		—		—		1,593
Accumulated impairment losses		—		—		—		—
Goodwill, net of impairment		1,593		—		—		1,593
<b>Publishing:</b>								
Goodwill		435		—		—		435
Accumulated impairment losses		—		—		—		—
Goodwill, net of impairment		435		—		—		435
<b>Total:</b>								
Goodwill		29,905		91		(116)		29,880
Accumulated impairment losses		(13,354)		—		—		(13,354)
Goodwill, net of impairment	\$	16,551	\$	91	\$	(116)	\$	16,526

Our intangible assets were as follows:

<b>At December 31, 2019</b>	<b>Gross</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Intangible assets subject to amortization:			
Trade names	\$ 404	\$ (171)	\$ 233
Licenses	159	(38)	121
Customer agreements	119	(92)	27
Other intangible assets	263	(151)	112
Total intangible assets subject to amortization	945	(452)	493
FCC licenses	2,441	—	2,441
International broadcast licenses	25	—	25
Other intangible assets	34	—	34
Total intangible assets	\$ 3,445	\$ (452)	\$ 2,993

<b>At December 31, 2018</b>	<b>Gross</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Intangible assets subject to amortization:			
Trade names	\$ 384	\$ (148)	\$ 236
Licenses	145	(29)	116
Customer agreements	92	(88)	4
Other intangible assets	195	(128)	67
Total intangible assets subject to amortization	816	(393)	423
FCC licenses	2,441	—	2,441
International broadcast licenses	45	—	45
Other intangible assets	34	—	34
Total intangible assets	\$ 3,336	\$ (393)	\$ 2,943



**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

Amortization expense was as follows:

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Amortization expense <sup>(a)</sup>	\$ 77	\$ 51	\$ 48

(a) For 2019, amortization expense includes an impairment charge of \$20 million, which reduced the carrying value of broadcast licenses in Australia to their fair value.

We expect our aggregate annual amortization expense for existing intangible assets subject to amortization for each of the years, 2020 through 2024, to be as follows:

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Future amortization expense	\$ 64	\$ 55	\$ 52	\$ 47	\$ 39

**5) RESTRUCTURING, PROGRAMMING CHARGES AND OTHER CORPORATE MATTERS**

During the years ended December 31, 2019, 2018 and 2017, we recorded restructuring charges, merger-related costs, programming charges and costs for other corporate matters as follows:

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Severance	\$ 401	\$ 235	\$ 224
Exit costs and other	23	75	12
Asset impairment	—	—	22
Restructuring charges	424	310	258
Restructuring-related costs	—	52	—
Merger-related costs	294	—	—
Other corporate matters	57	128	—
Restructuring and other corporate matters	\$ 775	\$ 490	\$ 258
Programming charges	\$ 589	\$ 162	\$ 144

*Restructuring Charges and Related Costs*

During the year ended December 31, 2019, we recorded restructuring charges of \$424 million, primarily for severance and the acceleration of stock-based compensation in connection with the Merger; costs related to a restructuring plan initiated in the first quarter of 2019 under which severance payments are being provided to certain eligible employees who voluntarily elected to participate.

During the year ended December 31, 2018, we recorded restructuring charges of \$310 million resulting from cost transformation initiatives to improve margins. In addition, in 2018 we recorded restructuring-related costs of \$52 million, comprised of third-party professional services associated with such initiatives.

During the year ended December 31, 2017, we recorded restructuring charges of \$258 million, resulting from the execution of a strategy for certain of our flagship brands and strategic initiatives at Paramount, as well as costs relating to other restructuring plans across several of our businesses in a continued effort to reduce our cost structure. The restructuring charges for 2017 included a non-cash impairment charge resulting from the decision to abandon an international trade name in connection with the strategic initiatives.

The following is a rollforward of our restructuring liability, which is recorded in “Other current liabilities” and “Other liabilities” in the Consolidated Balance Sheets. The remaining restructuring liability at December 31, 2019, which primarily relates to severance payments, is expected to be substantially paid by the end of 2021.

VIACOMCBS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(Tabular dollars in millions, except per share amounts)

	Balance at	2019 Activity			Balance at
	December 31, 2018	Charges <sup>(a)</sup>	Payments	Other	December 31, 2019
TV Entertainment	\$ 54	\$ 93	\$ (82)	\$ (1)	\$ 64
Cable Networks	151	93	(104)	(7)	133
Filmed Entertainment	22	8	(12)	(1)	17
Publishing	2	6	(4)	—	4
Corporate	57	157	(32)	—	182
<b>Total</b>	<b>\$ 286</b>	<b>\$ 357</b>	<b>\$ (234)</b>	<b>\$ (9)</b>	<b>\$ 400</b>

	Balance at	2018 Activity			Balance at
	December 31, 2017	Charges <sup>(a)</sup>	Payments	Other	December 31, 2018
TV Entertainment	\$ 50	\$ 45	\$ (40)	\$ (1)	\$ 54
Cable Networks	91	185	(117)	(8)	151
Filmed Entertainment	32	18	(28)	—	22
Publishing	3	1	(2)	—	2
Corporate	37	53	(32)	(1)	57
<b>Total</b>	<b>\$ 213</b>	<b>\$ 302</b>	<b>\$ (219)</b>	<b>\$ (10)</b>	<b>\$ 286</b>

(a) Excludes stock-based compensation expense of \$67 million and \$8 million in 2019 and 2018, respectively.

*Merger-related Costs and Other Corporate Matters*

In 2019, in addition to the above-mentioned restructuring charges and related costs, we incurred costs of \$294 million in connection with the Merger, consisting of financial advisory, legal and other professional fees, transaction-related bonuses, and contractual executive compensation, including the accelerated vesting of stock-based compensation, that was triggered by the Merger. We also incurred costs of \$40 million in connection with the settlement of a commercial dispute and \$17 million associated with legal proceedings involving the Company (see Note 19) and other corporate matters.

In 2018, we recorded expenses of \$128 million primarily for professional fees related to legal proceedings, investigations at our Company and the evaluation of potential merger activity.

*Programming Charges*

During 2019, in connection with the Merger, we implemented management changes across the organization. In connection with these changes, we performed an evaluation of our programming portfolio across all of our businesses, including an assessment of the optimal use of our programming in the marketplace, which resulted in the identification of programs not aligned with management's strategy. As a result, we recorded programming charges of \$589 million principally reflecting accelerated amortization associated with changes in the expected monetization of certain programs, and decisions to cease airing, alter future airing patterns or not renew certain programs.

During 2018, in connection with management changes, we recorded programming charges of \$162 million, relating to changes to our programming strategy, including at CBS Films, which shifted its focus from theatrical films to developing content for our digital streaming services, as well as at our *Cable Networks* segment where we ceased the use of certain programming.

During 2017, we recorded programming charges of \$144 million associated with management's decision to cease use of certain original and acquired programming, in connection with the execution of a strategy for certain of our flagship brands and strategic initiatives at Paramount.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

The programming charges for 2019, 2018, and 2017 were included within “Operating expenses” in the Consolidated Statements of Operations.

**6) RELATED PARTIES**

*National Amusements, Inc.* NAI is the controlling stockholder of ViacomCBS and was the controlling stockholder of each of CBS and Viacom prior to the Merger. Sumner M. Redstone is the controlling stockholder, Chairman of the Board of Directors and Chief Executive Officer of NAI. Shari E. Redstone, Mr. Redstone’s daughter, is the President and a director of NAI. She is the non-executive Chair of our Board of Directors and was the non-executive Vice Chair of the Board of Directors of each of CBS and Viacom prior to the Merger. At December 31, 2019, NAI directly or indirectly owned approximately 79.4% of our voting Class A Common Stock and 10.2% of our Class A Common Stock and non-voting Class B Common Stock on a combined basis. NAI is controlled by Mr. Redstone through the Sumner M. Redstone National Amusements Trust (the “SMR Trust”), which owns 80% of the voting interest of NAI, and such voting interest of NAI held by the SMR Trust is voted solely by Mr. Redstone until his incapacity or death. The SMR Trust provides that in the event of Mr. Redstone’s death or incapacity, voting control of the NAI voting interest held by the SMR Trust will pass to seven trustees, who will include Ms. Redstone. No member of our management is a trustee of the SMR Trust. Pursuant to a settlement and release agreement entered into by us, NAI and others, with respect to legal proceedings involving these parties, we paid \$30 million for professional fees incurred by NAI during 2018 relating to these legal proceedings, which are included in “Restructuring and other corporate matters” on the Consolidated Statement of Operations for the year ended December 31, 2018.

*Other Related Parties.* In the ordinary course of business, we are involved in transactions with our equity-method investees, primarily for the licensing of television and film programming. The following table presents the amounts recorded in our consolidated financial statements related to these transactions.

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Revenues	\$ 179	\$ 170	\$ 183
Operating expenses	\$ 14	\$ 22	\$ 41

<b>At December 31,</b>	<b>2019</b>	<b>2018</b>
<b>Amounts due to/from other related parties</b>		
Accounts receivable	\$ 45	\$ 83
Accounts payable	\$ 3	\$ 9

Through the normal course of business, we are involved in transactions with other related parties that have not been material in any of the periods presented.

**7) ACQUISITIONS AND INVESTMENTS**

*Pluto TV Acquisition*

On March 1, 2019, we acquired Pluto Inc., the provider of Pluto TV, a leading free streaming television service in the U.S., for \$324 million, net of cash acquired. The purchase price excludes \$18 million of post-combination expenses that are subject to continuous employment and will be recognized over the required service period in the Consolidated Statements of Operations within “Selling, general and administrative expenses”. Pluto TV expands our presence across next-generation distribution platforms and accelerates the growth of our advanced marketing solutions business. Pluto TV is available across mobile devices, desktops, streaming players and game consoles and is integrated across a growing number of Smart TVs and other video and broadband platforms.

**VIACOMCBS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

The following table summarizes our allocation of the purchase price as of the acquisition date for Pluto TV.

	<b>Year Ended</b>
	<b>December 31, 2019</b>
<b>Assets</b>	
Receivables	\$ 31
Prepaid expenses and other current assets	3
Goodwill	277
Intangible assets	41
Other assets (noncurrent)	8
<b>Assets acquired</b>	<b>\$ 360</b>
<b>Liabilities</b>	
Accounts payable	\$ 27
Accrued expenses	4
Other liabilities	5
<b>Liabilities assumed</b>	<b>\$ 36</b>
<b>Total purchase price</b>	<b>\$ 324</b>

The goodwill, which is not deductible for tax purposes, reflects the Company-specific synergies arising from the acquisition and is included in the *Cable Networks* segment. Intangible assets consist of distribution relationships, developed technology and trade names, all with useful lives of five years.

The operating results of Pluto TV from the date of acquisition through December 31, 2019 were not material to our consolidated financial statements.

*Other Acquisitions*

In 2019, we acquired the remaining 50% interest in Pop TV, a general entertainment cable network, for \$39 million, net of cash acquired, bringing our ownership to 100%. The assets acquired primarily consist of goodwill and other identifiable intangible assets. The results of Pop TV are included in the *Cable Networks* segment from the date of acquisition.

In 2018, we made payments totaling \$118 million, which were net of cash acquired, for acquisitions that included WhoSay Inc., a leading influence marketing firm; Pop Culture Media, a digital entertainment media company; VidCon LLC, a host of conferences dedicated to online video; and Awesomeness TV Holdings, LLC, a multi-platform media company serving global Gen-Z audiences as a digital-first destination for original programming.

In 2017, we acquired Ten Network Holdings Limited (“Network 10”) for approximately \$124 million, net of cash acquired. Included in this acquisition was Network 10, one of three major commercial broadcast networks in Australia, as well as two multi-channel networks, channels One and Eleven. The assets acquired primarily consist of broadcast licenses, net operating loss carryforwards and working capital.

The operating results of these acquisitions were not material to our consolidated financial statements.

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

#### *Miramax Acquisition*

In December 2019, we entered into a definitive agreement with beIN Media Group to acquire a 49% stake in Miramax, a global film and television studio, for \$375 million, which includes an upfront cash payment of approximately \$150 million, along with a commitment to invest \$45 million annually over the next five years, or \$225 million, to be used for new film and television productions and working capital. In conjunction with this agreement, we entered into a series of commercial agreements with Miramax under which we will have exclusive, long-term distribution rights to Miramax's catalog adding more than 700 titles to our existing library. In addition to maximizing library content, the agreement will enable us to co-produce, co-finance and distribute new film and television projects under the Miramax banner. The investment will be accounted for as a consolidated variable interest entity. The transaction is subject to customary closing conditions and is expected to close in the first quarter of 2020.

#### *Investments*

At December 31, 2019 and 2018, we had investments of \$753 million and \$719 million, respectively, consisting of marketable securities, non-marketable equity investments and equity-method investments. Our investments are included in "Other assets" on the Consolidated Balance Sheets.

Investments over which we have significant influence, without a controlling interest, are accounted for under the equity method. Such investments include our 50% interest in the broadcast network, The CW, as well as interests in several international television joint ventures including a 49% interest in a joint venture with a subsidiary of AMC Networks Inc., which owns and operates channels in the United Kingdom and Ireland, including CBS branded channels; a 30% interest in a joint venture with another subsidiary of AMC Networks Inc., which owns and operates cable and satellite channels in Europe, the Middle East and Africa; and a 49% interest in Viacom18, a joint venture in India which owns and operates COLORS pay television channel, a digital advertising platform and a filmed entertainment business. At December 31, 2019 and 2018, respectively, we had \$494 million and \$573 million of equity-method investments.

Investments without a readily determinable fair value for which we have no significant influence are measured at cost less impairment, if any, and adjusted for any observable price changes. At December 31, 2019 and 2018, respectively, we had \$113 million and \$112 million of such investments.

The fair value of our marketable securities was \$146 million and \$34 million as of December 31, 2019 and 2018, respectively, as determined based on quoted market prices in active markets (Level 1 in the fair value hierarchy). During the years ended December 31, 2019 and 2018, we recorded an unrealized gain of \$113 million and an unrealized loss of \$23 million, respectively, resulting from changes in the fair value of our marketable securities. Beginning in the first quarter of 2018, in connection with the adoption of FASB guidance on financial instruments, changes in the fair value of marketable securities are recognized in the Consolidated Statements of Operations. Prior to the adoption of this guidance, we recorded unrealized gains and losses on marketable securities in other comprehensive income.

We invested \$171 million, \$161 million and \$128 million into our investments during the years ended December 31, 2019, 2018 and 2017, respectively.

In 2019, we completed the sale of an international joint venture resulting in a gain of \$10 million. In 2018, we completed the sale of a 1% equity interest in Viacom18 to our joint venture partner for \$20 million, resulting in a gain of \$16 million. These gains have been included in "Other items, net" in the Consolidated Statements of Operations.

During 2017, we completed the sale of our 49.76% interest in EPIX, a premium entertainment network, for \$593 million, net of transaction costs of \$4 million, resulting in a gain of \$285 million. In addition, prior to the closing of the sale, EPIX paid a dividend, of which our pro rata share was \$37 million.



**VIACOMCBS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

For 2019, 2018, and 2017, included in “Other items, net” on the Consolidated Statements of Operations was \$50 million, \$46 million and \$18 million, respectively, for the impairment of investments without readily determinable fair values.

*Variable Interest Entities*

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

The Consolidated Balance Sheets include assets and liabilities related to consolidated VIEs totaling \$141 million and \$22 million, respectively, as of December 31, 2019, and \$63 million and \$4 million, respectively, as of December 31, 2018. In 2017, a consolidated VIE completed the sale of broadcast spectrum in connection with the FCC’s broadcast spectrum auction for \$147 million, a portion of which was used to repay outstanding debt, resulting in a pre-tax gain of \$127 million, with \$11 million attributable to the noncontrolling interest. Other than this gain, the consolidated VIEs’ revenues, expenses and operating income were not significant for all periods presented.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

**8) DEBT**

Our debt consists of the following:

<b>At December 31,</b>	<b>2019</b>		<b>2018</b>	
Commercial paper	\$	699	\$	674
2.30% Senior Notes due 2019		—		601
5.625% Senior Notes due 2019		—		221
2.750% Senior Notes due 2019		—		90
4.30% Senior Notes due 2021		300		300
4.50% Senior Notes due 2021		499		498
3.875% Senior Notes due 2021		597		596
2.250% Senior Notes due 2022		49		49
3.375% Senior Notes due 2022		698		697
3.125% Senior Notes due 2022		194		194
2.50% Senior Notes due 2023		398		397
3.25% Senior Notes due 2023		181		181
2.90% Senior Notes due 2023		396		396
4.25% Senior Notes due 2023		1,242		1,240
7.875% Debentures due 2023		187		187
7.125% Senior Notes due 2023		46		46
3.875% Senior Notes due 2024		489		489
3.70% Senior Notes due 2024		598		597
3.50% Senior Notes due 2025		592		590
4.00% Senior Notes due 2026		789		787
3.45% Senior Notes due 2026		123		123
2.90% Senior Notes due 2027		688		686
3.375% Senior Notes due 2028		494		493
3.70% Senior Notes due 2028		491		490
4.20% Senior Notes due 2029		493		—
7.875% Senior Debentures due 2030		831		832
5.50% Senior Debentures due 2033		426		426
4.85% Senior Debentures due 2034		87		86
6.875% Senior Debentures due 2036		1,068		1,068
6.75% Senior Debentures due 2037		75		75
5.90% Senior Notes due 2040		297		297
4.50% Senior Debentures due 2042		45		45
4.85% Senior Notes due 2042		486		486
4.375% Senior Debentures due 2043		1,109		1,103
4.875% Senior Debentures due 2043		18		18
5.850% Senior Debentures due 2043		1,231		1,230
5.25% Senior Debentures due 2044		345		345
4.90% Senior Notes due 2044		539		539
4.60% Senior Notes due 2045		589		588
5.875% Junior Subordinated Debentures due 2057		643		642
6.25% Junior Subordinated Debentures due 2057		643		642
Obligations under finance leases		44		69
<b>Total debt <sup>(a)</sup></b>		<b>18,719</b>		<b>19,113</b>
Less commercial paper		699		674
Less current portion		18		339
<b>Total long-term debt, net of current portion</b>	<b>\$</b>	<b>18,002</b>	<b>\$</b>	<b>18,100</b>

(a) At December 31, 2019 and 2018, the senior and junior subordinated debt balances included (i) a net unamortized discount of \$412 million and \$422 million, respectively, (ii) unamortized deferred financing costs of \$92 million and \$98 million, respectively, and (iii) a decrease in the carrying value of the debt relating to previously settled fair value hedges of \$6 million and \$5 million, respectively. The face value of our total debt was \$19.23 billion at December 31, 2019 and \$19.64 billion at December 31, 2018.



**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

During the year ended December 31, 2019, we issued \$500 million of 4.20% senior notes due 2029. We used the net proceeds from this issuance in the redemption of our \$600 million outstanding 2.30% senior notes due August 2019. During 2019, we also repaid the \$220 million aggregate principal amount of our 5.625% senior notes due September 2019 and the \$90 million aggregate principal amount of our 2.75% senior notes due December 2019.

During the year ended December 31, 2018, we redeemed \$1.13 billion of senior notes and debentures for a redemption price of \$1.10 billion, resulting in a pre-tax gain on early extinguishment of debt of \$18 million (\$14 million, net of tax).

During the year ended December 31, 2017, we issued \$3.10 billion of senior notes and junior subordinated debentures. Also during 2017, we redeemed and repaid \$4.67 billion of senior notes, of which \$4.27 billion was redeemed prior to maturity, resulting in a pre-tax loss on early extinguishment of debt of \$38 million (\$21 million, net of tax).

Our 5.875% junior subordinated debentures due February 2057 and 6.25% junior subordinated debentures due February 2057 accrue interest at the stated fixed rates until February 28, 2022 and February 28, 2027, respectively, on which dates the rates will switch to floating rates based on three-month LIBOR plus 3.895% and 3.899%, respectively, reset quarterly. These debentures can be called by us at any time after the expiration of the fixed-rate period.

The interest rate payable on our 2.25% senior notes due February 2022 and 3.45% senior notes due October 2026, collectively the “Senior Notes”, will be subject to adjustment from time to time if Moody’s Investor Services, Inc. or S&P Global Ratings downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the Senior Notes. The interest rate on these Senior Notes would increase by 0.25% upon each credit agency downgrade up to a maximum of 2.00%, and would similarly be decreased for subsequent upgrades. At December 31, 2019, the outstanding principal amount of our 2.25% senior notes due February 2022 and 3.45% senior notes due October 2026 was \$50 million and \$124 million, respectively.

Some of our outstanding notes and debentures provide for certain covenant packages typical for an investment grade company. There is an acceleration trigger for the majority of the notes and debentures in the event of a change in control under specified circumstances coupled with ratings downgrades due to the change in control, as well as certain optional redemption provisions for our junior debentures.

At December 31, 2019, our scheduled maturities of long-term debt at face value, excluding finance leases, and the related interest payments were as follows:

	2020	2021	2022	2023	2024	2025 and Thereafter
Long-term debt	\$ —	\$ 1,400	\$ 945	\$ 2,465	\$ 1,092	\$ 12,584

**Commercial Paper**

We had outstanding commercial paper borrowings under our \$2.50 billion commercial paper program of \$699 million and \$674 million at December 31, 2019 and 2018, respectively, each with maturities of less than 90 days. The weighted average interest rate for these borrowings was 2.07% and 3.02% at December 31, 2019 and 2018, respectively.

In January 2020, our commercial paper program was increased to \$3.50 billion in conjunction with the new \$3.50 billion revolving credit facility described below.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

**Credit Facility**

At December 31, 2019, we had a \$2.50 billion revolving credit facility held by CBS prior to the Merger (the “CBS Credit Facility”) with a maturity in June 2021 and a \$2.50 billion revolving credit facility held by Viacom prior to the Merger (the “Viacom Credit Facility”), with a maturity in February 2024. At December 31, 2019, we had no borrowings outstanding under the CBS Credit Facility or the Viacom Credit Facility and the remaining availability, net of outstanding letters of credit, was \$2.50 billion for each facility.

In January 2020, the CBS Credit Facility was terminated and the Viacom Credit Facility was amended and restated to a \$3.50 billion revolving credit facility with a maturity in January 2025 (the “Credit Facility”). The credit facility is used for general corporate purposes and to support commercial paper outstanding, if any. We may, at our option, also borrow in certain foreign currencies up to specified limits under the Credit Facility. Borrowing rates under the Credit Facility are determined at our option at the time of each borrowing and are based generally on the prime rate in the U.S. or LIBOR plus a margin based on our senior unsecured debt rating. The Credit Facility requires our Consolidated Total Leverage Ratio to be less than 4.5x (which we may elect to increase to 5.0x for up to four consecutive quarters following a qualified acquisition) at the end of each quarter, to be applied retrospectively from December 31, 2019. The Consolidated Total Leverage Ratio reflects the ratio of our Consolidated Indebtedness at the end of a quarter, to our Consolidated EBITDA (each as defined in the amended credit agreement) for the trailing twelve-month period. We met the covenant as of December 31, 2019.

**9) LEASES**

On January 1, 2019, we adopted FASB guidance on the accounting for leases. We applied the modified retrospective method of adoption and therefore, results for reporting periods beginning after January 1, 2019 are presented under the new guidance while prior periods have not been adjusted.

The adoption of this guidance resulted in the recognition on the Consolidated Balance Sheet of right-of-use assets and lease liabilities representing the present value of future lease payments of all leases with terms in excess of one year. At December 31, 2019, the following amounts were recorded on the Consolidated Balance Sheet relating to our leases.

	Leases	
	Operating	Finance
<b>Right-of-Use Assets</b>		
Operating lease assets	\$ 1,939	\$ —
Property and equipment, net	\$ —	\$ 35
<b>Lease Liabilities</b>		
Other current liabilities	\$ 292	\$ —
Debt	—	19
Operating lease liabilities	1,909	—
Long-term debt	—	25
<b>Total lease liabilities</b>	<b>\$ 2,201</b>	<b>\$ 44</b>

	Leases	
	Operating	Finance
Weighted average remaining lease term	9 years	3 years
Weighted average discount rate	4.1%	4.5%

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

For existing leases at the time of adoption, we elected to not reassess (i) whether each contract is or contains a lease, (ii) the classification of leases as operating or finance leases, and (iii) initial direct costs for existing leases.

*Lessee Contracts*

We have operating leases primarily for office space, equipment, satellite transponders and studio facilities. We also have finance leases for satellite transponders and equipment. Lease costs are generally fixed, with certain contracts containing variable payments for non-lease costs based on usage and escalations in the lessors' annual costs.

The following table presents our lease cost.

	<b>Year Ended</b>
	<b>December 31, 2019</b>
Operating lease cost <sup>(a) (b)</sup>	\$ 406
Finance lease cost:	
Amortization of right-of-use assets	23
Interest expense on lease liabilities	3
Short-term lease cost <sup>(b) (c)</sup>	242
Variable lease cost <sup>(d)</sup>	80
Sublease income	(31)
<b>Total lease cost</b>	<b>\$ 723</b>

- (a) Includes fixed lease costs and non-lease costs (consisting of other occupancy and service costs relating to the use of an asset) associated with long-term operating leases.
- (b) Includes costs capitalized in programming assets during the period for leased assets used in the production of programming.
- (c) Short-term leases have a term of 12 months or less and exclude month-to-month leases. Short-term leases are not recorded on the Consolidated Balance Sheet.
- (d) Primarily includes non-lease costs (consisting of other occupancy and service costs relating to the use of an asset) and costs for equipment leases that vary based on usage.

The following table presents supplemental cash flow information related to our leases.

	<b>Year Ended</b>
	<b>December 31, 2019</b>
<b>Cash paid for amounts included in lease liabilities</b>	
Operating lease payments, included in operating cash flows	\$ 341
Finance lease payments, included in financing cash flows	\$ 27
Noncash additions to operating lease assets	\$ 389

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

The expected future payments relating to our operating and finance lease liabilities at December 31, 2019 are as follows:

	Leases	
	Operating	Finance
2020	\$ 371	\$ 21
2021	352	16
2022	296	7
2023	251	1
2024	205	1
2025 and thereafter	1,234	1
Total minimum payments	2,709	47
Less amounts representing interest	508	3
Present value of minimum payments	\$ 2,201	\$ 44

The following table presents the future payments under our operating and finance leases as of December 31, 2018 based on lease guidance in effect prior to the adoption of new FASB lease guidance on January 1, 2019.

	Leases	
	Operating <sup>(a)</sup>	Finance
2019	\$ 305	\$ 29
2020	309	20
2021	282	15
2022	247	7
2023	211	2
2024 and thereafter	1,228	2
Total minimum payments	\$ 2,582	\$ 75
Less amounts representing interest		6
Present value of minimum payments		\$ 69

(a) Future minimum operating lease payments have been reduced by future minimum sublease income of \$57 million. Rent expense based on lease guidance in effect prior to January 1, 2019 was \$474 million in 2018 and \$449 million in 2017. Included in net earnings (loss) from discontinued operations was rent expense of \$32 million in 2017.

As of December 31, 2019, we had signed additional operating leases with lease terms ranging from two to 11 years that have not yet commenced. The total future undiscounted lease payments under these leases are \$98 million, which were not recorded on the Consolidated Balance Sheet at December 31, 2019.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

*Lessor Contracts*

We enter into operating leases for the use of our owned production facilities and office buildings. Lease payments received under these agreements consist of fixed payments for the rental of space and certain building operating costs, as well as variable payments based on usage of production facilities and services, and escalating costs of building operations. We recorded total lease income of \$149 million, including both fixed and variable amounts, for the year ended December 31, 2019.

At December 31, 2019, future fixed lease income under noncancellable operating leases is as follows:

2020	\$	68
2021		52
2022		45
2023		44
2024		36
2025 and thereafter		57
<b>Total</b>	<b>\$</b>	<b>302</b>

**10) FINANCIAL INSTRUMENTS**

The carrying value of financial instruments approximates fair value, except for notes and debentures, which are not recorded at fair value. At December 31, 2019 and 2018, the carrying value of our notes and debentures was \$17.98 billion and \$18.37 billion, respectively, and the fair value, which is determined based on quoted prices in active markets (Level 1 in the fair value hierarchy) was \$20.6 billion and \$18.4 billion, respectively.

We use derivative financial instruments primarily to manage our exposure to market risks from fluctuations in foreign currency exchange rates. We do not use derivative instruments unless there is an underlying exposure and, therefore, we do not hold or enter into derivative financial instruments for speculative trading purposes.

*Foreign Exchange Contracts*

Foreign exchange forward contracts have principally been used to hedge projected cash flows, in currencies such as the British Pound, the Euro, the Canadian Dollar and the Australian Dollar, generally for periods up to 24 months. We designate foreign exchange forward contracts used to hedge committed and forecasted foreign currency transactions as cash flow hedges. Gains or losses on the effective portion of designated cash flow hedges are initially recorded in other comprehensive income (loss) and reclassified to the statement of operations when the hedged item is recognized. Additionally, we enter into non-designated forward contracts to hedge non-U.S. dollar denominated cash flows.

At December 31, 2019 and 2018, the notional amount of all foreign currency contracts was \$1.44 billion and \$995 million, respectively. For 2019, \$833 million related to future production costs and \$606 million related to our foreign currency balances and other expected foreign currency cash flows. For 2018, \$481 million related to future production costs and \$514 million related to our foreign currency balances and other expected foreign currency cash flows.

Gains (losses) recognized on derivative financial instruments were as follows:

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>Financial Statement Account</b>
Non-designated foreign exchange contracts	\$ (4)	\$ 25	Other items, net

The fair value of our derivative instruments was not material to the Consolidated Balance Sheets for any of the periods presented.



**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

We continually monitor our position with, and credit quality of, the financial institutions that are counterparties to our financial instruments. We are exposed to credit loss in the event of nonperformance by the counterparties to the agreements. However, we do not anticipate nonperformance by the counterparties.

Our receivables do not represent significant concentrations of credit risk at December 31, 2019 and 2018, due to the wide variety of customers, markets and geographic areas to which our products and services are sold.

**11) FAIR VALUE MEASUREMENTS**

The following tables set forth our assets and liabilities measured at fair value on a recurring basis at December 31, 2019 and 2018. These assets and liabilities have been categorized according to the three-level fair value hierarchy established by the FASB, which prioritizes the inputs used in measuring fair value. Level 1 is based on publicly quoted prices for the asset or liability in active markets. Level 2 is based on inputs that are observable other than quoted market prices in active markets, such as quoted prices for the asset or liability in inactive markets or quoted prices for similar assets or liabilities. Level 3 is based on unobservable inputs reflecting our own assumptions about the assumptions that market participants would use in pricing the asset or liability.

<b>At December 31, 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Marketable securities	\$ 146	\$ —	\$ —	\$ 146
Foreign currency hedges	—	13	—	13
<b>Total Assets</b>	<b>\$ 146</b>	<b>\$ 13</b>	<b>\$ —</b>	<b>\$ 159</b>
<b>Liabilities:</b>				
Deferred compensation	\$ —	\$ 490	\$ —	\$ 490
Foreign currency hedges	—	14	—	14
<b>Total Liabilities</b>	<b>\$ —</b>	<b>\$ 504</b>	<b>\$ —</b>	<b>\$ 504</b>
<hr/>				
<b>At December 31, 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Marketable securities	\$ 34	\$ —	\$ —	\$ 34
Foreign currency hedges	—	21	—	21
<b>Total Assets</b>	<b>\$ 34</b>	<b>\$ 21</b>	<b>\$ —</b>	<b>\$ 55</b>
<b>Liabilities:</b>				
Deferred compensation	\$ —	\$ 501	\$ —	\$ 501
Foreign currency hedges	—	18	—	18
<b>Total Liabilities</b>	<b>\$ —</b>	<b>\$ 519</b>	<b>\$ —</b>	<b>\$ 519</b>

The fair value of marketable securities is determined based on quoted market prices in active markets. The fair value of foreign currency hedges is determined based on the present value of future cash flows using observable inputs including foreign currency exchange rates. The fair value of deferred compensation liabilities is determined based on the fair value of the investments elected by employees.

**12) STOCKHOLDERS' EQUITY**

In general, ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock have the same economic rights; however, holders of ViacomCBS Class B Common Stock do not have any voting rights, except as required by law. Holders of ViacomCBS Class A Common Stock are entitled to one vote per share with respect to all matters on which the holders of ViacomCBS Common Stock are entitled to vote.

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

*Merger with Viacom*—At the Effective Time, (1) each share of Viacom Class A Common Stock issued and outstanding immediately prior to the Effective Time, other than shares held directly by Viacom as treasury shares or held by CBS, was converted automatically into 0.59625 shares of ViacomCBS Class A Common Stock, and (2) each share of Viacom Class B Common Stock issued and outstanding immediately prior to the Effective Time, other than shares held directly by Viacom as treasury shares or held by CBS, was converted automatically into 0.59625 shares of ViacomCBS Class B Common Stock, resulting in the issuance of 29 million shares of ViacomCBS Class A Common Stock and 211 million shares of ViacomCBS Class B Common Stock. At the Effective Time, each share of CBS Class A Common Stock and each share of CBS Class B Common Stock issued and outstanding immediately prior to the Effective Time, remained an issued and outstanding share of ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock, respectively, and was not affected by the Merger.

*Dividends*—On December 19, 2019, ViacomCBS declared a quarterly cash dividend of \$.24 per share on its Class A and Class B Common Stock, resulting in total dividends of \$150 million, which were paid on January 10, 2020. Prior to the Merger, Viacom and CBS each declared a quarterly cash dividend during each of the first three quarters of 2019 and during each of the four quarters of 2018 and 2017. During 2019, CBS declared total per share dividends of \$.54, resulting in total dividends of \$205 million. For each of the years ended December 31, 2018 and 2017, CBS declared total per share dividends of \$.72, resulting in total annual dividends of \$274 million and \$289 million, respectively. During 2019, Viacom declared total per share dividends of \$.60, resulting in total dividends of \$245 million. For each of the years ended December 31, 2018 and 2017, Viacom declared total per share dividends of \$.80, resulting in total annual dividends of \$325 million and \$323 million, respectively. For 2017, dividends were recorded as a reduction to additional paid-in capital as we had an accumulated deficit balance. During 2018, our retained earnings became positive and as a result, dividends for 2018 were recorded as a reduction to additional paid-in-capital until such time as retained earnings became positive. For the remainder of 2018 and for 2019, dividends have been recorded to retained earnings.

*Treasury Stock*—During December 2019, we repurchased 1.2 million shares of ViacomCBS Class B Common Stock under our share repurchase program for \$50 million, at an average cost of \$40.78 per share. At December 31, 2019, \$2.41 billion of authorization remained under the share repurchase program.

In the Merger, all shares of Viacom Class B Common Stock held by Viacom as treasury stock were canceled and recorded to additional paid-in-capital.

*Conversion Rights*—Holders of Class A Common Stock have the right to convert their shares to Class B Common Stock as long as there are at least 5,000 shares of Class A Common Stock outstanding. Conversions of Class A Common Stock into Class B Common Stock were 12.2 million for 2019 and 2.5 million for 2018. Conversions of Class A Common Stock into Class B Common Stock for 2017 were minimal.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

*Accumulated Other Comprehensive Income (Loss)*—The following table presents the changes in the components of accumulated other comprehensive income (loss).

	Cumulative Translation Adjustments	Net Actuarial Loss and Prior Service Cost	Available-For-Sale Securities	Accumulated Other Comprehensive Loss
At December 31, 2016	\$ (420)	\$ (1,144)	\$ —	\$ (1,564)
Other comprehensive income (loss) before reclassifications	190	(201)	30	19
Reclassifications to net earnings	2	274 (a)	—	276
Other comprehensive income	192	73	30	295
At December 31, 2017	(228)	(1,071)	30	(1,269)
Other comprehensive loss before reclassifications	(248)	(123)	—	(371)
Reclassifications to net earnings	—	62 (a)	—	62
Other comprehensive loss	(248)	(61)	—	(309)
Adoption of accounting standard	—	—	(30)	(30)
At December 31, 2018	(476)	(1,132)	—	(1,608)
Other comprehensive income (loss) before reclassifications	13	(205)	—	(192)
Reclassifications to net earnings	—	60 (a)	—	60
Other comprehensive income (loss)	13	(145)	—	(132)
Tax effects reclassified to retained earnings	—	(230) (b)	—	(230)
At December 31, 2019	\$ (463)	\$ (1,507)	\$ —	\$ (1,970)

(a) Reflects amortization of net actuarial losses, which, for the year ended December 31, 2017 includes the accelerated recognition of a portion of the unamortized actuarial losses as a result of pension settlements (see Note 15).

(b) Reflects the reclassification of certain income tax effects of the Tax Reform Act on items within accumulated other comprehensive loss to retained earnings upon the adoption of new FASB guidance (see Note 1).

The net actuarial loss and prior service cost related to pension and other postretirement benefit plans included in other comprehensive income (loss) is net of a tax benefit (provision) for the years ended December 31, 2019, 2018 and 2017 of \$44 million, \$23 million and \$(90) million, respectively. The unrealized gain on available-for-sale securities included in other comprehensive income for 2017 is net of a tax provision of \$18 million.

### 13) STOCK-BASED COMPENSATION

We have equity incentive plans (the “Plans”) under which stock options and RSUs are issued. The purpose of the Plans is to benefit and advance the interests of our company by attracting, retaining and motivating participants and to compensate participants for their contributions to the financial success of our company. The Plans provide for awards of stock options, stock appreciation rights, restricted and unrestricted shares, RSUs, dividend equivalents, performance awards and other equity-related awards. Upon exercise of stock options or vesting of RSUs, we issue new shares from our existing authorization. At December 31, 2019, there were 48 million shares available for future grant under the Plans. Prior to the Merger, stock-based compensation awards were also granted under Viacom’s equity incentive plans. Upon exercise of stock options or vesting of RSUs under Viacom’s equity incentive plans, shares were either issued from Viacom’s existing authorization or from treasury stock.

At the Effective Time, each RSU for Viacom Class B common stock was converted into 0.59625 RSUs for ViacomCBS Class B Common Stock and each outstanding stock option for Viacom Class B common stock was converted into 0.59625 options for ViacomCBS Class B common stock. The exercise price of stock options was

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

adjusted by dividing the exercise price of the Viacom stock options by 0.59625. RSU and stock option information is presented herein as if Viacom and CBS had been combined for all periods presented, unless otherwise noted.

The following table summarizes stock-based compensation expense for the years ended December 31, 2019, 2018 and 2017.

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
RSUs and PSUs	\$ 173	\$ 170	\$ 181
Stock options	28	35	39
Compensation cost included in operating and SG&A expense	201	205	220
Compensation cost included in restructuring and other corporate matters <sup>(a)</sup>	90	(14)	12
Stock-based compensation expense, before income taxes	291	191	232
Related tax benefit	(59)	(45)	(84)
Stock-based compensation expense, net of tax benefit	\$ 232	\$ 146	\$ 148

(a) 2019 primarily reflects accelerations triggered by the Merger and other restructuring activities. 2018 includes forfeitures of \$28 million and accelerations of \$14 million related to changes in senior management and other restructuring activities. 2017 reflects accelerations related to restructuring activities.

*RSUs and PSUs*

Compensation expense for RSUs is determined based upon the market price of the shares underlying the awards on the date of grant and expensed over the vesting period, which is generally a one- to four-year service period. Certain RSU awards are also subject to satisfying internal performance conditions. Compensation expense is recorded based on the probable outcome of the internal performance conditions. Forfeitures for RSUs are estimated on the date of grant based on historical forfeiture rates. We adjust the compensation expense based on actual forfeitures and on an annual basis we revise the forfeiture rate as necessary. RSUs accrue dividends each time we declare a quarterly cash dividend, which are paid upon vesting when the shares are delivered and are forfeited if the award does not vest.

The weighted average grant date fair value of RSUs granted was \$41.71, \$53.90 and \$64.26 in 2019, 2018, and 2017, respectively. The total market value of RSUs that vested during 2019, 2018, and 2017 was \$159 million, \$158 million and \$228 million, respectively. Total unrecognized compensation cost related to non-vested RSUs at December 31, 2019 was \$445 million which is expected to be recognized over a weighted average period of 3.0 years.

During 2018 and 2017, we also granted PSU awards. The number of shares to be issued upon vesting of the PSUs was based on the stock price performance of CBS Class B Common Stock or the total shareholder return of Viacom Class B Common Stock measured against the companies comprising the S&P 500 Index, as applicable, over a designated measurement period, as well as the achievement of established operating goals. The fair value of PSU awards is determined using a Monte Carlo simulation model. Compensation expense for PSUs is expensed over the required employee service period. The fair value of the PSU awards granted during the years ended December 31, 2018 and 2017 was \$35 million and \$32 million, respectively. There were no PSU awards granted in 2019. As a result of the Merger, all outstanding PSU awards for which the performance period had not been completed were converted into time-based RSUs based on the target number of shares included in the terms of the original PSU award.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
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The following table summarizes our RSU and PSU share activity:

	Shares	Weighted Average Grant Date Fair Value
<b>Non-vested at December 31, 2018</b>	8,011,104	\$ 55.96
Granted	10,620,187	\$ 41.71
Vested	(3,374,331)	\$ 55.90
Forfeited	(767,231)	\$ 53.89
<b>Non-vested at December 31, 2019</b>	14,489,729	\$ 45.64

*Stock Options*

Compensation expense for stock options is determined based on the grant date fair value of the award calculated using the Black-Scholes options-pricing model. Stock options generally vest over a three- to four-year service period and expire eight years from the date of grant. Forfeitures are estimated on the date of grant based on historical forfeiture rates. We adjust the compensation expense based on actual forfeitures.

The weighted average fair value of stock options granted for CBS Class B Common Stock as of the grant date was \$14.48 and \$17.50 in 2018 and 2017, respectively. CBS did not have any stock option grants in 2019. The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2018	2017
Expected dividend yield	1.33%	1.09%
Expected stock price volatility	29.52%	29.89%
Risk-free interest rate	2.73%	2.00%
Expected term of options (years)	5.00	5.00

The weighted average fair value of stock options granted for Viacom Class B Common Stock as of the grant date, adjusted by the conversion ratio of 0.59625, was \$13.77 and \$12.08 in 2018 and 2017, respectively. Viacom did not have any stock option grants in 2019. The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions in effect for Viacom at the time of grant:

	2018	2017
Expected dividend yield	2.52%	2.48%
Expected stock price volatility	32.60%	29.83%
Risk-free interest rate	2.81%	1.96%
Expected term of options (years)	5.12	4.94

The expected stock price volatility for stock options for CBS Class B Common Stock was determined using a weighted average of historical volatility for CBS Class B Common Stock and implied volatility of publicly traded options to purchase CBS Class B Common Stock. The expected stock price volatility for stock options for Viacom Class B Common Stock was principally determined based on the implied volatility of publicly traded options to purchase Viacom Class B Common Stock. Given the existence of an actively traded market for CBS and Viacom options prior to the closing of the Merger, we were able to derive implied volatility using publicly traded options that were trading near the grant date of the employee stock options at a similar exercise price and a remaining term of greater than one year.

The risk-free interest rate is based on a U.S. Treasury rate in effect on the date of grant with a term equal to the expected term. The expected term is determined based on historical employee exercise and post-vesting termination

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
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behavior. The expected dividend yield represents our future expectation of the annual dividend yield based on the dividend rate on the grant date and historical patterns of dividend changes.

Total unrecognized compensation cost related to non-vested stock option awards at December 31, 2019 was \$37 million, which is expected to be recognized over a weighted average period of 2.1 years.

The following table summarizes our stock option activity under the Plans.

	<b>Stock Options</b>	<b>Weighted Average Exercise Price</b>
<b>Outstanding at December 31, 2018</b>	21,725,132	\$ 65.52
Granted	—	\$ —
Exercised	(605,867)	\$ 24.72
Forfeited or expired	(4,827,556)	\$ 92.70
<b>Outstanding at December 31, 2019</b>	16,291,709	\$ 58.98
<b>Exercisable at December 31, 2019</b>	11,458,112	\$ 60.65

The following table summarizes other information relating to stock option exercises during the years ended December 31, 2019, 2018 and 2017.

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Cash received from stock option exercises	\$ 15	\$ 29	\$ 263
Tax benefit of stock option exercises	\$ 4	\$ 4	\$ 52
Intrinsic value of stock option exercises	\$ 15	\$ 16	\$ 138

At December 31, 2019, stock options outstanding have a weighted average remaining contractual life of 3.78 years and the total intrinsic value for “in-the-money” options, based on our closing stock price of \$41.97, was \$11 million. At December 31, 2019 stock options exercisable have a weighted average remaining contractual life of 2.93 years and the total intrinsic value for “in-the-money” exercisable options was \$11 million.

#### **14) INCOME TAXES**

The U.S. and foreign components of earnings from continuing operations before income taxes and equity in earnings (loss) of investee companies were as follows:

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
United States	\$ 2,337	\$ 3,044	\$ 3,006
Foreign	1,008	1,080	1,114
Total	\$ 3,345	\$ 4,124	\$ 4,120

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
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The components of the (benefit) provision for income taxes were as follows:

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Current:</b>			
Federal	\$ 389	\$ 296	\$ 883
State and local	167	97	93
Foreign	204	166	195
<b>Total current</b>	<b>760</b>	<b>559</b>	<b>1,171</b>
<b>Deferred:</b>			
Federal	(66)	25	(388)
State and local	(48)	22	10
Foreign	(655)	11	11
<b>Total deferred</b>	<b>(769)</b>	<b>58</b>	<b>(367)</b>
<b>(Benefit) provision for income taxes</b>	<b>\$ (9)</b>	<b>\$ 617</b>	<b>\$ 804</b>

In addition, included in net loss from discontinued operations was an income tax provision of \$12 million for 2019 and \$10 million for each of 2018 and 2017.

The equity in earnings (loss) of investee companies is shown net of tax on the Consolidated Statements of Operations. The tax (provisions) benefits relating to earnings and losses from equity investments in 2019, 2018, and 2017 were \$19 million, \$15 million, and \$(10) million, respectively, which represented an effective tax rate of 26.5%, 24.2% and 71.4% for 2019, 2018, and 2017, respectively.

The difference between income taxes expected at the U.S. federal statutory income tax rate (21% in 2019 and 2018 and 35% in 2017) and the (benefit) provision for income taxes is summarized as follows:

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Taxes on income at U.S. federal statutory rate	\$ 702	\$ 865	\$ 1,451
State and local taxes, net of federal tax benefit	114	114	78
Effect of foreign operations	(50)	(105)	(294)
Reorganization of foreign operations <sup>(a)</sup>	(768)	—	—
Bankruptcy of an investee	(39)	—	—
Foreign tax credits on distribution of securities	—	—	(279)
Impact of tax law changes	—	(80)	8
Tax benefits from positions relating to the Tax Reform Act <sup>(b)</sup>	(44)	—	—
Merger related costs	41	—	—
Establishment (reversal) of valuation allowance <sup>(c)</sup>	1	(153)	(25)
Excess tax benefits from stock-based compensation	20	8	(26)
Domestic production deduction	(1)	24	(100)
Tax accounting method change	—	(78)	—
Other, net	15	22	(9)
<b>(Benefit) provision for income taxes</b>	<b>\$ (9)</b>	<b>\$ 617</b>	<b>\$ 804</b>

(a) Reflects a deferred tax benefit resulting from the transfer of intangible assets between our subsidiaries in connection with a reorganization of our international operations. The related deferred tax asset is primarily expected to be realized over the next 25 years.

(b) Reflects tax benefits realized in connection with the preparation of the 2018 federal tax return, based on further clarity provided by the United States government on tax positions relating to the Tax Reform Act.

(c) 2018 includes the reversal of a valuation allowance of \$140 million relating to capital loss carryforwards that were utilized in connection with the sale of CBS Television City in 2019.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

The following table summarizes the components of deferred income tax assets and liabilities.

<b>At December 31,</b>	<b>2019</b>	<b>2018</b>
Deferred income tax assets:		
Reserves and other accrued liabilities	\$ 540	\$ 566
Pension, postretirement and other employee benefits	761	741
Lease liability	531	—
Tax credit and loss carryforwards	394	849
Other	85	41
<b>Total deferred income tax assets</b>	<b>2,311</b>	<b>2,197</b>
Valuation allowance	(550)	(841)
<b>Deferred income tax assets, net</b>	<b>1,761</b>	<b>1,356</b>
Deferred income tax liabilities:		
Intangible assets	(241)	(1,090)
Unbilled licensing receivables	(390)	(420)
Lease asset	(467)	—
Property, equipment and other assets	(152)	(166)
Financing obligations	(72)	(70)
<b>Total deferred income tax liabilities</b>	<b>(1,322)</b>	<b>(1,746)</b>
<b>Deferred income tax assets (liabilities), net</b>	<b>\$ 439</b>	<b>\$ (390)</b>

In addition to the deferred income taxes reflected in the table above, included in “Other liabilities” on the Consolidated Balance Sheets are net deferred income tax assets of \$10 million and \$12 million at December 31, 2019 and 2018, respectively, relating to discontinued operations.

At December 31, 2019, we had federal foreign tax credit carryforwards of \$6 million and net operating loss carryforwards for federal, state and local, and foreign jurisdictions of approximately \$1.73 billion, the majority of which expire in various years from 2020 through 2039.

The 2019 and 2018 deferred income tax assets were reduced by a valuation allowance of \$550 million and \$841 million, respectively, principally relating to income tax benefits from capital losses and net operating losses in foreign jurisdictions which are not expected to be realized.

In December 2017, the U.S. government enacted the Tax Reform Act which contained significant changes to U.S. federal tax law, including a reduction in the federal corporate tax rate from 35% to 21% and a one-time transition tax on cumulative foreign earnings and profits. For the year ended December 31, 2017, we recorded a net provisional charge of \$28 million, reflecting the estimated transition tax of \$455 million on cumulative foreign earnings and profits, offset by an estimated benefit of \$427 million to adjust our deferred income tax balances as a result of the reduced corporate income tax rate. During 2018, we completed our analysis of these provisional amounts and recorded a charge of \$48 million to adjust the provisional amount of transition tax on cumulative foreign earnings and profits. In January 2019, the U.S. government issued guidance relating to the transition tax, which resulted in a decrease of \$146 million to our reserve for uncertain tax positions during 2019 for amounts paid as a result of this guidance; however, it did not have a material impact on the Consolidated Statements of Operations.

The Tax Reform Act includes a deduction for foreign derived intangible income and a tax on global intangible low-taxed income (“GILTI”), which imposes a U.S. tax on certain income earned by our foreign subsidiaries. We elected to treat the tax on GILTI as a period cost when incurred and therefore, the tax on GILTI is included in our tax provision for the years ended December 31, 2019 and 2018.



**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
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Generally, the future remittance of foreign undistributed earnings will not be subject to U.S. federal income taxes under the provisions of the Tax Reform Act and as a result, for substantially all of our foreign subsidiaries, we do not intend to assert indefinite reinvestment of both cash held outside of the U.S. and future cash earnings. However, a future repatriation of cash could be subject to state and local income taxes, foreign income taxes, and withholding taxes. Accordingly, we recorded deferred income tax liabilities associated with future repatriations, which were not material to the consolidated financial statements. Additional income taxes have not been provided for outside basis differences inherent in these entities, which could be recognized upon sale or other transaction, as these amounts continue to be indefinitely invested in foreign operations. The determination of the U.S. federal deferred income tax liability for such outside basis difference is not practicable.

The following table sets forth the change in the reserve for uncertain tax positions, excluding related accrued interest and penalties.

<b>At January 1, 2017</b>	\$	268
Additions for current year tax positions		86
Additions for prior year tax positions		45
Reductions for prior year tax positions		(56)
Cash settlements		(13)
Statute of limitations lapses		(30)
<b>At December 31, 2017</b>		<b>300</b>
Additions for current year tax positions		27
Additions for prior year tax positions		204
Reductions for prior year tax positions		(60)
Cash settlements		(19)
Statute of limitations lapses		(6)
<b>At December 31, 2018</b>		<b>446</b>
Additions for current year tax positions		49
Additions for prior year tax positions		67
Reductions for prior year tax positions		(26)
Cash settlements		(149)
Statute of limitations lapses		(3)
<b>At December 31, 2019</b>	\$	<b>384</b>

The reserve for uncertain tax positions of \$384 million at December 31, 2019 includes \$295 million which would affect our effective income tax rate, including discontinued operations, if and when recognized in future years.

We recognize interest and penalty charges related to the reserve for uncertain tax positions as income tax expense. We recognized interest and penalties of \$24 million for each of the years ended December 31, 2019 and 2018 and \$16 million for the year ended December 31, 2017, in the Consolidated Statements of Operations. As of December 31, 2019 and 2018, we have recorded liabilities for accrued interest and penalties of \$51 million and \$47 million, respectively, on the Consolidated Balance Sheets.

ViacomCBS and its subsidiaries file income tax returns with the Internal Revenue Service (“IRS”) and various state and international jurisdictions. For periods prior to the Merger, Viacom and CBS filed separate tax returns. For CBS, the U.S. federal statute of limitations for the 2015 tax year expired in September 2019. During the third quarter of 2019, CBS and the IRS settled the income tax audit for the year 2016, which did not have a material effect on the consolidated financial statements. The IRS commenced its examination of the 2017 tax year during the fourth quarter of 2019 and commenced its examination of the 2018 tax year in February 2020. For Viacom, the IRS began its examination of the 2014 and 2015 tax years in April 2017. Various tax years are also currently under examination by state and local and foreign tax authorities. With respect to open tax years in all jurisdictions, we currently believe that it is reasonably possible that the reserve for uncertain tax positions may decrease by \$125 million within the next 12

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

months primarily related to potential resolutions of matters involving multiple tax periods and jurisdictions; however, it is difficult to predict the final outcome or timing of resolution of any particular tax matter and events could cause our current expectation to change in the future.

#### 15) PENSION AND OTHER POSTRETIREMENT BENEFITS

ViacomCBS and certain of its subsidiaries sponsor qualified and non-qualified defined benefit pension plans, principally non-contributory, covering eligible employees. Our pension plans consist of both funded and unfunded plans. The majority of participants in these plans are retired employees or former employees of previously divested businesses. Most of our pension plans are closed to new entrants and pension plans sponsored by Viacom prior to the Merger are frozen to future benefit accruals. The benefits for some plans are based primarily on an employee's years of service and average pay near retirement. Benefits under other plans are based primarily on an employee's pay for each year that the employee participated in the plan. Participating employees are vested in the plans after five years of service. We fund our pension plans in accordance with the Employee Retirement Income Security Act of 1974 ("ERISA"), the Pension Protection Act of 2006, the Internal Revenue Code of 1986 and other applicable rules and regulations. Plan assets consist principally of corporate bonds, equity securities, common collective trust funds and U.S. government securities. At December 31, 2019, ViacomCBS Common Stock represented approximately 2.1% of the fair value of plan assets. At December 31, 2018, 2.4% of the fair value of plan assets was invested in CBS Common Stock or Viacom Common Stock.

During 2017, we purchased a group annuity contract under which an insurance company permanently assumed our obligation to pay and administer pension benefits to certain pension plan participants, or their designated beneficiaries, who had been receiving pension benefits. The purchase of this group annuity contract was funded with pension plan assets. As a result, our outstanding pension benefit obligation was reduced by approximately \$800 million. In connection with this transaction, we recorded a settlement charge of \$352 million in 2017, reflecting the accelerated recognition of a portion of unamortized actuarial losses in the plan. Additionally, during 2017, we made discretionary contributions totaling \$600 million to prefund our qualified pension plans.

In addition, ViacomCBS sponsors health and welfare plans that provide postretirement health care and life insurance benefits to eligible retired employees and their covered dependents. Eligibility is based in part on certain age and service requirements at the time of their retirement. Most of the plans are contributory and contain cost-sharing features such as deductibles and coinsurance which are adjusted annually, as well as caps on the annual dollar amount we will contribute toward the cost of coverage. Claims and premiums for which we are responsible are paid with our own funds.

The pension plan disclosures herein include information related to our domestic plans only, unless otherwise noted. At December 31, 2019 and 2018, the Consolidated Balance Sheets include a liability of \$80 million and \$67 million, respectively, in "Pension and postretirement benefit obligations" relating to our non-U.S. pension plans.

We use a December 31 measurement date for all pension and other postretirement benefit plans.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

The following table sets forth the change in benefit obligation for our pension and postretirement benefit plans.

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
<b>Change in benefit obligation:</b>				
Benefit obligation, beginning of year	\$ 4,511	\$ 4,877	\$ 376	\$ 456
Service cost	28	30	1	1
Interest cost	191	180	16	17
Actuarial loss (gain)	593	(240)	8	(8)
Benefits paid	(360)	(336)	(59)	(106)
Participants' contributions	—	—	13	12
Retiree Medicare drug subsidy	—	—	5	4
Benefit obligation, end of year	\$ 4,963	\$ 4,511	\$ 360	\$ 376

The following table sets forth the change in plan assets for our pension and postretirement benefit plans.

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
<b>Change in plan assets:</b>				
Fair value of plan assets, beginning of year	\$ 2,932	\$ 3,412	\$ 1	\$ —
Actual return on plan assets	530	(205)	(1)	—
Employer contributions	74	61	41	91
Benefits paid	(360)	(336)	(59)	(106)
Participants' contributions	—	—	13	12
Retiree Medicare drug subsidy	—	—	5	4
Fair value of plan assets, end of year	\$ 3,176	\$ 2,932	\$ —	\$ 1

The funded status of pension and postretirement benefit obligations and the related amounts recognized on the Consolidated Balance Sheets were as follows:

	Pension Benefits		Postretirement Benefits	
	2019	2018	2019	2018
<b>At December 31,</b>				
Funded status at end of year	\$ (1,787)	\$ (1,579)	\$ (360)	\$ (375)
<b>Amounts recognized on the Consolidated Balance Sheets:</b>				
Other assets	\$ 5	\$ 5	\$ —	\$ —
Current liabilities	(69)	(70)	(42)	(48)
Noncurrent liabilities	(1,723)	(1,514)	(318)	(327)
Net amounts recognized	\$ (1,787)	\$ (1,579)	\$ (360)	\$ (375)

Our qualified pension plans were underfunded by \$734 million and \$623 million at December 31, 2019 and 2018, respectively.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

The following amounts were recognized in accumulated other comprehensive income (loss) on the Consolidated Balance Sheets.

<b>At December 31,</b>	<b>Pension Benefits</b>		<b>Postretirement Benefits</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Net actuarial (loss) gain	\$ (2,153)	\$ (2,001)	\$ 147	\$ 174
Net prior service cost	(3)	(5)	(1)	(2)
Share of equity investee	(2)	(1)	—	—
	(2,158)	(2,007)	146	172
Deferred income taxes <sup>(a)</sup>	563	756	(14)	(19)
Net amount recognized in accumulated other comprehensive income (loss)	\$ (1,595)	\$ (1,251)	\$ 132	\$ 153

(a) The decrease in 2019 primarily reflects the reclassification of certain income tax effects of the Tax Reform Act on items within accumulated other comprehensive loss to retained earnings upon the adoption of new FASB guidance (see Note 1).

The accumulated benefit obligation for all defined benefit pension plans was \$4.87 billion and \$4.43 billion at December 31, 2019 and 2018, respectively.

Information for the pension plans with an accumulated benefit obligation in excess of plan assets is set forth below.

<b>At December 31,</b>	<b>2019</b>	<b>2018</b>
Projected benefit obligation	\$ 4,962	\$ 4,511
Accumulated benefit obligation	\$ 4,873	\$ 4,427
Fair value of plan assets	\$ 3,170	\$ 2,926

The following tables present the components of net periodic benefit cost and amounts recognized in other comprehensive income (loss).

<b>Year Ended December 31,</b>	<b>Pension Benefits</b>			<b>Postretirement Benefits</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Components of net periodic cost:</b>						
Service cost	\$ 28	\$ 30	\$ 28	\$ 1	\$ 1	\$ 1
Interest cost	191	180	219	16	17	19
Expected return on plan assets	(183)	(214)	(230)	—	—	—
Amortization of actuarial losses (gains)	94	87	105	(18)	(18)	(22)
Amortization of prior service cost	1	1	1	1	1	1
Settlements	—	—	352	—	—	—
Net periodic cost	\$ 131	\$ 84	\$ 475	\$ —	\$ 1	\$ (1)

The service cost component of net periodic cost is presented on the Consolidated Statements of Operations within operating income. All other components of net periodic cost are presented below operating income, in "Other items, net" and "Pension settlement charge." Included in net loss from discontinued operations was net periodic cost of \$3 million in 2017.

VIACOMCBS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(Tabular dollars in millions, except per share amounts)

Year Ended December 31,	Pension Benefits			Postretirement Benefits		
	2019	2018	2017	2019	2018	2017
<b>Other comprehensive income (loss):</b>						
Actuarial (loss) gain	\$ (246)	\$ (179)	\$ (269)	\$ (9)	\$ 8	\$ (20)
Amortization of actuarial losses (gains) <sup>(a)</sup>	94	87	105	(18)	(18)	(22)
Amortization of prior service cost <sup>(a)</sup>	1	1	1	1	1	1
Settlements <sup>(a)</sup>	—	—	352	—	—	—
	(151)	(91)	189	(26)	(9)	(41)
Deferred income taxes	37	25	(94)	5	2	13
Recognized in other comprehensive income (loss), net of tax	\$ (114)	\$ (66)	\$ 95	\$ (21)	\$ (7)	\$ (28)

(a) Reflects amounts reclassified from accumulated other comprehensive income (loss) to net earnings.

Estimated net actuarial losses and prior service costs related to the defined benefit pension plans of approximately \$103 million and \$1 million, respectively, will be amortized from accumulated other comprehensive loss into net periodic benefit costs in 2020.

Estimated net actuarial gains related to the other postretirement benefit plans of approximately \$15 million will be amortized from accumulated other comprehensive loss into net periodic benefit costs in 2020.

	Pension Benefits			Postretirement Benefits		
	2019	2018	2017	2019	2018	2017
<b>Weighted average assumptions used to determine benefit obligations at December 31:</b>						
Discount rate	3.5%	4.5%	3.9%	3.3%	4.4%	3.9%
Rate of compensation increase	3.0%	3.0%	3.0%	N/A	N/A	N/A
<b>Weighted average assumptions used to determine net periodic costs for the year ended December 31:</b>						
Discount rate	4.5%	3.8%	4.2%	4.4%	3.9%	4.1%
Expected long-term return on plan assets	6.6%	6.6%	6.6%	N/A	N/A	2.0%
Rate of compensation increase	3.0%	3.0%	3.0%	N/A	N/A	N/A

N/A - not applicable

The discount rates are determined primarily based on the yield of a portfolio of high quality bonds, providing cash flows necessary to meet the pension plans' expected future benefit payments, as determined for the projected benefit obligations. The expected return on plan assets assumption is derived using the current and expected asset allocation of the pension plan assets and considering historical as well as expected returns on various classes of plan assets.

The following additional assumptions were used in accounting for postretirement benefits.

	CBS		Viacom	
	2019	2018	2019	2018
Projected health care cost trend rate (pre-65)	7.0%	6.6%	6.3%	6.7%
Projected health care cost trend rate (post-65)	7.0%	6.6%	5.7%	5.9%
Ultimate trend rate	5.0%	5.0%	4.5%	4.5%
Year ultimate trend rate is achieved	2025	2023	2026	2026

VIACOMCBS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(Tabular dollars in millions, except per share amounts)

A one percentage point change in assumed health care cost trend rates would have the following effects:

	One Percentage Point Increase	One Percentage Point Decrease
Effect on total service and interest cost components	\$ —	\$ —
Effect on the accumulated postretirement benefit obligation	\$ 5	\$ (5)

*Plan Assets*

Prior to the Merger, the investments committees of Viacom and CBS determined the strategies for the investment of pension plan assets. These committees established target asset allocations for our pension plan trusts based upon an analysis of the timing and amount of projected benefit payments, projected company contributions, the expected returns and risk of the asset classes and the correlation of those returns. The target asset allocation for CBS's domestic pension plans is to invest between 70% - 80% in long duration fixed income investments, 16% - 28% in equity securities and the remainder in cash and other investments. At December 31, 2019, this trust was invested approximately 73% in long duration fixed income securities, 24% in equity investments, and the remainder in cash, cash equivalents and other investments. Long duration fixed income investments consist of a diversified portfolio of fixed income instruments that are substantially investment grade, with a duration that approximates the duration of the liabilities covered by the trust. All equity portfolios are diversified between U.S. and non-U.S. equities and include large and small capitalization equities. The asset allocations are reviewed regularly.

The target asset allocation for Viacom's domestic pension plans is to invest 70% - 90% in return-seeking investments, 10% - 30% in liability hedging and 0% - 10% in cash and cash equivalents. Return-seeking investments consist of diversified equity and credit funds and liability hedging investments consist of U.S. treasury rate funds. At December 31, 2019, the Viacom Pension Plan was invested 76% in return seeking, 18% in liability hedging and 6% in cash and cash equivalents.

The following tables set forth our pension plan assets measured at fair value on a recurring basis at December 31, 2019 and 2018. These assets have been categorized according to the three-level fair value hierarchy established by the FASB which prioritizes the inputs used in measuring fair value. Level 1 is based on quoted prices for the asset in active markets. Level 2 is based on inputs that are observable other than quoted market prices in active markets, such as quoted prices for the asset in inactive markets or quoted prices for similar assets. Level 3 is based on unobservable inputs that market participants would use in pricing the asset.

At December 31, 2019	Level 1	Level 2	Level 3	Total
Cash and cash equivalents <sup>(a)</sup>	\$ 1	\$ 34	\$ —	\$ 35
Fixed income securities:				
U.S. treasury securities	83	—	—	83
Government-related securities	—	171	—	171
Corporate bonds <sup>(b)</sup>	—	1,562	—	1,562
Mortgage-backed and asset-backed securities	—	98	—	98
Equity securities:				
U.S. large capitalization	113	—	—	113
U.S. small capitalization	40	—	—	40
Other	—	25	—	25
<b>Total assets in fair value hierarchy</b>	<b>\$ 237</b>	<b>\$ 1,890</b>	<b>\$ —</b>	<b>\$ 2,127</b>
Common collective funds measured at net asset value <sup>(c)(d)</sup>				978
Limited partnerships measured at net asset value <sup>(c)</sup>				23
Mutual funds measured at net asset value <sup>(c)</sup>				48
<b>Investments, at fair value</b>				<b>\$ 3,176</b>

VIACOMCBS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(Tabular dollars in millions, except per share amounts)

At December 31, 2018	Level 1	Level 2	Level 3	Total
Cash and cash equivalents <sup>(a)</sup>	\$ 4	\$ 7	\$ —	\$ 11
Fixed income securities:				
U.S. treasury securities	85	31	—	116
Government-related securities	—	169	—	169
Corporate bonds <sup>(b)</sup>	—	1,529	—	1,529
Mortgage-backed and asset-backed securities	—	120	—	120
Equity securities:				
U.S. large capitalization	150	—	—	150
U.S. small capitalization	35	—	—	35
Other	1	18	—	19
<b>Total assets in fair value hierarchy</b>	<b>\$ 275</b>	<b>\$ 1,874</b>	<b>\$ —</b>	<b>\$ 2,149</b>
Common collective funds measured at net asset value <sup>(c)(d)</sup>				688
Limited partnerships measured at net asset value <sup>(c)</sup>				63
Mutual funds measured at net asset value <sup>(c)</sup>				32
<b>Investments, at fair value</b>				<b>\$ 2,932</b>

(a) Assets categorized as Level 2 reflect investments in money market funds.

(b) Securities of diverse sectors and industries, substantially all investment grade.

(c) In accordance with FASB guidance investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy.

(d) Underlying investments consist mainly of U.S. large capitalization and international equity securities.

Money market investments are carried at amortized cost which approximates fair value due to the short-term maturity of these investments. Investments in equity securities are reported at fair value based on quoted market prices on national security exchanges. The fair value of investments in common collective funds and mutual funds are determined using the net asset value (“NAV”) provided by the administrator of the fund as a practical expedient. The NAV is determined by each fund’s trustee based upon the fair value of the underlying assets owned by the fund, less liabilities, divided by the number of outstanding units. The fair value of U.S. treasury securities is determined based on quoted market prices in active markets. The fair value of government related securities and corporate bonds is determined based on quoted market prices on national security exchanges, when available, or using valuation models which incorporate certain other observable inputs including recent trading activity for comparable securities and broker quoted prices. The fair value of mortgage-backed and asset-backed securities is based upon valuation models which incorporate available dealer quotes, projected cash flows and market information. The fair value of limited partnerships has been estimated using the NAV of the ownership interest. The NAV is determined using quarterly financial statements issued by the partnership which determine the value based on the fair value of the underlying investments.

### Future Benefit Payments

Estimated future benefit payments are as follows:

	2020	2021	2022	2023	2024	2025-2029
Pension	\$ 357	\$ 304	\$ 305	\$ 307	\$ 304	\$ 1,487
Postretirement	\$ 48	\$ 45	\$ 42	\$ 40	\$ 37	\$ 144
Retiree Medicare drug subsidy	\$ 5	\$ 5	\$ 5	\$ 5	\$ 4	\$ 20

In 2020, we expect to make contributions of approximately \$70 million to our non-qualified pension plans to satisfy the benefit payments due under these plans. Also in 2020, we expect to contribute approximately \$43 million to our other postretirement benefit plans to satisfy our portion of benefit payments due under these plans.

VIACOMCBS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(Tabular dollars in millions, except per share amounts)

**Multiemployer Pension and Postretirement Benefit Plans**

We contribute to a number of multiemployer defined benefit pension plans under the terms of collective bargaining agreements that cover our union-represented employees including talent, writers, directors, producers and other employees, primarily in the entertainment industry. The other employers participating in these multiemployer plans are primarily in the entertainment and other related industries. The risks of participating in multiemployer plans are different from single-employer plans as assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers and if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. In addition, if we choose to stop participating in some of its multiemployer plans we may be required to pay those plans a withdrawal liability based on the underfunded status of the plan.

The financial health of a multiemployer plan is indicated by the zone status, as defined by the Pension Protection Act of 2006. Plans in the red zone are in critical status; those in the yellow zone are in endangered status; and those in the green zone are neither critical nor endangered.

The table below presents information concerning our participation in multiemployer defined benefit pension plans.

Pension Plan	Employer Identification Number/Pension Plan Number	Pension Protection Act Zone Status <sup>(a)</sup>		Company Contributions			Expiration Date of Collective Bargaining Agreement
		2019	2018	2019	2018	2017	
AFTRA Retirement Plan <sup>(b)</sup>	13-6414972-001	Green	Green	\$ 12	\$ 11	\$ 12	(c)
Directors Guild of America - Producer <sup>(d)</sup>	95-2892780-001	Green	Green	19	15	15	6/30/2020
Producer-Writers Guild of America	95-2216351-001	Green	Green	26	25	22	5/1/2020
Screen Actors Guild - Producers	95-2110997-001	Green	Green	43	36	29	6/30/2020
Motion Picture Industry	95-1810805-001	Green	Green	43	42	40	(e)
I.A.T.S.E. Local No. 33 Pension Trust Fund <sup>(f)</sup>	95-6377503-001	Green	Green	5	10	9	12/31/2019
Other Plans				16	12	10	
				<b>Total contributions</b>	\$ 164	\$ 151	\$ 137

(a) The Zone status for each individual plan listed was certified by each plan's actuary as of the beginning of the plan years for 2019 and 2018. The plan year is the twelve months ending December 31 for each plan listed above except AFTRA Retirement Plan which has a plan year ending November 30.

(b) The Company was listed in AFTRA Retirement Plan's Form 5500 as providing more than 5% of total contributions for the plan year ended November 30, 2018.

(c) The expiration dates range from June 30, 2020 through June 30, 2021.

(d) The Company was listed in Directors Guild of America - Producer Pension Plan's Form 5500 as providing more than 5% of total contributions for the plan year ended December 2018.

(e) The expiration dates range from May 15, 2021 through March 2, 2022.

(f) The Company was listed in I.A.T.S.E. Local No. 33 Pension Trust Fund's Form 5500 as providing more than 5% of total contributions for the plan year ended December 31, 2018.

As a result of the above noted zone status there were no funding improvements or rehabilitation plans implemented, as defined by ERISA, nor any surcharges imposed for any of the individual plans listed.

We also contribute to multiemployer plans that provide postretirement healthcare and other benefits to certain employees under collective bargaining agreements. The contributions to these plans were \$89 million, \$74 million and \$74 million for the years ended December 31, 2019, 2018 and 2017, respectively.



**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

We recognize the net periodic cost for multiemployer pension and postretirement benefit plans based on the required contributions to the plans.

**Defined Contribution Plans**

We sponsor defined contribution plans for the benefit of substantially all employees meeting eligibility requirements. Employer contributions to such plans were \$95 million, \$87 million and \$94 million for the years ended December 31, 2019, 2018 and 2017, respectively.

**16) REDEEMABLE NONCONTROLLING INTEREST**

We are subject to a redeemable put option, payable in a foreign currency, with respect to an international subsidiary. The put option expires in December 2022 and is classified as “Redeemable noncontrolling interest” in the Consolidated Balance Sheets. The activity reflected within redeemable noncontrolling interest for the years ended December 31, 2019, 2018 and 2017 is presented below.

Year Ended December 31,	2019	2018	2017
<b>Beginning balance</b>	\$ 239	\$ 249	\$ 200
Net earnings	14	18	17
Distributions	(16)	(15)	(16)
Translation adjustment	8	(14)	21
Redemption value adjustment	9	1	27
<b>Ending balance</b>	<b>\$ 254</b>	<b>\$ 239</b>	<b>\$ 249</b>

**17) SEGMENT AND REVENUE INFORMATION**

The following tables set forth our financial performance by reportable segment. Our operating segments, which are the same as our reportable segments, have been determined in accordance with our internal management structure, which is organized based upon products and services.

Year Ended December 31,	2019	2018	2017
<b>Revenues:</b>			
Advertising	\$ 6,008	\$ 5,751	\$ 5,696
Affiliate	2,550	2,082	1,674
Content licensing	3,157	3,006	2,880
Other	209	222	226
<b>TV Entertainment</b>	<b>11,924</b>	<b>11,061</b>	<b>10,476</b>
Advertising	5,129	5,130	4,947
Affiliate	6,052	6,294	6,479
Content licensing	1,268	1,259	1,053
<b>Cable Networks</b>	<b>12,449</b>	<b>12,683</b>	<b>12,479</b>
Theatrical	547	744	716
Home Entertainment	623	617	789
Licensing	1,709	1,493	1,468
Other	111	102	102
<b>Filmed Entertainment</b>	<b>2,990</b>	<b>2,956</b>	<b>3,075</b>
Publishing	814	825	830
Corporate/Eliminations	(365)	(275)	(325)
<b>Total Revenues</b>	<b>\$ 27,812</b>	<b>\$ 27,250</b>	<b>\$ 26,535</b>

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

Revenues generated between segments primarily reflect advertising and content licensing sales. These transactions are recorded at market value as if the sales were to third parties and are eliminated in consolidation.

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Intercompany Revenues:</b>			
TV Entertainment	\$ 226	\$ 164	\$ 189
Cable Networks	53	47	70
Filmed Entertainment	117	95	89
<b>Total Intercompany Revenues</b>	<b>\$ 396</b>	<b>\$ 306</b>	<b>\$ 348</b>

We present operating income (loss) excluding depreciation and amortization, stock-based compensation, costs for restructuring and other corporate matters, programming charges and gain on sale of assets, each where applicable (“Adjusted OIBDA”), as the primary measure of profit and loss for our operating segments in accordance with FASB guidance for segment reporting. We began presenting Adjusted OIBDA as our segment profit measure in the fourth quarter of 2019 in order to align with the primary method used by our management beginning after the Merger to evaluate segment performance and to make decisions regarding the allocation of resources to our segments. We believe the presentation of Adjusted OIBDA is relevant and useful for investors because it allows investors to view segment performance in a manner similar to the primary method used by our management and enhances their ability to understand our operating performance. Stock-based compensation is excluded from our segment measure of profit and loss because it is set and approved by our Board of Directors in consultation with corporate executive management.

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Adjusted OIBDA:</b>			
TV Entertainment	\$ 2,443	\$ 2,466	\$ 2,301
Cable Networks	3,515	4,341	4,442
Filmed Entertainment	80	(33)	(187)
Publishing	143	153	146
Corporate/Eliminations	(449)	(433)	(442)
Stock-based compensation	(201)	(205)	(220)
Depreciation and amortization	(443)	(433)	(443)
Restructuring and other corporate matters	(775)	(490)	(258)
Programming charges	(589)	(162)	(144)
Gain on sale of assets	549	—	146
<b>Operating income</b>	<b>4,273</b>	<b>5,204</b>	<b>5,341</b>
Interest expense	(962)	(1,030)	(1,088)
Interest income	66	79	87
Gain (loss) on marketable securities	113	(23)	—
Gain (loss) on early extinguishment of debt	—	18	(38)
Gain on sale of EPIX	—	—	285
Pension settlement charge	—	—	(352)
Other items, net	(145)	(124)	(115)
Earnings from continuing operations before income taxes and equity in earnings (loss) of investee companies	3,345	4,124	4,120
Benefit (provision) for income taxes	9	(617)	(804)
Equity in earnings (loss) of investee companies, net of tax	(53)	(47)	4
Net earnings from continuing operations	3,301	3,460	3,320
Net earnings (loss) from discontinued operations, net of tax	38	32	(947)
Net earnings (ViacomCBS and noncontrolling interests)	3,339	3,492	2,373
Net earnings attributable to noncontrolling interests	(31)	(37)	(52)
Net earnings attributable to ViacomCBS	<b>\$ 3,308</b>	<b>\$ 3,455</b>	<b>\$ 2,321</b>

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

Year Ended December 31,	2019	2018	2017
<b>Depreciation and Amortization:</b>			
TV Entertainment	\$ 150	\$ 160	\$ 163
Cable Networks	219	194	193
Filmed Entertainment	37	38	42
Publishing	5	6	6
Corporate	32	35	39
<b>Total Depreciation and Amortization</b>	<b>\$ 443</b>	<b>\$ 433</b>	<b>\$ 443</b>

Year Ended December 31,	2019	2018	2017
<b>Capital Expenditures:</b>			
TV Entertainment	\$ 113	\$ 112	\$ 134
Cable Networks	166	156	156
Filmed Entertainment	43	52	27
Publishing	8	7	5
Corporate	23	25	34
<b>Total Capital Expenditures</b>	<b>\$ 353</b>	<b>\$ 352</b>	<b>\$ 356</b>

At December 31,	2019	2018
<b>Assets:</b>		
TV Entertainment <sup>(a)</sup>	\$ 19,689	\$ 17,378
Cable Networks <sup>(b)</sup>	22,109	20,334
Filmed Entertainment	5,477	5,393
Publishing	1,262	1,054
Corporate/Eliminations	967	326
Discontinued Operations	15	12
<b>Total Assets</b>	<b>\$ 49,519</b>	<b>\$ 44,497</b>

(a) Includes assets held for sale of \$33 million at December 31, 2018.

(b) Includes assets held for sale of \$23 million at December 31, 2019 and 2018.

The following table presents our revenues disaggregated into categories based on the nature of such revenues.

Year Ended December 31,	2019	2018	2017
<b>Revenues by Type:</b>			
Advertising	\$ 11,074	\$ 10,841	\$ 10,582
Affiliate	8,602	8,376	8,153
Content licensing	6,483	6,163	5,947
Theatrical	547	744	716
Publishing	814	825	830
Other	292	301	307
<b>Total Revenues</b>	<b>\$ 27,812</b>	<b>\$ 27,250</b>	<b>\$ 26,535</b>

Year Ended December 31,	2019	2018	2017
<b>Revenues: <sup>(a)</sup></b>			
United States	\$ 22,160	\$ 21,160	\$ 20,652
International	5,652	6,090	5,883
<b>Total Revenues</b>	<b>\$ 27,812</b>	<b>\$ 27,250</b>	<b>\$ 26,535</b>

(a) Revenue classifications are based on customers' locations.



VIACOMCBS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(Tabular dollars in millions, except per share amounts)

At December 31,	2019	2018
<b>Long-lived Assets:</b> <sup>(a)</sup>		
United States	\$ 12,417	\$ 9,322
International	498	300
<b>Total Long-lived Assets</b>	<b>\$ 12,915</b>	<b>\$ 9,622</b>

(a) Reflects total assets less current assets, investments, goodwill, intangible assets, noncurrent receivables and noncurrent deferred tax assets.

Transactions within the Company between the United States and international regions were not significant.

**18) DISCONTINUED OPERATIONS**

On November 16, 2017, we completed the split-off of CBS Radio through an exchange offer, in which we accepted 17.9 million shares of CBS Class B Common Stock from CBS stockholders in exchange for the 101.4 million shares of CBS Radio common stock that we owned. Immediately following the exchange offer, each share of CBS Radio common stock was converted into one share of Entercom Communications Corp. ("Entercom") Class A common stock upon completion of the merger of CBS Radio and Entercom. CBS Radio has been presented as a discontinued operation in the consolidated financial statements for all periods presented.

The following table sets forth details of net earnings (loss) from discontinued operations for the year ended December 31, 2017. Net earnings from discontinued operations for the years ended December 31, 2019 and 2018 were not material to our consolidated financial statements.

Year Ended December 31, 2017	CBS Radio	Other	Total
Revenues	\$ 1,018	\$ —	\$ 1,018
Costs and expenses:			
Operating	364	—	364
Selling, general and administrative	444	(8)	436
Market value adjustment	980 <sup>(a)</sup>	—	980
Restructuring charges	7	—	7
Total costs and expenses	1,795	(8)	1,787
Operating income (loss)	(777)	8	(769)
Interest expense	(70)	—	(70)
Other items, net	(2)	—	(2)
Earnings (loss) from discontinued operations	(849)	8	(841)
Income tax benefit (provision)	(55)	43 <sup>(b)</sup>	(12)
Earnings (loss) from discontinued operations, net of tax	(904)	51	(853)
Net gain (loss) on disposal	(109)	13	(96)
Income tax benefit (provision)	4	(2)	2
Net gain (loss) on disposal, net of tax	(105)	11 <sup>(c)</sup>	(94)
Net earnings (loss) from discontinued operations, net of tax	\$ (1,009)	\$ 62	\$ (947)

(a) During 2017, prior to the split-off, CBS Radio was measured each reporting period at the lower of its carrying amount or fair value less cost to sell. The value of the transaction with Entercom was determined based on Entercom's stock price at the closing of the transaction and therefore, we recorded a market value adjustment of \$980 million in 2017 to adjust the carrying value of CBS Radio to the value indicated by the stock valuation of Entercom.

(b) Primarily reflects a tax benefit from the resolution of a tax matter in a foreign jurisdiction relating to a previously disposed business that was accounted for as a discontinued operation.

(c) Reflects adjustments to the loss on disposal of our outdoor advertising businesses, primarily from a decrease to the guarantee liability associated with the 2013 disposal of our outdoor advertising business in Europe.

VIACOMCBS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(Tabular dollars in millions, except per share amounts)

19) COMMITMENTS AND CONTINGENCIES

*Commitments*

Our commitments not recorded on the balance sheet primarily consist of programming and talent commitments and purchase obligations for goods and services resulting from our normal course of business.

Our programming and talent commitments, estimated to aggregate \$10.36 billion as of December 31, 2019, include \$5.39 billion for sports programming rights, \$3.80 billion relating to the production and licensing of television and film programming, and \$1.17 billion for talent contracts. We also have committed purchase obligations which include agreements to purchase goods or services in the future that totaled \$1.52 billion as of December 31, 2019.

Other long-term contractual obligations recorded on the Consolidated Balance Sheet include program liabilities, participations due to producers, residuals, and a tax liability resulting from the enactment of the Tax Reform Act in December 2017. This tax liability reflects the remaining tax on the Company's historical accumulated foreign earnings and profits, which is payable to the IRS in 2024 and 2025.

At December 31, 2019, commitments for programming and talent and purchase obligations not recorded on the balance sheet, and other long-term contractual obligations recorded on the balance sheet were payable as follows:

	Payments Due by Period						
	Total	2020	2021	2022	2023	2024	2025 and Thereafter
<b>Off-Balance Sheet Arrangements</b>							
Programming and talent commitments	\$ 10,355	\$ 3,003	\$ 2,980	\$ 2,370	\$ 744	\$ 415	\$ 843
Purchase obligations	\$ 1,517	\$ 609	\$ 558	\$ 186	\$ 45	\$ 37	\$ 82
<b>On-Balance Sheet Arrangements</b>							
Other long-term contractual obligations	\$ 2,076	\$ —	\$ 988	\$ 491	\$ 232	\$ 180	\$ 185

We also have long-term operating and finance lease commitments for office space, equipment, transponders and studio facilities, which are recorded on the Consolidated Balance Sheet at December 31, 2019. See Note 9 for detail of our operating and finance lease commitments.

*Guarantees*

*Letters of Credit and Surety Bonds.* We have indemnification obligations with respect to letters of credit and surety bonds primarily used as security against non-performance in the normal course of business. At December 31, 2019, the outstanding letters of credit and surety bonds approximated \$136 million and were not recorded on the Consolidated Balance Sheet.

*CBS Television City.* During 2019, we completed the sale of CBS Television City. We have guaranteed a specified level of cash flows to be generated by the business during the first five years following the completion of the sale. Included in "Other current liabilities" and "Other liabilities" on the Consolidated Balance Sheet at December 31, 2019 is a liability of \$124 million, reflecting the present value of the estimated amount payable under the guarantee obligation.

*Lease Guarantees.* We have certain indemnification obligations with respect to leases primarily associated with the previously discontinued operations of Famous Players Inc. ("Famous Players"). These lease commitments amounted to \$86 million as of December 31, 2019, and are presented on the Consolidated Balance Sheets within "Other liabilities". The amount of lease commitments varies over time depending on expiration or termination of

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

individual underlying leases, or the related indemnification obligation, and foreign exchange rates, among other things. We may also have exposure for certain other expenses related to the leases, such as property taxes and common area maintenance. We believe our accrual is sufficient to meet any future obligations based on our consideration of available financial information, the lessees' historical performance in meeting their lease obligations and the underlying economic factors impacting the lessees' business models.

In the course of our business, we both provide and receive indemnities which are intended to allocate certain risks associated with business transactions. Similarly, we may remain contingently liable for various obligations of a business that has been divested in the event that a third party does not live up to its obligations under an indemnification obligation. We record a liability for our indemnification obligations and other contingent liabilities when probable and reasonably estimable.

#### Legal Matters

*General.* On an ongoing basis, we vigorously defend ourselves in numerous lawsuits and proceedings and respond to various investigations and inquiries from federal, state, local and international authorities (collectively, "litigation"). Litigation may be brought against us without merit, is inherently uncertain and always difficult to predict. However, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the below-described legal matters and other litigation to which we are a party are not likely, in the aggregate, to have a material adverse effect on our results of operations, financial position or cash flows.

*Litigation Relating to the Merger.* On September 27, 2019, Bucks County Employees Retirement Fund (the "Bucks County Fund"), a purported holder of CBS Class B Common Stock, served us with a demand for inspection of books and records pursuant to 8 Del. C. § 220 in connection with the Merger (the "Demand"). On October 10, 2019, we offered to produce certain categories of documents properly within the scope of a books and records demand under § 220. The Bucks County Fund rejected our offer and filed litigation in the Court of Chancery of the State of Delaware on October 15, 2019, seeking to compel production of all documents requested in the Demand (the "Section 220 Complaint"). A trial on the Section 220 Complaint took place on November 22, 2019, and the Court ordered limited additional production on November 25, 2019. On December 2, 2019, we certified that we had completed production of all relevant documents. On February 20, 2020, the Bucks County Fund filed a putative derivative and class action complaint in the Court of Chancery of the State of Delaware against Shari Redstone, NAI, Sumner M. Redstone National Amusements Trust ("SMR Trust"), the CBS board of directors (comprised of Candace K. Beinecke, Barbara M. Byrne, Gary L. Countryman, Brian Goldner, Linda M. Griego, Robert N. Klieger, Martha L. Minow, Susan Schuman, Frederick O. Terrell and Strauss Zelnick), former CBS President and Acting Chief Executive Officer Joseph Ianniello and ViacomCBS Inc. The complaint alleges breaches of fiduciary duties to CBS stockholders and waste in connection with the negotiation and approval of the Merger Agreement. The complaint seeks unspecified damages, costs and expenses as well as other relief. We believe that the claims are without merit and we intend to defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

On January 23, 2020, the Court of Chancery of the State of Delaware consolidated four putative class action suits filed by purported Viacom stockholders against NAI, NAI Entertainment Holdings LLC, Shari E. Redstone, the members of the Viacom special transaction committee of the Viacom board of directors (comprised of Thomas J. May, Judith A. McHale, Ronald L. Nelson and Nicole Seligman) and our President and Chief Executive Officer and director, Robert M. Bakish, in *In re Viacom Inc. Stockholders Litigation*. The four actions allege breaches of fiduciary duties to Viacom stockholders in connection with the negotiation and approval of the Merger Agreement, and seek unspecified damages, costs and expenses. On February 6, 2020, the Court appointed the California Public Employees' Retirement System as the lead plaintiff in the consolidated action. We believe that the claims are without merit and we intend to

## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

*Investigation-Related Matters.* As announced on August 1, 2018, the CBS Board of Directors (the “CBS Board”) retained two law firms to conduct a full investigation of the allegations in press reports about CBS’ former Chairman of the Board, President and Chief Executive Officer, Leslie Moonves, CBS News and cultural issues at CBS. On December 17, 2018, the CBS Board announced the completion of its investigation, certain findings of the investigation and the CBS Board’s determination, discussed below, with respect to the termination of Mr. Moonves’ employment. We have received subpoenas from the New York County District Attorney’s Office and the New York City Commission on Human Rights regarding the subject matter of this investigation and related matters. The New York State Attorney General’s Office and the United States Securities and Exchange Commission have also requested information about these matters, including with respect to CBS’ related public disclosures. We may continue to receive additional related regulatory and investigative inquiries from these and other entities in the future. We are cooperating with these inquiries.

On August 27, 2018 and on October 1, 2018, each of Gene Samit and John Lantz, respectively, filed putative class action suits in the United States District Court for the Southern District of New York, individually and on behalf of others similarly situated, for claims that are similar to those alleged in the amended complaint described below. On November 6, 2018, the Court entered an order consolidating the two actions. On November 30, 2018, the Court appointed Construction Laborers Pension Trust for Southern California as the lead plaintiff of the consolidated action. On February 11, 2019, the lead plaintiff filed a consolidated amended putative class action complaint against CBS, certain current and former senior executives and members of the CBS Board. The consolidated action is stated to be on behalf of purchasers of CBS Class A Common Stock and Class B Common Stock between September 26, 2016 and December 4, 2018. This action seeks to recover damages arising during this time period allegedly caused by the defendants’ purported violations of the federal securities laws, including by allegedly making materially false and misleading statements or failing to disclose material information, and seeks costs and expenses as well as remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. On April 12, 2019, the defendants filed motions to dismiss this action, which the Court granted in part and denied in part on January 15, 2020. With the exception of one statement made by Mr. Moonves at an industry event in November 2017, in which he allegedly was acting as the agent of CBS, all claims as to all other allegedly false and misleading statements were dismissed. We believe that the remaining claims are without merit and we intend to defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

*Separation Agreement.* On September 9, 2018, CBS entered into a separation and settlement agreement and releases (the “Separation Agreement”) with Mr. Moonves, pursuant to which Mr. Moonves resigned as a director and as Chairman of the Board, President and Chief Executive Officer of CBS. In October 2018, we contributed \$120 million to a grantor trust pursuant to the Separation Agreement. On December 17, 2018, the CBS Board announced that, following its consideration of the findings of the investigation referred to above, it had determined that there were grounds to terminate Mr. Moonves’ employment for cause under his employment agreement with CBS. Any dispute related to the CBS Board’s determination is subject to binding arbitration as set forth in the Separation Agreement. On January 16, 2019, Mr. Moonves commenced a binding arbitration proceeding with respect to this matter and the related CBS Board investigation, which proceeding is ongoing. The assets of the grantor trust will remain in the trust until a final determination in the arbitration. We are currently unable to determine the outcome of the arbitration and the amount, if any, that may be awarded thereunder and, accordingly, no accrual for this matter has been made in our consolidated financial statements.

*Claims Related to Former Businesses: Asbestos.* We are a defendant in lawsuits claiming various personal injuries related to asbestos and other materials, which allegedly occurred as a result of exposure caused by various products manufactured by Westinghouse, a predecessor, generally prior to the early 1970s. Westinghouse was neither a producer



## VIACOMCBS INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) (Tabular dollars in millions, except per share amounts)

nor a manufacturer of asbestos. We are typically named as one of a large number of defendants in both state and federal cases. In the majority of asbestos lawsuits, the plaintiffs have not identified which of our products is the basis of a claim. Claims against us in which a product has been identified most commonly relate to allegations of exposure to asbestos-containing insulating material used in conjunction with turbines and electrical equipment.

Claims are frequently filed and/or settled in groups, which may make the amount and timing of settlements, and the number of pending claims, subject to significant fluctuation from period to period. We do not report as pending those claims on inactive, stayed, deferred or similar dockets that some jurisdictions have established for claimants who allege minimal or no impairment. As of December 31, 2019, we had pending approximately 30,950 asbestos claims, as compared with approximately 31,570 as of December 31, 2018 and 31,660 as of December 31, 2017. During 2019, we received approximately 3,460 new claims and closed or moved to an inactive docket approximately 4,080 claims. We report claims as closed when we become aware that a dismissal order has been entered by a court or when we have reached agreement with the claimants on the material terms of a settlement. Settlement costs depend on the seriousness of the injuries that form the basis of the claims, the quality of evidence supporting the claims and other factors. Our total costs for the years 2019 and 2018 for settlement and defense of asbestos claims after insurance recoveries and net of tax were approximately \$58 million and \$45 million, respectively. Our costs for settlement and defense of asbestos claims may vary year to year and insurance proceeds are not always recovered in the same period as the insured portion of the expenses.

Filings include claims for individuals suffering from mesothelioma, a rare cancer, the risk of which is allegedly increased by exposure to asbestos; lung cancer, a cancer which may be caused by various factors, one of which is alleged to be asbestos exposure; other cancers, and conditions that are substantially less serious, including claims brought on behalf of individuals who are asymptomatic as to an allegedly asbestos-related disease. The predominant number of pending claims against us are non-cancer claims. It is difficult to predict future asbestos liabilities, as events and circumstances may impact the estimate of our asbestos liabilities, including, among others, the number and types of claims and average cost to resolve such claims. We record an accrual for a loss contingency when it is both probable that a liability has been incurred and when the amount of the loss can be reasonably estimated. We believe that our accrual and insurance are adequate to cover our asbestos liabilities. Our liability estimate is based upon many factors, including the number of outstanding claims, estimated average cost per claim, the breakdown of claims by disease type, historic claim filings, costs per claim of resolution and the filing of new claims, as well as consultation with a third party firm on trends that may impact our future asbestos liability.

*Other.* From time to time we receive claims from federal and state environmental regulatory agencies and other entities asserting that we are or may be liable for environmental cleanup costs and related damages principally relating to our historical and predecessor operations. In addition, from time to time we receive personal injury claims including toxic tort and product liability claims (other than asbestos) arising from our historical operations and predecessors.

**VIACOMCBS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

**20) SUPPLEMENTAL FINANCIAL INFORMATION**

The following table presents the components of Other items, net on the Consolidated Statements of Operations.

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Pension and postretirement benefit costs	\$ (105)	\$ (68)	\$ (96)
Foreign exchange losses	(17)	(18)	(20)
Impairment of investments	(50)	(46)	(18)
Gains from investments	22	16	—
Other	5	(8)	19
<b>Other items, net</b>	<b>\$ (145)</b>	<b>\$ (124)</b>	<b>\$ (115)</b>

*Supplemental Cash Flow Information*

<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Cash paid for interest:			
Continuing operations	\$ 922	\$ 1,012	\$ 1,056
Discontinued operations	—	—	70
<b>Total</b>	<b>\$ 922</b>	<b>\$ 1,012</b>	<b>\$ 1,126</b>
<b>Year Ended December 31,</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Cash paid (refunded) for income taxes:			
Continuing operations	\$ 598	\$ 161	\$ 827
Discontinued operations	—	(4)	26
<b>Total</b>	<b>\$ 598</b>	<b>\$ 157</b>	<b>\$ 853</b>

In addition, during 2017 we received shares with a total value of \$1.01 billion upon the split-off of CBS Radio in a noncash disposition (see Note 18).

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

**21) QUARTERLY FINANCIAL DATA (unaudited):**

2019 (a) (b)	First Quarter (c)	Second Quarter	Third Quarter	Fourth Quarter (d)	Total Year
Revenues	\$ 7,100	\$ 7,143	\$ 6,698	\$ 6,871	\$ 27,812
Operating income (loss)	\$ 1,804	\$ 1,446	\$ 1,036	\$ (13)	\$ 4,273
Net earnings (loss) from continuing operations (ViacomCBS and noncontrolling interests)	\$ 1,951	\$ 977	\$ 642	\$ (269)	\$ 3,301
Net earnings (loss) (ViacomCBS and noncontrolling interests)	\$ 1,964	\$ 983	\$ 646	\$ (254)	\$ 3,339
Net earnings (loss) from continuing operations attributable to ViacomCBS	\$ 1,946	\$ 971	\$ 626	\$ (273)	\$ 3,270
Net earnings (loss) attributable to ViacomCBS	\$ 1,959	\$ 977	\$ 630	\$ (258)	\$ 3,308
Basic net earnings (loss) per common share:					
Net earnings (loss) from continuing operations attributable to ViacomCBS	\$ 3.17	\$ 1.58	\$ 1.02	\$ (.44)	\$ 5.32
Net earnings (loss) attributable to ViacomCBS	\$ 3.20	\$ 1.59	\$ 1.02	\$ (.42)	\$ 5.38
Diluted net earnings (loss) per common share:					
Net earnings (loss) from continuing operations attributable to ViacomCBS	\$ 3.15	\$ 1.57	\$ 1.01	\$ (.44)	\$ 5.30
Net earnings (loss) attributable to ViacomCBS	\$ 3.18	\$ 1.58	\$ 1.02	\$ (.42)	\$ 5.36
Weighted average number of common shares outstanding:					
Basic	613	615	615	615	615
Diluted	617	617	617	615	617

(a) On December 4, 2019, Viacom merged with and into CBS, with CBS continuing as the surviving company. At the effective time of the Merger, the combined company changed its name to ViacomCBS Inc. The Merger has been accounted for as a transaction between entities under common control and therefore, the net assets of Viacom were combined with those of CBS at their historical carrying amounts and the companies have been presented on a combined basis for all periods presented.

(b) Includes costs for restructuring and other corporate matters of \$178 million in the first quarter, \$7 million in the second quarter, \$122 million in the third quarter and \$468 million in the fourth quarter.

(c) The first quarter includes a gain of \$549 million (\$386 million, net of tax) on the sale of CBS Television City and a discrete tax benefit of \$768 million resulting from the transfer of intangible assets between our subsidiaries in connection with a reorganization of our international operations.

(d) The fourth quarter includes programming charges of \$589 million.

**VIACOMCBS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Tabular dollars in millions, except per share amounts)**

2018 (a) (b)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter (c)	Total Year
Revenues	\$ 6,825	\$ 6,703	\$ 6,630	\$ 7,092	\$ 27,250
Operating income	\$ 1,190	\$ 1,448	\$ 1,307	\$ 1,259	\$ 5,204
Net earnings from continuing operations (ViacomCBS and noncontrolling interests)	\$ 726	\$ 946	\$ 891	\$ 897	\$ 3,460
Net earnings (ViacomCBS and noncontrolling interests)	\$ 736	\$ 957	\$ 899	\$ 900	\$ 3,492
Net earnings from continuing operations attributable to ViacomCBS	\$ 718	\$ 943	\$ 878	\$ 884	\$ 3,423
Net earnings attributable to ViacomCBS	\$ 728	\$ 954	\$ 886	\$ 887	\$ 3,455
Basic net earnings per common share:					
Net earnings from continuing operations attributable to ViacomCBS	\$ 1.15	\$ 1.53	\$ 1.43	\$ 1.44	\$ 5.55
Net earnings attributable to ViacomCBS	\$ 1.17	\$ 1.54	\$ 1.44	\$ 1.44	\$ 5.60
Diluted net earnings per common share:					
Net earnings from continuing operations attributable to ViacomCBS	\$ 1.15	\$ 1.52	\$ 1.42	\$ 1.43	\$ 5.51
Net earnings attributable to ViacomCBS	\$ 1.16	\$ 1.54	\$ 1.43	\$ 1.44	\$ 5.56
Weighted average number of common shares outstanding:					
Basic	622	618	615	614	617
Diluted	626	621	619	618	621

(a) On December 4, 2019, Viacom merged with and into CBS, with CBS continuing as the surviving company. At the effective time of the Merger, the combined company changed its name to ViacomCBS Inc. The Merger has been accounted for as a transaction between entities under common control and therefore, the net assets of Viacom were combined with those of CBS at their historical carrying amounts and the companies have been presented on a combined basis for all periods presented.

(b) Includes costs for restructuring and other corporate matters of \$194 million in the first quarter, \$50 million in the second quarter, \$70 million in the third quarter and \$176 million in the fourth quarter.

(c) The fourth quarter includes programming charges of \$162 million and the reversal of a valuation allowance of \$140 million relating to capital loss carryforwards that were utilized in connection with the sale of CBS Television City in 2019.

**Item 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.***

None.

**Item 9A. *Controls and Procedures.***

Our chief executive officer and chief financial officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended (“Exchange Act”)) were effective, based on the evaluation of these controls and procedures required by Rule 13a-15(b) or 15d-15(b) of the Exchange Act. No change in our internal control over financial reporting occurred during our fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management’s report on internal control over financial reporting and the report of our independent registered public accounting firm thereon are set forth in Item 8, on pages II-49 and II-50, of this report.

**Item 9B. *Other Information.***

None.

## PART III

### **Item 10. *Directors, Executive Officers and Corporate Governance.***

The information required by this item with respect to the Company's directors (i) is contained in Part I of this Form 10-K under the caption "Our Board of Directors" and (ii) will be contained in the ViacomCBS Inc. Proxy Statement for the Company's 2020 Annual Meeting of Stockholders (the "Proxy Statement") under the headings "ViacomCBS Board of Directors" and "Item 1-Election of Directors," which information is incorporated herein by reference.

The information required by this item with respect to the Company's executive officers (i) is contained in Part I of this Form 10-K under the caption "Information About Our Executive Officers" and (ii) will be contained in the Proxy Statement under the heading "Corporate Governance," which information is incorporated herein by reference.

### **Item 11. *Executive Compensation.***

The information required by this item will be contained in the Proxy Statement under the headings "ViacomCBS' Board of Directors," "Director Compensation," "Executive Compensation," "Compensation Discussion and Analysis" and "Compensation Committee Report," which information is incorporated herein by reference.

### **Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.***

The information required by this item will be contained in the Proxy Statement under the headings "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information," which information is incorporated herein by reference.

### **Item 13. *Certain Relationships and Related Transactions, and Director Independence.***

The information required by this item will be contained in the Proxy Statement under the headings "Related Person Transactions" and "ViacomCBS' Board of Directors," which information is incorporated herein by reference.

### **Item 14. *Principal Accounting Fees and Services.***

The information required by this item will be contained in the Proxy Statement under the heading "Fees for Services Provided by the Independent Registered Public Accounting Firm," which information is incorporated herein by reference.

## PART IV

### **Item 15. Exhibits, Financial Statement Schedules.**

(a)

1. *Financial Statements.*

The financial statements of ViacomCBS filed as part of this report on Form 10-K are listed on the Index on page II-50.

2. *Financial Statement Schedules.*

The financial statement schedule required to be filed by Item 8 of this Form 10-K is listed on the Index on page II-50

3. *Exhibits.*

The exhibits listed in Item 15(b) of this Part IV are filed or incorporated by reference as part of this Form 10-K. The Index to Exhibits begins on page E-1.

(b) *Exhibits.*

The exhibits listed in Item 15(b) of this Part IV are filed or incorporated by reference as part of this Form 10-K. The Index to Exhibits begins on page E-1.

### **Item 16. Form 10-K Summary.**

None.

**VIACOMCBS INC. AND SUBSIDIARIES**  
**SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS**  
**(Tabular dollars in millions)**

Col. A	Col. B	Col. C		Col. D	Col. E
Description	Balance at Beginning of Period	Balance Acquired through Acquisitions	Charged to Expenses and Other Accounts	Deductions	Balance at End of Period
<b>Allowance for doubtful accounts:</b>					
Year ended December 31, 2019	\$ 86	\$ —	\$ 26	\$ 26	\$ 86
Year ended December 31, 2018	\$ 101	\$ —	\$ 26	\$ 41	\$ 86
Year ended December 31, 2017	\$ 105	\$ —	\$ 31	\$ 35	\$ 101
<b>Valuation allowance on deferred tax assets:</b>					
Year ended December 31, 2019	\$ 841	\$ —	\$ 76	\$ 366	\$ 551
Year ended December 31, 2018	\$ 1,120	\$ —	\$ 37	\$ 316	\$ 841
Year ended December 31, 2017	\$ 1,108	\$ 218	\$ 157	\$ 363	\$ 1,120
<b>Reserves for inventory obsolescence:</b>					
Year ended December 31, 2019	\$ 56	\$ —	\$ 11	\$ 6	\$ 61
Year ended December 31, 2018	\$ 67	\$ —	\$ 5	\$ 16	\$ 56
Year ended December 31, 2017	\$ 59	\$ —	\$ 26	\$ 18	\$ 67



**INDEX TO EXHIBITS**  
**ITEM 15(b)**

Effective December 31, 2005, Former Viacom was renamed CBS Corporation. Effective December 4, 2019, Viacom Inc. merged with and into CBS Corporation with CBS Corporation continuing as the surviving company and the combined company changed its name to “ViacomCBS Inc.”

Exhibit No.	Description of Document
(2)	<b>Plan of acquisition, reorganization, arrangement, liquidation or succession</b>
(a)	Agreement and Plan of Merger, dated as of August 13, 2019, by and between CBS Corporation and Viacom Inc. (incorporated by reference to <a href="#">Exhibit 2.1</a> to the Current Report on Form 8-K of CBS Corporation filed August 19, 2019) (File No. 001-09553).
(b)	Amendment No. 1 to the Agreement and Plan of Merger, dated as of October 16, 2019, by and between CBS Corporation and Viacom Inc. (incorporated by reference to <a href="#">Exhibit 2.1</a> to the Current Report on Form 8-K of CBS Corporation, filed October 17, 2019) (File No. 001-09553).
(3)	<b>Articles of Incorporation and Bylaws</b>
(a)	Amended and Restated Certificate of Incorporation of ViacomCBS Inc., effective December 4, 2019 (incorporated by reference to <a href="#">Exhibit 3.1</a> to the Current Report on Form 8-K of CBS Corporation filed December 4, 2019) (File No. 001-09553).
(b)	Amended and Restated Bylaws of ViacomCBS Inc., effective as of December 4, 2019 (incorporated by reference to <a href="#">Exhibit 3.2</a> to the Current Report on Form 8-K of CBS Corporation filed December 4, 2019) (File No. 001-09553).
(4)	<b>Instruments defining the rights of security holders, including indentures</b>
(a)	Description of Class A Common Stock and Class B Common Stock ( <a href="#">filed herewith</a> ).
(b)	Amended and Restated Senior Indenture dated as of November 3, 2008 (“2008 Indenture”) among CBS Corporation, CBS Operations Inc., and The Bank of New York Mellon, as senior trustee (incorporated by reference to <a href="#">Exhibit 4.1</a> to the Registration Statement on Form S-3 of CBS Corporation filed November 3, 2008 (Registration No. 333-154962) (File No. 001-09553).
(c)	First Supplemental Indenture to 2008 Indenture dated as of April 5, 2010 among CBS Corporation, CBS Operations Inc., and Deutsche Bank Trust Company Americas, as senior trustee (incorporated by reference to <a href="#">Exhibit 4.3</a> to the Current Report on Form 8-K of CBS Corporation filed April 5, 2010 (File No. 001-09553).
(d)	Indenture, dated as of April 12, 2006, between Viacom Inc. and The Bank of New York (incorporated by reference to <a href="#">Exhibit 4.1</a> to the Current Report on Form 8-K of Viacom Inc. filed April 17, 2006) (File No. 001-32686).
(e)	Twenty-First Supplemental Indenture, dated as of December 4, 2019, by and among CBS Corporation, Viacom Inc. and The Bank of New York Mellon, a New York banking corporation, as trustee (in such capacity, the “Trustee”), to the Indenture, dated as of April 12, 2006, between Viacom Inc. and the Trustee (incorporated by reference to <a href="#">Exhibit 4.1</a> to the Current Report on Form 8-K of ViacomCBS Inc. filed December 4, 2019) (File No. 001-09553). The other instruments defining the rights of holders of the long-term debt securities of ViacomCBS Inc. and its subsidiaries are omitted pursuant to paragraph (b)(4)(iii)(A) of Item 601 of Regulation S-K. ViacomCBS Inc. hereby agrees to furnish copies of these instruments to the Securities and Exchange Commission upon request.
(10)	<b>Material Contracts</b>
(a)	CBS Corporation 2009 Long-Term Incentive Plan (as amended and restated December 11, 2018) (incorporated by reference to <a href="#">Exhibit 10(a)</a> to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2018) (File No. 001-09553).*
(b)	Forms of Certificate and Terms and Conditions for equity awards for: <ul style="list-style-type: none"><li>(i) Stock Options (incorporated by reference to <a href="#">Exhibit 10(c)(ii)</a> to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2011) (File No. 001-09553).*</li><li>(ii) Performance-Based Restricted Share Units with Time Vesting and Performance Vesting (incorporated by reference to <a href="#">Exhibit 10(c)(v)</a> to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2011) (File No. 001-09553).*</li></ul>

\*Management contract or compensatory plan required to be filed as an exhibit to this form pursuant to Item 15(b).

- (iii) Restricted Share Units with Time Vesting (incorporated by reference to [Exhibit 10\(c\)\(vii\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2011) (File No. 001-09553).\*
- (c) CBS Corporation Senior Executive Short-Term Incentive Plan (as amended and restated as of December 31, 2005) (incorporated by reference to [Exhibit 10\(f\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2005) (File No. 001-09553) (as amended by the First Amendment to the CBS Corporation Senior Executive Short-Term Incentive Plan effective January 1, 2009) (incorporated by reference to [Exhibit 10\(d\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2008) (File No. 001-09553).\*
- (d) CBS Retirement Excess Pension Plan (as amended and restated as of December 31, 2005) (incorporated by reference to [Exhibit 10\(o\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2005) (File No. 001-09553) (as Part A was amended by Amendment No. 1 as of January 1, 2009) (incorporated by reference to [Exhibit 10\(g\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2010) (File No. 001-09553) (as amended by Part B, effective as of January 1, 2009, as amended and restated as of January 1, 2012) (incorporated by reference to [Exhibit 10\(e\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2012) (File No. 001-09553).\*
- (e) CBS Excess 401(k) Plan for Designated Senior Executives (as amended and restated as of December 31, 2005) (incorporated by reference to [Exhibit 10\(p\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2005) (File No. 001-09553) (as amended by Part B as of January 1, 2009) (incorporated by reference to [Exhibit 10\(f\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2008) (File No. 001-09553) (as Part B was amended by Amendment No. 1 as of January 1, 2009) (incorporated by reference to [Exhibit 10\(b\)](#) to the Quarterly Report on Form 10-Q of CBS Corporation for the quarter ended March 31, 2010) (File No. 001-09553) (as Part B was amended by Amendment No. 2 as of January 1, 2009) (incorporated by reference to [Exhibit 10\(h\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2010) (File No. 001-09553) (as Part A was amended by Amendment No. 1 as of January 1, 2014) (incorporated by reference to [Exhibit 10\(f\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2013) (File No. 001-09553) (as Part B was amended by Amendment No. 3 as of January 1, 2014) (incorporated by reference to [Exhibit 10\(f\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2013) (File No. 001-09553) (as Part A was amended by Amendment No. 2 as of February 1, 2015) (incorporated by reference to [Exhibit 10\(f\)](#) to the Annual Report on Form 10-K of CBS Corporation for the year ended December 31, 2014) (File No. 001-09553), (as Part B was amended by Amendment No. 4 as of February 1, 2015) (incorporated by reference to [Exhibit 10\(f\)](#) to the Annual Report on Form 10-K of CBS Corporation for the year ended December 31, 2014) (File No. 001-09553) (as Part A was amended by Amendment No. 3 as of January 1, 2015) (incorporated by reference to [Exhibit 10\(f\)](#) to the Annual Report on Form 10-K of CBS Corporation for the year ended December 31, 2014) (File No. 001-09553) (as Part B was amended by Amendment No. 5 as of January 1, 2015) (incorporated by reference to [Exhibit 10\(f\)](#) to the Annual Report on Form 10-K of CBS Corporation for the year ended December 31, 2014) (File No. 001-09553) (as Part A was amended by Amendment No. 4 as of October 2, 2017) (incorporated by reference to [Exhibit 10\(e\)](#) to the Annual Report on Form 10-K of CBS Corporation for the year ended December 31, 2017) (File No. 001-09553) (as Part B was amended by Amendment No. 6 as of October 2, 2017) (incorporated by reference to [Exhibit 10\(e\)](#) to the Annual Report on Form 10-K of CBS Corporation for the year ended December 31, 2017) (File No. 001-09553) (as Part A was amended by Amendment No. 5 as of July 1, 2019) (incorporated by reference to [Exhibit 10\(a\)](#) for the Quarterly Report on Form 10-Q of CBS Corporation for the quarter ended March 31, 2019) (as Part B was amended by Amendment No. 7 as of July 1, 2019) (incorporated by reference to [Exhibit 10\(a\)](#) for the Quarterly Report on Form 10-Q of CBS Corporation for the quarter ended March 31, 2019) (File No. 001-09553).\*
- (f) CBS Bonus Deferral Plan for Designated Senior Executives (as amended and restated as of December 31, 2005) (incorporated by reference to [Exhibit 10\(q\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2005) (File No. 001-09553) (as amended by Part B as of January 1, 2009) (incorporated by reference to [Exhibit 10\(g\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2008) (File No. 001-09553) (as Part B was amended by Amendment No. 1 as of January 1, 2009) (incorporated by reference to [Exhibit 10\(c\)](#) to the Quarterly Report on Form 10-Q of CBS Corporation for the quarter ended March 31, 2010) (File No. 001-09553) (as Part B was amended by Amendment No. 2 as of January 1, 2009) (incorporated by reference to [Exhibit 10\(i\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2010) (File No. 001-09553) (as Part A was amended by Amendment No. 1 as of January 1, 2014) (incorporated by reference to [Exhibit 10\(g\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2013) (File No. 001-09553) (as Part B was amended by Amendment No. 3 as of January 1, 2014) (incorporated by reference to [Exhibit 10\(g\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2013) (File No. 001-09553) (as

\*Management contract or compensatory plan required to be filed as an exhibit to this form pursuant to Item 15(b).

- Part A was amended by Amendment No. 2 as of January 1, 2015) (incorporated by reference to [Exhibit 10\(g\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2014) (File No. 001-09553) (as Part B was amended by Amendment No. 4 as of January 1, 2015) (incorporated by reference to [Exhibit 10\(g\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2014) (File No. 001-09553) (as Part A was amended by Amendment No. 3 as of October 2, 2017) (incorporated by reference to [Exhibit 10\(f\)](#) of the Annual Report on Form 10-K of CBS Corporation for the year ended December 31, 2017) (File No. 001-09553) (as Part B was amended by Amendment No. 5 as of October 2, 2017) (incorporated by reference to [Exhibit 10\(f\)](#) to the Annual Report on Form 10-K of CBS Corporation for the year ended December 31, 2017) (File No. 001-09553) (as Part A was amended by Amendment No. 4 as of July 1, 2019) (incorporated by reference to [Exhibit 10\(b\)](#) to the Quarterly Report on Form 10-Q of CBS Corporation for the quarter ended March 31, 2019) (as Part B was amended by Amendment No. 6 as of July 1, 2019) (incorporated by reference to [Exhibit 10\(b\)](#) to the Quarterly Report on Form 10-Q of CBS Corporation for the quarter ended March 31, 2019) (File No. 001-09553).\*
- (g) Viacom Inc. 2016 Long-Term Management Incentive Plan (incorporated by reference to [Exhibit A](#) to the Definitive Proxy Statement of Viacom Inc. filed January 23, 2015) (File No. 001-32686).\*
- (h) Forms of Terms and Conditions to the Certificates for equity awards for:
- (i) Stock Options (incorporated by reference to [Exhibit 10.3](#) to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended June 30, 2016) (File No. 001-32686).\*
- (ii) Restricted Share Units (incorporated by reference to [Exhibit 10.4](#) to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended June 30, 2016) (File No. 001-32686).\*
- (iii) Performance Share Units (incorporated by reference to [Exhibit 10.1](#) to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended December 31, 2017) (File No. 001-32686).\*
- (iv) Performance Share Units (incorporated by reference to [Exhibit 10.1](#) to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended December 31, 2018) (File No. 001-32686).\*
- (i) Viacom Excess Pension Plan, as amended and restated January 1, 2009 (incorporated by reference to [Exhibit 10.13](#) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 2008) (File No. 001-32686), and Amendment, effective as of March 31, 2009, to Viacom Excess Pension Plan, as amended and restated January 1, 2009 (incorporated by reference to [Exhibit 10.13](#) to the Transition Report on Form 10-K of Viacom Inc. for the nine-month transition period ended September 30, 2010) (File No. 001-32686).\*
- (j) Viacom Excess 401(k) Plan for Designated Senior Executives, as amended and restated January 1, 2009 (incorporated by reference to [Exhibit 10.14](#) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 2008) (File No. 001-32686), and Amendments, effective as of April 1, 2009 and December 31, 2009, to Viacom Excess 401(k) Plan for Designated Senior Executives, as amended and restated January 1, 2009 (incorporated by reference to [Exhibit 10.15](#) to the Transition Report on Form 10-K of Viacom Inc. for the nine-month transition period ended September 30, 2010) (File No. 001-32686).\*
- (k) Viacom Bonus Deferral Plan for Designated Senior Executives, as amended and restated January 1, 2009 (incorporated by reference to [Exhibit 10.15](#) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 2008) (File No. 001-32686), and Amendment, effective as of December 31, 2009, to Viacom Bonus Deferral Plan for Designated Senior Executives, as amended and restated January 1, 2009 (incorporated by reference to [Exhibit 10.17](#) to the Transition Report on Form 10-K of Viacom Inc. for the nine-month transition period ended September 30, 2010) (File No. 001-32686).\*
- (l) Summary of CBS Corporation Compensation for Outside Directors (as of January 31, 2019) (incorporated by reference to [Exhibit 10\(g\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2018) (File No. 001-09553).\*
- (m) Form of Director Indemnification Agreement (incorporated by reference to [Exhibit 10](#) to the Current Report on Form 8-K of CBS Corporation filed September 18, 2009) (File No. 001-09553).\*
- (n) CBS Corporation Deferred Compensation Plan for Outside Directors (as amended and restated as of January 29, 2015) (incorporated by reference to [Exhibit 10\(k\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2014) (File No. 001-09553).\*
- (o) CBS Corporation 2005 RSU Plan for Outside Directors (as amended and restated through January 29, 2015) (incorporated by reference to [Exhibit 10\(m\)](#) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2014) (File No. 001-09553).\*
- (p) CBS Corporation 2015 Equity Plan for Outside Directors (effective May 21, 2015) (incorporated by reference to [Exhibit 10\(a\)](#) to the Quarterly Report on Form 10-Q of CBS Corporation for the quarter ended June 30, 2015) (File No. 001-09553).\*

\*Management contract or compensatory plan required to be filed as an exhibit to this form pursuant to Item 15(b).

Exhibit No.	Description of Document
(q)	Viacom Inc. 2011 RSU Plan for Outside Directors, as amended and restated as of January 1, 2016 (incorporated by reference to <a href="#">Exhibit B</a> to the Definitive Proxy Statement of Viacom Inc. filed January 23, 2015) (File No. 001-32686), as further amended and restated as of May 18, 2016 (incorporated by reference to <a href="#">Exhibit 10.2</a> to the Quarterly Report of Viacom Inc. for the quarter ended June 30, 2016) (File No. 001-32686).*
(r)	CBS Corporation Senior Executive Retention Plan, including the form of Letter to Participants (incorporated by reference to <a href="#">Exhibit 10.17</a> to the Registration Statement on Form S-4 of CBS Corporation filed October 17, 2019 (Registration No. 333-234238) (File No. 001-09553).*
(s)	Viacom Inc. Executive Retention Plan for Section 16 Officers (incorporated by reference to <a href="#">Exhibit 10.15</a> to CBS Corporation's Registration Statement No. 333-234238 on Form S-4 filed October 17, 2019) (File No. 333-234238).*
(t)	Employment Agreement, dated as of August 13, 2019, between Viacom Inc. and Robert M. Bakish (incorporated by reference to <a href="#">Exhibit 10.4</a> to CBS Corporation's Registration Statement No. 333-234238 on Form S-4 filed October 17, 2019) (File No. 333-234238).*
(u)	Letter Agreement, dated as of August 13, 2019, between Viacom Inc. and Robert M. Bakish (incorporated by reference to <a href="#">Exhibit 10.5</a> to CBS Corporation's Registration Statement No. 333-234238 on Form S-4 filed October 17, 2019) (File No. 333-234238).*
(v)	Employment Agreement dated October 18, 2018 between CBS Corporation and Christina Spade (incorporated by reference to <a href="#">Exhibit 10</a> to the Current Report on Form 8-K of CBS Corporation filed October 19, 2018) (File No. 001-09553).*
(w)	Employment Agreement, dated as of August 13, 2019, between CBS Corporation and Christina Spade (incorporated by reference to <a href="#">Exhibit 10.7</a> to the Registration Statement on Form S-4 of CBS Corporation filed October 17, 2019) (Registration No. 333-234238) (File No. 001-09553).*
(x)	Employment Agreement, dated as of August 13, 2019, between Viacom Inc. and Christa A. D'Alimonte (incorporated by reference to <a href="#">Exhibit 10.9</a> to CBS Corporation's Registration Statement No. 333-234238 on Form S-4 filed October 17, 2019) (File No. 333-234238).*
(y)	Letter Agreement, dated as of August 13, 2019, between Viacom Inc. and Christa A. D'Alimonte (incorporated by reference to <a href="#">Exhibit 10.10</a> to CBS Corporation's Registration Statement No. 333-234238 on Form S-4 filed October 17, 2019) (File No. 333-234238).*
(z)	Employment Agreement dated as of January 1, 2019 between CBS Corporation and Richard M. Jones (incorporated by reference to <a href="#">Exhibit 10(r)</a> to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2018) (File No. 001-09553).*
(aa)	Employment Agreement, dated as of November 19, 2019, between CBS Corporation and Richard M. Jones (incorporated by reference to <a href="#">Exhibit 10.1</a> to the Current Report on Form 8-K of CBS Corporation filed November 22, 2019) (File No. 001-09553).*
(bb)	Employment Agreement, dated as of December 2, 2019, between Viacom Inc. and Nancy Phillips ( <a href="#">filed herewith</a> ).*
(cc)	Letter Agreement, dated as of December 2, 2019, between Viacom Inc. and Nancy Phillips ( <a href="#">filed herewith</a> ).*
(dd)	Employment Agreement dated as of July 1, 2017 between CBS Corporation and Joseph R. Ianniello (incorporated by reference to <a href="#">Exhibit 10(a)</a> to the Quarterly Report on Form 10-Q of CBS Corporation for the quarter ended September 30, 2017) (File No. 001-09553), as amended by Letter Agreement dated as of September 9, 2018 (incorporated by reference to <a href="#">Exhibit 10(a)</a> to the Current Report on Form 8-K of CBS Corporation filed September 27, 2018) (File No. 001-09553).*
(ee)	Letter Agreement dated as of April 23, 2019 between CBS Corporation and Joseph R. Ianniello (incorporated by reference to <a href="#">Exhibit 10</a> to the Current Report on Form 8-K of CBS Corporation filed April 26, 2019) (File No. 001-09553).*
(ff)	Letter Agreement, dated as of August 13, 2019, between CBS Corporation and Joseph R. Ianniello (incorporated by reference to <a href="#">Exhibit 10.6</a> to the Registration Statement on Form S-4 of CBS Corporation filed October 17, 2019 (Registration No. 333-234238) (File No. 001-09553)).*
(gg)	Employment Agreement, dated as of December 4, 2019, between ViacomCBS Inc. and Joseph R. Ianniello ( <a href="#">filed herewith</a> ).*
(hh)	Letter Agreement, dated as of January 31, 2020, between ViacomCBS Inc. and Joseph R. Ianniello ( <a href="#">filed herewith</a> ).*

\*Management contract or compensatory plan required to be filed as an exhibit to this form pursuant to Item 15(b).

Exhibit No.	Description of Document
(ii)	Employment Agreement, dated as of August 13, 2019, between CBS Corporation and Laura Franco (incorporated by reference to <a href="#">Exhibit 10.8</a> to the Registration Statement on Form S-4 of CBS Corporation filed October 17, 2019) (Registration No. 333-234238) (File No. 001-09553).*
(jj)	Employment Agreement dated as of December 10, 2019 between CBS Corporation and Jonathan H. Anshell ( <a href="#">filed herewith</a> ).*
(kk)	Employment Agreement dated as of June 1, 2017 between CBS Corporation and Lawrence P. Tu (incorporated by reference to <a href="#">Exhibit 10(b)</a> to the Quarterly Report on Form 10-Q of CBS Corporation for the quarter ended September 30, 2017) (File No. 001-09553), as amended by Letter Agreement dated April 25, 2018 (incorporated by reference to <a href="#">Exhibit 10(a)</a> to the Quarterly Report on Form 10-Q of CBS Corporation for the quarter ended March 31, 2018) (File No. 001-09553).*
(ll)	Separation Agreement dated February 22, 2019 between CBS Corporation and Lawrence P. Tu (incorporated by reference to <a href="#">Exhibit 10</a> to the Current Report on Form 8-K of CBS Corporation filed February 27, 2019) (File No. 001-09553).*
(mm)	Plans assumed by Former Viacom after the merger with former CBS Corporation in May 2000, consisting of the following: <ul style="list-style-type: none"> <li>(i) CBS Supplemental Executive Retirement Plan (as amended as of April 1, 1999) (incorporated by reference to <a href="#">Exhibit 10(h)</a> to the Quarterly Report on Form 10-Q of CBS for the quarter ended September 30, 1999) (File No. 001-00977) (as amended by Part B, effective as of January 1, 2009, as amended and restated as of January 1, 2012) (incorporated by reference to <a href="#">Exhibit 10(t)(i)</a> to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2012) (File No. 001-09553).*</li> <li>(ii) CBS Bonus Supplemental Executive Retirement Plan (as amended as of April 1, 1999) (incorporated by reference to <a href="#">Exhibit 10(i)</a> to the Quarterly Report on Form 10-Q of CBS for the quarter ended September 30, 1999) (File No. 001-00977) (as amended by Part B, effective as of January 1, 2009, as amended and restated as of January 1, 2012) (incorporated by reference to <a href="#">Exhibit 10(t)(ii)</a> to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2012) (File No. 001-09553).*</li> <li>(iii) CBS Supplemental Employee Investment Fund (as amended as of January 1, 1998) (incorporated by reference to <a href="#">Exhibit 10(j)</a> to the Quarterly Report on Form 10-Q of CBS for the quarter ended September 30, 1999) (File No. 001-00977).*</li> </ul>
(nn)	Matching Gifts Program for Directors (incorporated by reference to <a href="#">Exhibit 10(aa)</a> to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2018) (File No. 001-09553).*
(oo)	Amended and Restated \$3.5 Billion Credit Agreement, dated as of January 23, 2020, among ViacomCBS Inc.; the Subsidiary Borrowers party thereto; the Lenders named therein; JPMorgan Chase Bank, N.A., as Administrative Agent; Citibank, N.A., Bank of America, N.A. and Wells Fargo Bank, National Association, as Syndication Agents; and Deutsche Bank Securities Inc., Goldman Sachs Bank USA, Mizuho Bank, Ltd. and Morgan Stanley MUFG Loan Partners, LLC, as Documentation Agents (incorporated by reference to <a href="#">Exhibit 10.1</a> to the Current Report on Form 8-K of ViacomCBS Inc. filed January 23, 2020) (File No. 001-09553).
(pp)	Settlement and Release Agreement effective as of September 9, 2018 (incorporated by reference to <a href="#">Exhibit 10(a)</a> to the Current Report on Form 8-K of CBS Corporation filed September 10, 2018) (File No. 001-09553).
(qq)	Amendment No. 1 to the Settlement and Release Agreement, dated as of August 13, 2019, by and among the parties listed therein (incorporated by reference to <a href="#">Exhibit 10.3</a> to the Current Report on Form 8-K of CBS Corporation filed August 19, 2019) (File No. 001-09553).
(rr)	Support Agreement, dated as of August 13, 2019, by and among the parties listed therein (incorporated by reference to <a href="#">Exhibit 10.1</a> to the Current Report on Form 8-K of CBS Corporation filed August 19, 2019) (File No. 001-09553).
(ss)	Governance Agreement, dated as of August 13, 2019, by and among the parties listed therein (incorporated by reference to <a href="#">Exhibit 10.2</a> to the Current Report on Form 8-K of CBS Corporation filed August 19, 2019) (File No. 001-09553).

\*Management contract or compensatory plan required to be filed as an exhibit to this form pursuant to Item 15(b).

Exhibit No.	Description of Document
(21)	<b>Subsidiaries of ViacomCBS Inc.</b> ( <a href="#">filed herewith</a> ).
(23)	<b>Consents of Experts and Counsel</b>
(a)	Consent of PricewaterhouseCoopers LLP ( <a href="#">filed herewith</a> ).
(24)	<b>Powers of Attorney</b> ( <a href="#">filed herewith</a> ).
(31)	<b>Rule 13a-14(a)/15d-14(a) Certifications</b>
(a)	Certification of the Chief Executive Officer of ViacomCBS Inc. pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ( <a href="#">filed herewith</a> ).
(b)	Certification of the Chief Financial Officer of ViacomCBS Inc. pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ( <a href="#">filed herewith</a> ).
(32)	<b>Section 1350 Certifications</b>
(a)	Certification of the Chief Executive Officer of ViacomCBS Inc. furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ( <a href="#">furnished herewith</a> ).
(b)	Certification of the Chief Financial Officer of ViacomCBS Inc. furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ( <a href="#">furnished herewith</a> ).
(101)	<b>Interactive Data File</b>
	101. INS XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
	101. SCH XBRL Taxonomy Extension Schema.
	101. CAL XBRL Taxonomy Extension Calculation Linkbase.
	101. DEF XBRL Taxonomy Extension Definition Linkbase.
	101. LAB XBRL Taxonomy Extension Label Linkbase.
	101. PRE XBRL Taxonomy Extension Presentation Linkbase.



**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, ViacomCBS Inc. has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

**VIACOMCBS INC.**

By:   /s/ Robert M. Bakish    
 Robert M. Bakish  
*President and Chief Executive Officer*

Date: February 20, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of ViacomCBS Inc. and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>  /s/ Robert M. Bakish  </u> Robert M. Bakish	President and Chief Executive Officer; Director (Principal Executive Officer)	February 20, 2020
<u>  /s/ Christina Spade  </u> Christina Spade	Executive Vice President, Chief Financial Officer (Principal Financial Officer)	February 20, 2020
<u>  /s/ Katherine Gill-Charest  </u> Katherine Gill-Charest	Executive Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)	February 20, 2020
<u>  *  </u> Candace K. Beinecke	Director	February 20, 2020
<u>  *  </u> Barbara M. Byrne	Director	February 20, 2020
<u>  *  </u> Brian Goldner	Director	February 20, 2020
<u>  *  </u> Linda M. Griego	Director	February 20, 2020

<u>Signature</u>	<u>Title</u>	<u>Date</u>
* _____ Robert N. Klieger	Director	February 20, 2020
* _____ Judith A. McHale	Director	February 20, 2020
* _____ Ronald L. Nelson	Director	February 20, 2020
* _____ Charles E. Phillips, Jr.	Director	February 20, 2020
* _____ Shari E. Redstone	Chair	February 20, 2020
* _____ Susan Schuman	Director	February 20, 2020
* _____ Nicole Seligman	Director	February 20, 2020
* _____ Frederick O. Terrell	Director	February 20, 2020
*By: _____ /s/ Christa A. D'Alimonte Christa A. D'Alimonte Attorney-in-Fact for Directors		February 20, 2020



**DESCRIPTION OF CLASS A COMMON STOCK AND CLASS B COMMON STOCK  
REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

The authorized common stock of ViacomCBS as set forth in its amended and restated certificate of incorporation includes 55,000,000 shares of ViacomCBS Class A Common Stock, par value \$0.001 per share, and 5,000,000,000 shares of ViacomCBS Class B Common Stock, par value \$0.001 per share. References to “ViacomCBS”, “we” and “our” in this description are references to ViacomCBS Inc. and not its consolidated subsidiaries, unless the context requires otherwise. Our Class A Common Stock and Class B Common Stock are listed on The Nasdaq Global Select Market under the symbols “VIACA” and “VIAC,” respectively.

The descriptions set forth below are not complete, and are subject to, and qualified in their entirety by reference to, ViacomCBS’ amended and restated certificate of incorporation and amended and restated bylaws and the Delaware General Corporation Law. You are urged to read our amended and restated certificate of incorporation and amended and restated bylaws in their entirety.

**General**

All issued and outstanding shares of ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock are identical and the holders of such shares are entitled to the same rights and powers, except as provided in ViacomCBS’ amended and restated certificate of incorporation as described below.

**Voting Rights.** Holders of ViacomCBS Class A Common Stock are entitled to one vote per share with respect to all matters on which the holders of ViacomCBS common stock are entitled to vote and the affirmative vote of a majority of the outstanding shares of ViacomCBS Class A Common Stock, voting separately as a class, is necessary to approve (i) any merger or consolidation of ViacomCBS pursuant to which shares of ViacomCBS common stock are converted into or exchanged for any other securities or consideration or (ii) certain transactions relating to Paramount Pictures Corporation and its subsidiaries or other ViacomCBS subsidiaries involved in ViacomCBS’ filmed entertainment business.

Holders of ViacomCBS Class B Common Stock do not have any voting rights, except as required by Delaware law.

Generally, all matters to be voted on by the stockholders of ViacomCBS must be approved by a majority of the aggregate voting power of the shares of capital stock of ViacomCBS having voting power present in person or represented by proxy, except as required or may become required by our amended and restated certificate of incorporation, our amended and restated bylaws or applicable law.

**Dividends.** Holders of ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock share ratably in any cash dividend declared by the Board of Directors of ViacomCBS (the “Board of Directors”), subject to the rights and preferences of any outstanding preferred stock. The Board of Directors may, at its discretion, declare a dividend of any securities of ViacomCBS or of another entity, to the holders of ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock in the form of (i) a ratable distribution of identical securities to the holders of ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock or (ii) a distribution of one class or series of securities to the holders of ViacomCBS Class A Common Stock and another class or series of securities to the holders of ViacomCBS Class B Common Stock, *provided* that the securities so distributed do not differ in any respect other than (x) differences in their rights (other than voting rights and powers) consistent in all material respects with the differences between ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock and (y) differences in their relative voting rights and powers, with the holders of ViacomCBS Class A Common Stock receiving the class or series of such securities having the higher relative voting rights or powers (without regard to whether such voting rights or powers differ to a greater or lesser extent than the corresponding differences in the voting rights or powers of ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock provided in the amended and restated certificate of incorporation).

**Conversion.** So long as there are at least 5,000 shares of ViacomCBS Class A Common Stock outstanding, each share of ViacomCBS Class A Common Stock is convertible at the option of the holder of such share into one share of ViacomCBS Class B Common Stock.

**Liquidation Rights.** In the event of a liquidation, dissolution or winding-up of ViacomCBS, all holders of ViacomCBS common stock, regardless of class, are entitled to share ratably in any assets available for distributions to holders of shares of ViacomCBS common stock subject to the preferential rights of any outstanding preferred stock.

**Split, Subdivision or Combination.** In the event of a split, subdivision or combination of the outstanding shares of ViacomCBS Class A Common Stock or ViacomCBS Class B Common Stock, the outstanding shares of the other class of ViacomCBS common stock will be split, subdivided or combined proportionally.

**Preemptive Rights.** Shares of ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock do not entitle a holder to any preemptive rights enabling a holder to subscribe for or receive shares of stock of any class or any other securities convertible into shares of stock of any class of ViacomCBS. The Board of Directors possesses the power to issue shares of authorized but unissued ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock without further stockholder action, subject to the requirements of applicable law and stock exchanges. The number of authorized shares of ViacomCBS Class A Common Stock and ViacomCBS Class B Common Stock could be increased with the approval of the holders of a majority of the outstanding shares of ViacomCBS Class A Common Stock and without any action by the holders of shares of ViacomCBS Class B Common Stock.

**Other Rights.** ViacomCBS' amended and restated certificate of incorporation provides that ViacomCBS may prohibit the ownership and transfer of, or redeem, shares of its capital stock in order to ensure compliance with, or prevent the applicability of limitations imposed by, the requirements of U.S. laws or regulations applicable to specified types of media companies.

#### **Anti-Takeover Provisions of Certificate of Incorporation and Bylaws**

Provisions of our amended and restated certificate of incorporation and amended and restated bylaws, in addition to those relating to the voting rights of our common stock, may have the effect of delaying, deferring or preventing a change in ViacomCBS ownership or changes in our management. These include provisions that:

- authorize our Board of Directors to provide for the issuance, without stockholder approval, of up to 25,000,000 shares of preferred stock with rights fixed by the Board of Directors, which rights could be senior to those of the common stock;
- limit the number of directors constituting the entire Board of Directors to a maximum of 13 directors until December 4, 2021, and 20 directors thereafter;
- provide that any vacancy on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors then in office, or by a sole remaining director;
- provide that a special meeting of stockholders may be called only by the affirmative vote of a majority of the Board of Directors or by our Chairman of the Board, or the Chief Executive Officer, and shall be called at the written request of the holders of record of at least 50.1% of the aggregate voting power of all outstanding shares of our capital stock entitled to vote generally in the election of directors, acting together as a single class; and
- establish advance notice procedures for stockholders to make nominations of candidates for election as directors or to present any other proposal to be acted upon at any annual or special meeting of stockholders.




As of December 2, 2019

Ms. Nancy Phillips  
c/o Viacom Inc.  
1515 Broadway  
New York, NY 10036

Dear Nancy:

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

1. Contract Period. The term of your employment under this Agreement shall begin on December 2, 2019 (the “Effective Date”) and, unless terminated earlier as set forth herein, shall continue through and including December 1, 2022. The period from the Effective Date through December 1, 2022 is referred to as the “Contract Period”, even if your employment terminates earlier for any reason. This Agreement shall be automatically assumed by ViacomCBS Inc. upon the Closing Date (as defined in the Merger Agreement).

2. Duties. You shall devote your entire business time, attention and energies to the business of the Company during your employment with the Company. You shall be Executive Vice President, Chief People Officer of the Company until the Closing Date at which point you shall become Executive Vice President, Chief People Officer, ViacomCBS, and you shall perform all duties and have such responsibilities and authority as are reasonable and consistent with such offices as may be assigned to you from time to time by the Company’s President and Chief Executive Officer, or other individual designated by the Company’s President and Chief Executive Officer until the Closing Date and then the President and Chief Executive Officer, ViacomCBS or other individual designated by the President and Chief Executive Officer, ViacomCBS.

3. Compensation.

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

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

(i) Your Bonus for each Company fiscal year, regardless of whether such fiscal year is a 12-month period or a shorter period of time, shall be determined in accordance with the Company’s annual bonus plan in effect from time to time, as determined by the Board or a committee of the Board (the “STIP”).

(ii) Your target Bonus for each Company fiscal year during the Contract Period shall be 100% of your Salary (your "Target Bonus") and shall be adjusted based on the Company's performance (the "Company Performance Factor") and your individual performance (the "Individual Performance Factor"), in each case as determined by the Company and as further provided in the STIP.

(c) Long-Term Incentive Compensation. During your employment under this Agreement, you shall be eligible to receive annual grants of long-term compensation under the Company's equity incentive plan as in effect from time to time, at a level appropriate to your position and individual performance as determined by the Board or a committee of the Board, in its discretion, with an expected annual target value of One Million Dollars (\$1,000,000), comprised of one or more types of equity awards determined by the Board or a committee of the Board.

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

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

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

6. Non-Competition and Non-Solicitation.

(a) Non-Competition.

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

(ii) The “Non-Competition Period” begins on the Effective Date and ends on the last day of the Contract Period, provided that:

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

(b) Non-Solicitation.

(i) During the Non-Solicitation Period, you shall not directly or indirectly engage or attempt to engage in any of the following acts:

1. Employ or solicit the employment of any person who is then, or has been within six (6) months prior thereto, an employee of the Company; or
2. Interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of the Company with any customer, supplier, independent contractor, consultant, joint venture or other business partner (to the extent each of the limitations in this paragraph 6(b)(i)(2) is permitted by applicable law).

(ii) The “Non-Solicitation Period” begins on the Effective Date and ends on the last day of the Contract Period, or, if longer, eighteen (18) months after the Company terminates your employment for Cause or you resign other than for Good Reason.

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

7. Confidentiality and Other Obligations.

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

nothing in the foregoing prohibits you from reporting what you in good faith believe to be violations of federal law to any governmental agency you in good faith believe to have responsibility for enforcement of such law or from making any other disclosure that is protected under the whistleblower protections of federal law. Additionally, you hereby are notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (x) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (y) under seal in a complaint or other document filed in a lawsuit or other proceeding or (z) to your attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order. Confidential Information shall include, without limitation, trade secrets; inventions (whether or not patentable); technology and business processes; business, product or marketing plans; negotiating strategies; sales and other forecasts; financial information; client lists or other intellectual property; information relating to compensation and benefits; public information that becomes proprietary as a result of the Company's compilation of that information for use in its business; documents (including any electronic record, videotapes or audiotapes) and oral communications incorporating Confidential Information. You shall also comply with any and all confidentiality obligations of the Company to a third party of which you are aware, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information if it is or becomes generally available to the public other than as a result of an unauthorized disclosure or action by you or at your direction.

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

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

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

## 8. Company Property.

### (a) Company Ownership.

(i) The results and proceeds of your services to the Company, whether or not created during the Contract Period, including, without limitation, any works of authorship resulting from your services and any works in progress resulting from such services, shall be works-made-for-hire and the Company shall be deemed

the sole owner throughout the universe of any and all rights of every nature in such works, with the right to use, license or dispose of the works in perpetuity in any manner the Company determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered.

- (ii) If, for any reason, any of the results and proceeds of your services to the Company are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to the Company under this paragraph 8(a), then you hereby irrevocably assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, and the Company shall have the sole right to use, license or dispose of the work in perpetuity throughout the universe in any manner the Company determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered.
- (iii) Upon request by the Company, whether or not during the Contract Period, you shall do any and all things which the Company may reasonably deem useful or desirable (at the Company's expense) to establish or document the Company's rights in the results and proceeds of your services to the Company, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents. You hereby irrevocably designate the General Counsel, Secretary or any Assistant Secretary of the Company as your attorney-in-fact with the power to take such action and execute such documents on your behalf. To the extent you have any rights in such results and proceeds that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights.
- (iv) The provisions of this paragraph 8(a) do not limit, restrict, or constitute a waiver by the Company of any ownership rights to which the Company may be entitled by operation of law by virtue of being your employer.
- (v) You and the Company acknowledge and understand that the provisions of this paragraph 8 requiring assignment of inventions to the Company do not apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870, to the extent that such provision applies to you. You agree to advise the Company promptly in writing of any inventions that you believe meet the criteria in California Labor Code Section 2870.

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

#### 9. Legal Matters.

(a) Communication. Except as required by law or legal process or at the request of the Company, you shall not communicate with anyone (other than your attorneys who agree to keep such

matters confidential), except to the extent necessary in the performance of your duties under this Agreement in accordance with the Company's policies, with respect to the facts or subject matter of any claim, litigation, regulatory or administrative proceeding directly or indirectly involving the Company ("Company Legal Matter") without obtaining the prior consent of the Company or its counsel; provided, however, that nothing in the foregoing prohibits you from reporting what you in good faith believe to be violations of federal law to any governmental agency you in good faith believe to have responsibility for enforcement of such law or from making any other disclosure that is protected under the whistleblower protections of federal law.

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

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

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

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

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

10. Termination for Cause.



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

(b) Cause Definition. "Cause" shall mean: (i) conduct constituting embezzlement, material misappropriation or fraud, whether or not related to your employment with the Company; (ii) conduct constituting a felony, whether or not related to your employment with the Company; (iii) conduct constituting a financial crime, material act of dishonesty or material unethical business conduct, involving the Company; (iv) willful unauthorized disclosure or use of Confidential Information; (v) the failure to substantially obey a material lawful directive that is appropriate to your position from a superior in your reporting line or the Board; (vi) your material breach of any material obligation under this Agreement; (vii) the failure or refusal to substantially perform your material obligations under this Agreement (other than any such failure or refusal resulting from your STD or LTD); (viii) the willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, whether or not related to employment with the Company, after being instructed by the Company to cooperate; (ix) the willful destruction of or willful failure to preserve documents or other material known to be relevant to any investigation referred to in subparagraph (viii) above; or (x) the willful inducement of others to engage in the conduct described in subparagraphs (i) – (ix), including, without limitation, with regard to subparagraph (vi), obligations of others to the Company.

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

11. Resignation for Good Reason and Termination Without Cause.

(a) Resignation for Good Reason.

(i) You may resign for Good Reason at any time that you are actively employed during the Contract Period by written notice to the Company no more than thirty (30) days after the occurrence of the event constituting Good Reason. Such notice shall state the grounds for such Good Reason resignation and an effective date no earlier than thirty (30) business days after the date it is given. The Company shall have thirty (30) business days from the giving of such notice within which to cure and, in the event of such cure, your notice shall be of no further force or effect.

(ii) "Good Reason" shall mean without your written consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with your death or LTD): (i) the assignment to you of

duties or responsibilities substantially inconsistent with your position(s) or duties; (ii) the material diminution of your duties, responsibilities or authority; or (iii) the material breach by the Company of any material obligation under this Agreement.

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

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

(i) The Company shall continue to pay your Salary (at the rate in effect on the date of termination) at the same time and in the same manner as if you had not terminated employment for the longer of twelve (12) months or until the end of the Contract Period;

(ii) You shall be eligible to receive a Bonus or Pro-Rated Bonus, as applicable, for each Company fiscal year or portion thereof during the Contract Period, calculated as provided in paragraph 19(e)(iii), provided that the total severance payment you receive pursuant to paragraphs 11(c)(i) and (ii) shall in no event exceed two times the sum of your Salary and Target Bonus in the fiscal year in which such termination occurs;

(iii) Provided you validly elect continuation of your medical and dental coverage under Section 4980B(f) of the Internal Revenue Code of 1986 (the "Code") (relating to coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA")), your coverage and participation under the Company's medical and dental benefit plans and programs in which you were participating immediately prior to your termination of employment pursuant to this paragraph 11, shall continue at no cost to you (except as set forth below) until the earlier of (i) the end of the Contract Period, but in no event less than twelve (12) months after the termination of your employment, or (ii) the date on which you become eligible for medical and/or dental coverage from another employer; provided, that, during the period that the Company provides you with this coverage, an amount equal to the total applicable COBRA cost (or such other amounts as may be required by law) will be included in your income for tax purposes and the Company may withhold taxes from your termination payments for this purpose; and provided, further, that you may elect to continue your medical and dental coverage under COBRA at your own expense for the balance, if any, of the period required by law;

(iv) The Company shall continue to provide you with life insurance coverage, at no premium cost to you (unless you had no coverage at the time of termination), until the end of the Contract Period or, if longer, the end of the period in which you are receiving payments pursuant to paragraph 11(c)(i), in accordance with the Company's then-current policy, as may be amended from time to time, and in the amount then furnished at no cost to other Company executives at comparable levels. Such coverage shall end in the event you are eligible to obtain life insurance coverage from another employer;

(v) With respect to any stock options granted to you under any of the Company's equity plans as in effect from time to time:

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

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

(vi) All restricted share units or restricted shares granted to you under any Company long-term incentive plan that have not vested as of your Separation Date, but that would have vested on or before the end of the Contract Period, shall become fully vested on the later of your Separation Date or upon receipt of a Release executed by you. There shall be no acceleration of the vesting of any equity or long-term incentive awards granted to you under any Company long-term plan, unless otherwise provided herein or under the terms of the applicable long-term incentive plan; and

(vii) There shall be no acceleration of the vesting of any equity or long-term incentive awards granted to you under any Company long-term incentive plan, unless otherwise provided herein or under the terms of the applicable long-term incentive plan; and

(viii) The Company shall pay or continue to provide, as applicable, the Accrued Compensation and Benefits.

(d) Release. Your entitlement to the payments and benefits described in this paragraph 11 is conditioned on your execution and delivery to the Company, within sixty (60) days after your termination of employment (the "Release Deadline"), of a release in substantially the form appended hereto as Appendix A that remains in effect and becomes irrevocable after the expiration of any statutory period in which you are permitted to revoke a release (the "Release"). If you fail to execute and deliver the Release by the Release Deadline, or if you thereafter effectively revoke the Release, the Company shall be under no obligation to make any further payments or provide any further benefits to you and any payments and benefits previously provided to you pursuant to this paragraph 11 shall not have been earned. In such event, you shall promptly repay the Company any payments made and the Company's direct cost for any benefits provided to you pursuant to this paragraph 11. The limitations of this paragraph shall not apply to the Accrued Compensation and Benefits.

(e) Offset. The amount of payments provided in paragraph 11 in respect of the period that begins twelve (12) months after the termination of your employment shall be reduced by any compensation for services earned by you (including as an independent consultant or independent contractor) from any source in respect of the period that begins twelve (12) months after the termination of your employment and ends when the Company is no longer required to make payments pursuant to

paragraph 11 (the “Offset Period”), including, without limitation, salary, sign-on or annual bonus, consulting fees, commission payments and any amounts the payment of which is deferred at your election, or with your consent, until after the expiration of the Offset Period; provided that, if the Company in its reasonable discretion determines that any grant of long-term compensation is made in substitution of the aforementioned payments, such payments shall be further reduced by the value on the date of grant, as reasonably determined by the Company, of such long-term compensation you receive. You agree to promptly notify the Company of any arrangements during the Offset Period in which you earn compensation for services and to cooperate fully with the Company in determining the amount of any such reduction.

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

13. Termination Due to Death.

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

(b) Death After the End of Employment. In the event of your death while you are entitled to receive compensation or benefits under paragraphs 11 or 15, in lieu of such payments your designated beneficiary (or, if there is no such beneficiary, your estate) shall receive, to the extent not previously paid to you, (i) continuation of Salary pursuant to the applicable paragraph through the date of death; (ii) if you were entitled to receive compensation or benefits under paragraph 11, for the year in which death occurs, any Bonus or Pro-Rated Bonus, as applicable, for the year in which death occurs, payable under such paragraph, calculated in accordance with paragraph 19(e)(iii); and (iii) any Accrued Compensation and Benefits. In no event shall a distribution be made pursuant to clauses (i) and (iii) in the preceding sentence later than the 60<sup>th</sup> day following your death and a distribution pursuant to clause (ii) in the preceding sentence shall be made at the same time and in the same manner as if you were still actively employed with the Company.

14. Long-Term Disability. In the event you are absent due to a LTD and you are receiving compensation under a Company LTD plan, then, effective on the date you begin receiving compensation under such plan, (i) this Agreement shall terminate without any further action required by the Company, (ii) you shall be considered an “at-will” employee of the Company, and (iii) you shall have no guarantee of specific future employment nor continuing employment generally when your receipt of compensation under a Company LTD plan ends, except as required by applicable law. In the event of such termination of this Agreement, you shall receive (i) any Accrued Compensation and Benefits and (ii) for the year in which such termination occurs, any Bonus or Pro-Rated Bonus, as applicable, which you would have been entitled to receive, calculated in accordance with paragraph 19(e)(iii). Except as set forth in the previous sentence, the compensation provided to you under the applicable LTD plan shall be in lieu of

any compensation from the Company (including, but not limited to, the Salary provided under this Agreement or otherwise). Your participation in any other Company benefit plans or programs shall be governed by the terms of the applicable plan or program documents, award agreements and certificates.

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

16. Severance Plan Adjustment. In the event that your employment with the Company terminates pursuant to paragraph 11 or 15, and, at the time of your termination of employment there is in effect a Company severance plan (a "Severance Plan") for which you would have been eligible to participate but for your having entered into this Agreement or being a Specified Employee and which provides for severance compensation that is greater than the amounts to which you are entitled under paragraphs 11(c)(i) and 11(c)(ii) or paragraph 15, then the amounts, but not the time or form of payment, of your severance compensation under this Agreement shall automatically be adjusted to equal those that would have been provided to you under the Severance Plan ; provided that to the extent you were entitled to any amounts under this Agreement, the time and form of such amounts shall not be adjusted. The parties acknowledge and agree that you remain a participant in the Viacom Executive Retention Plan for Section 16 Officers, as amended and restated as of August 13, 2019 ("ERP"), and that notwithstanding anything to the contrary contained herein, you are entitled to the benefits thereunder pursuant to the terms and conditions therein. For the avoidance of doubt, any payment entitlement pursuant to this paragraph 16 is in lieu of, and not in addition to, any severance compensation to which you may otherwise be entitled under this Agreement. Notwithstanding any adjustment to the amount of your entitlements pursuant to this paragraph 16, all other provisions of this Agreement shall remain in effect, including, without limitation, paragraphs 6, 7, 8 and 9.

17. Further Events on Termination of Employment.

(a) Termination of Benefits. Except as otherwise expressly provided in this Agreement, your participation in all Company benefit plans and programs (including, without limitation, medical and dental coverage, life insurance coverage, vacation accrual, all retirement and the related excess plans, STD and LTD plans and accidental death and dismemberment and business travel and accident insurance and your rights with respect to any outstanding equity compensation awards) shall be governed by the terms of the applicable plan and program documents, award agreements and certificates.

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

instruments which the Company may deem necessary or desirable to effectuate such resignation or resignations, and to act as your attorney-in fact.

18. Survival; Remedies.

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

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

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

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

19. General Provisions.

(a) Deductions and Withholdings. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy the Company may have, to deduct from any monies that are otherwise payable to you, and that do

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

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

(c) Section 409A Provisions.

- (i) The Company may, without your consent, amend any provision of this Agreement to the extent that, in the reasonable judgment of the Company, such amendment is necessary or advisable to avoid the imposition on you of any tax, interest or penalties pursuant to Section 409A or otherwise to make this Agreement enforceable. Any such amendment shall maintain, to the maximum extent practicable, the original intent and economic benefit to you of the applicable provision.
- (ii) It is the intention and understanding of the parties that all amounts and benefits to which you become entitled under this Agreement will be paid or provided to you pursuant to a fixed schedule within the meaning of Section 409A. Notwithstanding such intention and understanding, in the event that you are a specified employee as determined by the Company (a “Specified Employee”) at the time of your Separation from Service (as defined below), then to the extent that any amount or benefit owed to you under this Agreement (x) constitutes an amount of deferred compensation for purposes of Section 409A and (y) is considered for purposes of Section 409A to be owed to you by virtue of your Separation from Service, then such amount or benefit shall not be paid or provided during the six (6) month period following the date of your Separation

from Service and instead shall be paid or provided on the first day of the seventh month following your date of Separation from Service; *provided, however*, that such delay shall apply only to the extent that such payments and benefits, in the aggregate, exceed the lesser of an amount equal to (x) two (2) times your annualized compensation (as determined under the Code Section 409A regulations) and (y) two (2) times the applicable Code Section 401(a)(17) annual compensation limit for the year in which your termination occurs; *provided, further*, that any payments made during such six (6) month period shall first be made to cover all costs relating to medical, dental and life insurance coverage to which you are entitled under this Agreement and thereafter shall be made in respect of other amounts or benefits owed to you.

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

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

(e) Payment of Bonus Compensation.

- (i) The Bonus for any Company fiscal year under this Agreement shall be paid by March 15<sup>th</sup> of the following year.
- (ii) Except as otherwise expressly provided in this Agreement, your Bonus shall be prorated (A) to apply only to that part of the Company's fiscal year which falls within the Contract Period and (B) to the extent the Company's fiscal year is less than a 12-month fiscal year (a Pro-Rated Bonus"). Following expiration of the Contract Period, you shall receive a Pro-Rated Bonus for the period of the



Company's fiscal year which falls within the Contract Period only (A) in the event that the Company terminates your employment without Cause prior to the date on which employees of the Company become entitled to Bonus under the STIP, (B) as provided in paragraph 11(c)(ii) or (C) as provided in the STIP.

(iii) Any Bonus or Pro-Rated Bonus payable pursuant to paragraphs 11, 13 or 14 shall be paid at the lesser of (X) your Target Bonus amount or (Y) your Target Bonus amount, adjusted based on the Company Performance Factor for the relevant year.

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

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

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

20. Additional Representations and Acknowledgments.

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

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

(c) No Restriction on Employment. You represent that (i) you have disclosed to the Company all employment agreements, covenants and restrictions to which you are or have been a party; and (ii) you are not subject to any covenant, agreement or restriction (including, but not limited to, a covenant of non competition) with or by any third party that would prevent you from beginning your employment on [December 1, 2019] and thereafter performing your duties and responsibilities for the Company, or would impinge upon, interfere with, or restrict your ability to perform your duties or responsibilities for the Company under this Agreement.

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

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

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

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

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

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

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

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

Please confirm your understanding of the Agreement by signing and returning two (2) copies of this Agreement. This document shall constitute a binding agreement between us only after it also has been executed by the Company and a fully executed copy has been returned to you.

Very truly yours,

**VIACOM INC.**

By: /s/ Christa A. D'Alimonte

Name: Christa A. D'Alimonte  
Title: Executive Vice President,  
General Counsel and Secretary

**ACCEPTED AND AGREED:**

/s/ Nancy R. Phillips  
Nancy R. Phillips

Dated: Nov 15, 2019

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

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

In consideration of the promises set forth in the letter agreement between the Executive and the Company, dated [insert date] (the “Employment Agreement”), the Executive and the Company agree as follows:

1. Return of Property. All Company files, access keys and codes, desk keys, ID badges, computers, records, manuals, electronic devices, computer programs, papers, electronically stored information or documents, telephones and credit cards, and any other property of the Company in the Executive’s possession must be returned no later than the date of the Executive’s termination from the Company. Notwithstanding the foregoing, you may retain your personal contacts, personal calendar and personal correspondence and any information reasonably needed by you for personal income tax preparation purposes.

2. General Release and Waiver of Claims.

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

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

under any welfare benefit plan, (v) any Claim the Executive may have to obtain contribution as permitted by law in the event of entry of judgment against her as a result of any act or failure to act for which she and the Company or any affiliate are jointly liable, (vi) any rights as a stockholder of the Company, or (vii) any Claim that by law may not be released by private agreement without judicial or governmental review and approval.

(b) Specific Release of ADEA Claims. In further consideration of the payments and benefits provided to the Executive under the Employment Agreement, the Releasors hereby unconditionally release and forever discharge the Releasees from any and all Claims that the Releasors may have as of the date the Executive signs this Agreement arising under the Federal Age Discrimination in Employment Act of 1967, as amended, including the Older Workers Benefit Protection Act of 1990 (“OWBPA”), and the applicable rules and regulations promulgated thereunder (“ADEA”). By signing this Agreement, the Executive hereby acknowledges and confirms the following: (i) the Executive was advised by the Company in connection with [his] [her] termination to consult with an attorney of [his] [her] choice prior to signing this Agreement and to have such attorney explain to the Executive the terms of this Agreement, including, without limitation, the terms relating to the Executive’s release of claims arising under ADEA, and the Executive has in fact consulted with an attorney; (ii) the Executive was given a period of not fewer than 21 days to consider the terms of this Agreement and to consult with an attorney of [his] [her] choosing with respect thereto; (iii) the Executive knowingly and voluntarily accepts the terms of this Agreement; and (iv) the Executive is providing this release and discharge only in exchange for consideration in addition to anything of value to which the Executive is already entitled. The Executive also understands that [he] [she] has seven (7) days following the date on which [he] [she] signs this Agreement within which to revoke the release contained in this paragraph 2(b), by providing the Company a written notice of [his] [her] revocation of the release and waiver contained in this paragraph 2(b); provided, however, that if the Executive exercises [his] [her] right to revoke the release contained in this paragraph 2(b), the Executive shall not be entitled to any amounts paid to [him] [her] under the termination provisions of the Employment Agreement and the Company may reclaim any such amounts paid to [him] [her] and may terminate any benefits and payments that are subsequently due under the Employment Agreement, except as prohibited by the ADEA and OWBPA.

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

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

4. Remedies. In the event the Executive initiates or voluntarily participates in any Proceeding in violation of this Agreement, or if [he] [she] fails to abide by any of the terms of this Agreement or [his] [her] post-termination obligations contained in the Employment Agreement, the

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

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

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

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

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

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

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

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

**[INSERT NAME OF EMPLOYER]**

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

**THE EXECUTIVE**

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

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

VIACOM

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As of December 2, 2019

Ms. Nancy Phillips  
c/o Viacom Inc.  
1515 Broadway  
New York, NY 10036

Dear Nancy:

Reference is made to that certain employment agreement between you and the Company dated as of December 2, 2019 (your “Employment Agreement”). All defined terms used but not defined herein shall have the meanings set forth in your Employment Agreement, as applicable.

This letter is to confirm our understanding, notwithstanding any provision in your Employment Agreement, that you shall receive a one-time lump sum payment in the amount of Five Hundred Forty Thousand Dollars (\$540,000), less applicable withholdings and deductions, payable on the next regular payroll date following March 1, 2020. Such payment shall be made notwithstanding the termination of your employment before the payment date, unless your employment is terminated by the Company for Cause or by you without Good Reason before such payment date.

This letter is also to confirm our understanding, notwithstanding any provision in your Employment Agreement, that you shall receive a one-time special equity award in the form of Restricted Share Units (RSUs) of Viacom Class B common stock with a grant date value of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000). Such award shall be granted on the tenth (10<sup>th</sup>) business day immediately following the Effective Date and the number of RSUs granted shall equal the grant date value of \$1,750,000 divided by the closing price of the Viacom Class B common stock on the date of grant rounded down to the nearest whole number. The RSUs granted shall vest 25% annually on the 1st, 2nd, 3rd and 4th anniversaries of the grant date subject to the Terms & Conditions of the award. In the event that you are terminated without Cause or resign for Good Reason in accordance with paragraph 11 of the Employment Agreement, this one-time special equity award shall continue to vest at the same time as if you remained actively employed with the Company.

This letter is also to confirm our understanding, notwithstanding any provision in your Employment Agreement, that if you are not actively employed as of November 1, 2019 and therefore do not receive your fiscal year 2020 LTMIP grant in the normal course, you shall receive your fiscal year 2020 LTMIP grant on the tenth (10<sup>th</sup>) business day immediately following the Effective Date. Your fiscal year 2020 grant shall be made at 125% of your annual target value of One Million Dollars (\$1,000,000). The number of RSUs granted shall equal the grant date value of \$1,250,000 divided by the closing price of the Viacom Class B common stock on the date of grant rounded down to the nearest whole number. The RSUs granted shall vest 25% annually on the 1st, 2nd, 3rd and 4th anniversaries of the grant date subject to the Terms & Conditions of the award.

Except as herein amended, all other terms and conditions of your Employment Agreement shall remain the same and your Employment Agreement as herein amended shall remain in full force and effect.



If the foregoing correctly sets forth our understanding, please sign and return both copies of this letter that have been provided to you. This document shall constitute a binding agreement between us only after it also has been executed by the Company and a fully executed copy has been returned to you.

Very truly yours,

**VIACOM INC.**

By: /s/ Christa A. D'Alimonte

Name: Christa A. D'Alimonte

Title: Executive Vice President,  
General Counsel and Secretary

**ACCEPTED AND AGREED:**

/s/ Nancy R. Phillips  
Nancy R. Phillips

Dated: Nov. 15, 2019



with respect to the non-CBS Businesses; provided that only you will have the authority to terminate the employment of, or reduce the compensation of, any such individual (subject to consultation with the other manager). You shall report directly to the President and Chief Executive Officer of the Company. The Board of Directors of the Company (the "**Board**"), subject to Article XI of the Bylaws of the Company (the "**Bylaws**"), shall have (during the "Designated Period" as defined in the Bylaws) exclusive authority to remove you from your position or modify your authority, duties or responsibilities, subject to your rights under this Agreement. You will work together with the President and Chief Executive Officer of the Company to keep him reasonably apprised regarding material matters affecting the CBS Businesses and be reasonably available to respond to questions or inquiries he may have regarding the CBS Businesses. Subject to the foregoing and the Board-approved budget applicable to the CBS Businesses, as well as any required approvals and policies of the Board and applicable policies of the Company as in effect from time to time (it being understood that those policies will apply to you on a basis no less favorable to you than as applied to the chairman and chief executive officers of other business units and divisions of the Company or any of its subsidiaries), you will have final decision-making authority with respect to capital expenditures, contractual arrangements, the compensation of CBS Businesses employees, contractors and other agents and the hiring and firing of CBS Businesses employees, contractors and other agents; provided that, notwithstanding such budget and any generally applicable policies on spending limitations, you will have, following in the case of material contracts notice and consultation with the President and Chief Executive Officer of the Company, final decision-making authority with respect to any commercial contracts, programming commitments and other contracts described on Schedule B. For each applicable fiscal year of the Company, you shall submit a proposed budget for the CBS Businesses to the President and Chief Executive Officer of the Company to be recommended to the Board for approval, if approved by the President and Chief Executive Officer of the Company.

(b) During the period of your employment with the Company, you agree to devote your entire business time, attention and energies to the CBS Businesses. Notwithstanding the foregoing, you will be permitted to engage in charitable, civic, or other non-business activities and to serve as a member of the board of directors of not-for-profit organizations and one for-profit organization (in the case of the for-profit organization, subject to the Company's applicable conflict of interest policies) so long as such activities do not materially interfere with the performance of your duties and responsibilities hereunder. During the period of your employment with the Company, consistent with current and past practice, you shall render your services under this Agreement from your offices as of August 1, 2019 at Black Rock in New York and at Studio City in Los Angeles (or such other offices as may be mutually agreed by you and the Company); provided, however, that you will be required to engage in reasonable business travel to other locations.

3. Base Compensation.

(a) Salary. For all the services rendered by you in any capacity under this Agreement, the Company agrees to pay you an annual base salary (“**Salary**”) at the rate of Three Million Dollars (\$3,000,000), less applicable deductions and withholding taxes, in accordance with the Company’s payroll practices as they may exist from time to time. During your employment with the Company, your Salary shall be reviewed annually by the Compensation Committee of the Board (the “**Committee**”) and may be increased, but not decreased. Any such increase shall be made at a time, and in an amount, that the Committee shall determine in its discretion.

(b) Bonus Compensation. You also shall receive annual bonus compensation (“**Bonus**”) during your employment with the Company under this Agreement, determined and payable as follows:

(i) Your Bonus for each calendar year during your employment with the Company under this Agreement (including, in the case of the 2019 calendar year, the period of your service prior to the Effective Date of this Agreement) will be determined in accordance with the guidelines of the Company’s short-term incentive program (the “**STIP**”), as such guidelines may be amended from time to time without notice in the discretion of the Company.

(ii) Your target bonus (“**Target Bonus**”) for each calendar year (including the period of your service prior to the Effective Date of this Agreement) shall be 500% of your Salary in effect on November 1<sup>st</sup> of the calendar year, or the last day of your employment, if earlier. For each calendar year you shall receive a Bonus of not less than your Target Bonus; provided, however, that for the 2019 calendar year, your Target Bonus shall be reduced by the amount of Bonus paid for the 2019 calendar year under your Prior Agreements so as to avoid duplication for such year; and for calendar year 2021, your Target Bonus shall be pro-rated for the portion of the year during which you remain employed by the Company. The Bonus for a calendar year shall be payable, less applicable deductions and withholding taxes, between January 1<sup>st</sup> and March 15<sup>th</sup> of the following calendar year, except as otherwise provided in paragraph 7.

(c) Form S-8. The Company shall maintain a registration statement on Form S-8 for the class of shares of the Company that are deliverable to you upon exercise of stock options or settlement of RSUs previously awarded under the Company’s 2009 Long-Term Incentive Plan or that are deliverable in settlement of previously awarded rights to receive deferred equity compensation.

4. Benefits. You shall be eligible to participate in all vacation, medical, dental, life insurance, long-term disability insurance, retirement, and long-term incentive plans and programs and other benefit plans and programs as the Company or any of its

subsidiaries (collectively, the “**Company Group**”) may have or establish from time to time and in which you would be eligible to participate under the terms of the plans, as may be amended from time to time, on terms no less favorable than those applicable to the senior executives of the Company Group generally. This provision shall not be construed to either require the Company Group to establish any welfare, compensation or long-term incentive plans, or to prevent the modification or termination of any plan once established, and no action or inaction with respect to any plan shall affect this Agreement. During your employment under this Agreement, the Company agrees that it will continue the existing arrangements concerning (i) your usage of a car service consistent with current practices in effect on August 1, 2019 (*i.e.*, use of a car and driver), (ii) your usage of aircraft controlled by the Company or its affiliates at levels no less than those in effect on August 1, 2019 (*e.g.*, first priority for usage of aircraft controlled by the Company or its affiliates for business-related travel, and limited usage of aircraft controlled by the Company or its affiliates for personal travel), unless in use by or reserved for use by the Chair or President and Chief Executive Officer of the Company, in which case, you may charter, at the Company’s sole expense, an aircraft of similar size and quality as the Company’s and its affiliates’ aircraft, (iii) your occupancy of your Company-provided apartment in Los Angeles as of August 1, 2019 (or an equivalent location with your approval), and (iv) your receipt of Company-paid security service at the level in effect on August 1, 2019 or at such higher level as determined by the current head of CBS security to be appropriate. The Company additionally agrees that you shall be able to receive reimbursement for reasonable expenses related to the relocation of your belongings from Los Angeles to the New York metropolitan area (whether during or following your employment with the Company); provided, however, that such relocation reimbursement shall in no event exceed Seventy-Five Thousand Dollars (\$75,000).

5. Business Expenses. During your employment under this Agreement, the Company shall reimburse you for such reasonable travel and other expenses (including, without limitation, the expense of first class travel and expenses of a charter aircraft to the extent permitted by paragraph 4) incurred in the performance of your duties. Such travel and other expenses shall be reimbursed by the Company as soon as practicable in accordance with the Company’s established guidelines, as may be amended from time to time, but in no event later than December 31<sup>st</sup> of the calendar year following the calendar year in which you incur the related expenses.

6. Non-Competition, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment with the Company is on an exclusive basis and that, while you are employed by the Company or any of its subsidiaries, other than as permitted by paragraph 2, you will not engage in any other business activity which is in conflict with your duties and obligations (including your commitment of time) under this Agreement. You further agree that, during your employment with the Company, you shall not directly or indirectly engage

in or participate in (or sign any agreement to engage in or participate in (it being understood that during your employment with the Company you may engage in discussions with prospective employers and execute an agreement for employment with any third party so long as the term of your employment pursuant to such agreement shall commence no earlier than the day following the date on which you cease to be employed by the Company), whether as an owner, partner, stockholder, officer, employee, director, agent of or consultant for, any business which at such time is competitive with any business of the Company or any of its subsidiaries without the written consent of the Company; provided, however, that this provision shall not prevent you from investing as less than a one (1%) percent stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system. For the avoidance of doubt, following the termination or cessation of your employment with the Company you shall not be subject to any non-competition covenant otherwise applicable to you, including the covenant set forth in this paragraph 6(a).

(b) Confidential Information. You agree that, during the period of your employment with the Company and at any time thereafter, (i) you shall not use for any purpose other than the duly authorized business of the Company, or disclose to any third party, any information relating to the Company, or any of the Company's controlled affiliated companies which is non-public, confidential or proprietary to the Company or any of the Company's controlled affiliated companies ("**Confidential Information**"), including any trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of your duties under this Agreement consistent with the Company's policies or to enforce your rights under this Agreement or in connection with any arbitration or litigation relating to your employment with the Company, provided that, in connection with your use of Confidential Information in any arbitration or litigation proceeding, you use reasonable best efforts to avoid any unnecessary disclosure by you of the Confidential Information outside of such proceeding); and (ii) you will comply with any and all confidentiality obligations of the Company to a third party, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information which (x) is or becomes generally available to the public other than as a result of a prohibited disclosure by you or at your direction or by any other person who directly or indirectly receives such information from you, (y) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you, or (z) constitutes Residuals. For purposes of this paragraph 6(b), the term "third party" shall be defined to mean any person other than the Company Group or any of their respective directors and senior officers. For purposes of this paragraph 6(b), the term "Residuals" shall mean Confidential Information to which you had authorized access that is retained in nontangible form (for example, without limitation, not digital, written or other documentary form, including without limitation tape, disk or other media) in your unaided memory, provided that the source of such Confidential Information has become remote (for example, without limitation, as a result of the passage of time or your

subsequent exposure to information of a similar nature from another source without any breach of any confidentiality obligation) such that you in good faith can no longer specifically identify the source of such Confidential Information and that you in good faith believe is not Confidential Information.

Notwithstanding the foregoing, your obligation to protect confidential and proprietary information shall not prohibit you from disclosing matters that are protected under any applicable whistleblower laws, including reporting possible violations of laws or regulations, or responding to inquiries from, or testifying before, any governmental agency or self-regulating authority, all without notice to or consent from the Company. Additionally, you hereby are notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (i) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (ii) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (iii) to your attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order.

(c) No Solicitation, Etc.

(i) You agree that, while employed by the Company and for twelve (12) months thereafter, you shall not directly or indirectly employ or solicit the employment of any person (other than your driver, the Manager, Administration or current personal assistant) who, on the date of termination of your employment, is an employee of the Company or any of its controlled affiliated companies; and

(ii) You agree that, while employed by the Company, you shall not willfully and directly interfere with, disturb, or interrupt any of the then-existing relationships (whether or not such relationships have been reduced to formal contracts) of the Company or any of its controlled affiliated companies with any customer, consultant or supplier resulting in material harm to the Company.

Notwithstanding any provision herein to the contrary, in the event your employment is terminated other than under circumstances described in paragraph 7(a)(v) of this Agreement, you will be entitled to office support and security services as set forth in paragraph 7(f) of this Agreement.

(d) Company Ownership. The results and proceeds of your services under this Agreement, including, without limitation, any works of authorship resulting

from your services during your employment with the Company Group and any works in progress resulting from such services, shall be works-made-for-hire and the Company shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner the Company determines, in its discretion, without any further payment to you. If, for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to the Company under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, whether now known or hereafter defined or discovered, and the Company shall have the right to use the work in perpetuity throughout the universe in any manner the Company determines, in its discretion, without any further payment to you. You shall, as may be requested by the Company from time to time and at the Company's expense, do any and all things which the Company may deem useful or desirable to establish or document the Company's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if you are unavailable or unwilling to execute such documents, you hereby irrevocably designate the General Counsel of the CBS Businesses or her designee as your attorney-in-fact with the power to execute such documents on your behalf. To the extent you have any rights in the results and proceeds of your services under this Agreement that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 6(d) is subject to, and does not limit, restrict, or constitute a waiver by the Company of any ownership rights to which the Company may be entitled by operation of law by virtue of being your employer.

(e) Litigation.

(i) You agree that during the period of your employment with the Company and for twelve (12) months thereafter or, if later, during the pendency of any litigation or other proceeding, (x) you shall not communicate with anyone (other than your own attorneys and tax advisors), except to the extent necessary in the performance of your duties under this Agreement, with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving the Company Group, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to the Company or its counsel (to the extent lawful); and (y) in the event that any other party attempts to obtain information or documents from you with respect to such matters, either through formal legal process such as a subpoena or by informal means such as interviews, you shall promptly notify the CBS Businesses' General Counsel before providing any information or documents (to the extent lawful).



(ii) You agree to cooperate with the Company and its attorneys, both during and after the termination of your employment, in connection with any litigation or other proceeding arising out of or relating to matters in which you were involved or had knowledge of prior to the termination of your employment. Your cooperation shall include, without limitation, providing assistance to the Company's counsel, experts or consultants, providing truthful testimony in pretrial and trial or hearing proceedings and any travel related to your attendance at such proceedings (provided, however, that if you so request the Company shall, at its expense, make available to you the use of one of its or its affiliates' aircraft for purposes of such travel). In the event that your cooperation is requested after the termination of your employment, the Company will (x) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (y) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses. Any such reimbursement shall be made within 60 calendar days following the date on which the Company receives appropriate documentation with respect to such expenses, but in no event shall payment be made later than December 31 of the calendar year following the calendar year in which you incur the related expenses.

(iii) You agree that during the period of your employment with the Company and at any time thereafter, to the fullest extent permitted by law, you will not, other than to enforce your rights under this Agreement pursuant to and in accordance with paragraph 17 of this Agreement, testify voluntarily in any lawsuit or other proceeding which directly or indirectly involves the Company Group, or which may create the impression that such testimony is endorsed or approved by the Company Group, without advance notice (including the general nature of the testimony) to and, if such testimony is without subpoena or other compulsory legal process, the approval of the General Counsel of the Company.

(f) Books, Articles, Etc. While you are employed by the Company or its affiliates, except in the course of the performance of your duties and responsibilities or otherwise as authorized by the Board, you shall not prepare (other than personal notes and/or a diary) or assist any person or entity in the preparation of any books, articles, radio broadcasts, television or motion picture productions or other similar creations, concerning the Company or any of its affiliates or predecessors or any of their officers, directors, agents, employees, suppliers or customers.

(g) Return of Property. Except as set forth in and subject to your rights under paragraph 7(f) of this Agreement, all documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with the Company shall remain the exclusive property of the Company.

(h) Non-Disparagement. You and the Company agree that each party, during the period of your employment with the Company and at any time thereafter, shall not, in any communications with the press or other media or any customer, client, supplier or member of the investment community, criticize, ridicule or make any statement which disparages or is derogatory of the other party; provided, that the Company's obligations shall be limited to communications by the directors (and their affiliates) and senior corporate executives having the rank of Senior Vice President or above of the Company and the Company Group ("**Specified Executives**"), and it is agreed and understood that any such communication by any Specified Executive (or by any executive at the behest of a Specified Executive) shall be deemed to be a breach of this paragraph 6(h) by the Company, as the case may be. Notwithstanding the foregoing, neither you nor the Company shall be prohibited from making truthful statements in connection with any arbitration proceeding described in paragraph 17 hereof concerning a dispute relating to this Agreement.

(i) Injunctive Relief. The Company has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You acknowledge and agree that any violation by you of paragraphs 6(a) through (h) of this Agreement will result in irreparable damage to the Company and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company. The Company acknowledges and agrees that any violation by the Company or the Specified Executives of paragraph 6(h) would result in irreparable damage to you and, accordingly, you may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraph, in addition to any other remedies available to you.

(j) Survival; Modification of Terms. Your obligations under paragraphs 6(a) through (i) shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment under this Agreement for any reason. You and the Company agree that the restrictions and remedies contained in paragraphs 6(a) through (h) are reasonable and that it is your intention and the intention of the Company that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable but would be enforceable if some part were deleted or the period or area of application reduced, then such restriction or remedy shall apply with the modification necessary to make it enforceable. You acknowledge that the Company conducts its business operations around the world and has invested considerable time and effort to develop the international brand and goodwill associated with the "CBS" name. To that end, you further acknowledge that the obligations set forth in this paragraph 6 are by necessity international in scope and necessary to protect the international operations and goodwill of the Company and its controlled affiliated companies.

7. Termination of Employment.

(a) Termination Events. Your employment pursuant to this Agreement may be terminated by either the Company or you as set forth in this paragraph.

(i) Termination for Cause. The Company may, at its option, terminate your employment under this Agreement for Cause at any time during the Term.

(ii) Termination without Cause. The Company may terminate your employment under this Agreement without Cause at any time during the Term by providing written notice of termination to you, provided, however, that such termination shall only be effective if approved by the Required Vote.

(iii) Resignation with Good Reason. You may resign your employment under this Agreement with Good Reason at any time during the Term.

(iv) Resignation without Good Reason. You may resign your employment at any time for no reason.

(v) Death. Your employment with the Company shall terminate automatically upon your death.

(vi) Disability. If, while employed during the Term, you become Disabled, you will be considered to have experienced a termination of employment on the Disability Termination Date.

(b) Payments.

(i) Payment of Amounts Earned. Upon any termination of your employment pursuant to this Agreement, including termination of your employment upon expiration of the Term of this Agreement, you shall thereafter receive, less applicable withholding taxes, (A) the Accrued Obligations, which shall be payable immediately upon your termination, (B) the Pro-Rated Bonus, which shall be payable immediately upon your termination, (C) the Medical Insurance Coverage, (D) the Retiree Plan Coverage, (E) the Life Insurance Coverage, and (F) the Outplacement Benefits.

(ii) Payments Upon Termination without Cause and Resignation with Good Reason. Upon termination of your employment pursuant to paragraph 7(a)(ii) or 7(a)(iii) of this Agreement, you shall, in addition to payment of the amounts set forth in paragraph 7(b)(i), thereafter receive, less applicable withholding taxes:

(A) the Severance Amount, paid in a lump sum within thirty (30) days following your termination date (provided, however, that to the extent that you are a “specified employee” (within the meaning of Code Section 409A and determined pursuant to procedures adopted by the Company) at the time of your termination and any portion of the Severance Amount that would be paid to you during the six-month period following your termination of employment constitutes “deferred compensation” within the meaning of Code Section 409A, such portion shall be paid to the Rabbi Trust rather than as described above; each payment pursuant to this paragraph 7(b)(ii) shall be regarded as a separate payment and not one of a series of payments for purposes of Code Section 409A); and

(B) the Equity Benefits.

Notwithstanding any provision in this Agreement to the contrary, prior to payment by the Company of any amount (other than Accrued Obligations) or provision of any benefit pursuant to this paragraph 7(b)(ii), within sixty (60) days following your termination of employment, (x) you shall have executed and delivered to the Company a general release in the form attached hereto as Exhibit A and (y) the Release Effective Date shall have occurred; provided, however, that if, at the time any cash severance payments are scheduled to be paid to you pursuant to paragraph 7(b)(ii)(A) or the Equity Benefits are scheduled to be provided to you pursuant to paragraph 7(b)(ii)(B), you have not executed the attached general release that has become effective and irrevocable in its entirety (unless such general release has not become effective and irrevocable in its entirety due to the other party thereto failing to execute such general release, in which case the requirements of this paragraph shall be waived as to you), then any such cash severance payments shall be held and accumulated without interest, and shall be paid to you on the first regular payroll date of the Company following the Release Effective Date and the vesting of any stock options, RSUs and other equity awards shall be delayed until the Release Effective Date. Your failure or refusal to sign and deliver the attached release or your revocation of an executed and delivered release in accordance with applicable laws, whether intentionally or unintentionally, will result in the forfeiture of the payments and benefits under paragraph 7(b)(ii)(A). Notwithstanding the foregoing, if the sixty (60) day period does not begin and end in the same calendar year, then the Release Effective Date shall occur no earlier than January 1st of the calendar year following the calendar year in which your termination occurs.

Notwithstanding any provision in this Agreement to the contrary, the payments (other than of Accrued Obligations) and benefits described in paragraphs 7(b)(ii)(A) and 7(b)(ii)(B) shall immediately cease in the event that you

materially breach any provision of paragraph 6(c) hereof; provided, however, that the Company gives you written notice setting forth the nature of any alleged breach in reasonable detail and, if the Company reasonably determines that such breach is capable of being cured, the conduct required to cure and an opportunity of at least ten (10) business days from the giving of such notice within which to cure.

(iii) Payments Upon Your Death. In the event of your death prior to the end of the Term while you are actively employed, your beneficiary or estate shall be entitled to receive, in addition to payment of the amounts set forth in paragraph 7(b)(i)(A), (B) and, to the extent applicable to eligible dependents, (C), the following:

(A) the Equity Benefits; and

(B) the Target Bonus for the year in which your death occurs (rather than the Pro-Rated Bonus), which shall be payable immediately upon termination.

In the event of your death after the termination of your employment (which termination occurred during the Term) but prior to payment of any amounts or benefits that you would have received had you continued to live, all such amounts and benefits shall be paid, less applicable deductions and withholding taxes, to your beneficiary (or, if no beneficiary has been designated, to your estate) in accordance with the applicable payment schedule set forth in the applicable subparagraph of this paragraph 7.

(iv) Payments Upon Termination for Disability. Upon the occurrence of a Disability Termination Date, you shall, in addition to payment of the amounts set forth in paragraph 7(b)(i), thereafter receive, less applicable withholding taxes,

(A) the Equity Benefits, and

(B) the Target Bonus for the year in which your Disability Termination Date occurs (rather than the Pro-Rated Bonus), which shall be payable immediately upon termination.

(c) No Mitigation. You shall not be required to mitigate the amount of any payment provided for in paragraph 7(b) by seeking other employment. The payments provided for in paragraph 7(b) are in lieu of any other severance or income continuation or protection (other than any indemnification protection) under any Company plan, program or agreement that may now or hereafter exist (unless the terms of such plan, program or agreement expressly state that the payments and benefits payable thereunder are intended to be in addition to the type of payments and benefits

described in paragraph 7(b) of this Agreement).

(d) Resignation from Official Positions. If your employment with the Company terminates for any reason, you shall automatically be deemed to have resigned at that time from any and all officer or director positions that you may have held with the Company or any of its affiliated companies and all board seats or other positions in other entities you held on behalf of the Company, including any fiduciary positions (including as a trustee) you hold with respect to any employee benefit plans or trusts established by the Company. You agree that this Agreement shall serve as written notice of resignation in this circumstance. If, however, for any reason this paragraph 7(d) is deemed insufficient to effectuate such resignation, you agree to execute, upon the request of the Company or any of its affiliated companies, any documents or instruments which the Company may deem necessary or desirable to effectuate such resignation or resignations, and you hereby authorize the Secretary and any Assistant Secretary of the Company or any of the Company's affiliated companies to execute any such documents or instruments as your attorney-in-fact.

(e) Termination of Benefits. Participation in all of the Company's or the Company Group's, as applicable, benefit plans and programs (including, without limitation, vacation accrual, all retirement and related excess plans and LTD) will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs or in this Agreement, and subject to any vested rights you may have under the terms of such plans or programs.

(f) Office Support and Security Services. Notwithstanding anything else contained in this Agreement, upon termination of your employment for any reason (other than on account of death), including termination of your employment upon expiration of the Term of this Agreement, you shall be provided, for the period beginning on the date of termination of your employment and ending on the second anniversary of the date of termination of your employment (or, if earlier, the date on which you commence employment with another employer), an office in midtown Manhattan at the same location in which your office was located on August 1, 2019 or other location in the metropolitan New York area selected by you comparable to your current office. Such office shall be equipped with furnishings, equipment and technology that is consistent with and substantially similar to what you currently have, including, without limitation, a Bloomberg terminal and any required licenses for its use. In addition, you shall have the use of a car, driver and administrative assistant, which driver and administrative assistant shall, subject to their agreement, be your current driver and the Manager, Administration who currently reports to you, each of whom will be employees of the Company Group and each of whom will be provided with the same level of compensation and benefits currently provided to each such position during such two-year period. For the period following termination of your employment during which the Company is obligated to provide you with the use of an office, car, driver and administrative assistant, you shall continue to receive Company-paid security service at

the level that you are currently receiving or at such higher level as determined by the current head of CBS security to be appropriate. The cost to the Company of the office, office equipment, car, driver, administrative assistant and security service to be provided to you under this paragraph 7(f) shall not exceed \$2.75 million in the aggregate. You shall be permitted to retain all electronic devices possessed by you at the time of termination of your employment without any payment to the Company, provided that you first allow Company IT to remove any Confidential Information on such devices, and your Company e-mail account will remain active for up to three (3) months after termination of your employment (it being understood that such e-mail account access will terminate upon your acceptance of employment with a third party, and that you agree to promptly notify the Company promptly following your acceptance of such third-party employment).

(h) Definitions. For purposes of this paragraph 7 and this Agreement, the following terms shall have the meanings ascribed to them in this paragraph (7)(h):

**“Accrued Obligations”**: (i) any unpaid Salary through and including the date of termination, any unpaid Bonus earned for the calendar year prior to the calendar year in which you are terminated, and any business expense reimbursements incurred but not yet approved and/or paid, which amounts shall be payable within thirty (30) days following your termination date, (ii) any accrued vested benefits under any employee benefit or pension plan of the Company or its affiliates (including any equity plan or award agreement thereunder) subject to the terms and conditions of such plan or pursuant to applicable law, (iii) any rights in connection with your interests as a stockholder, (iv) any rights to indemnification pursuant to paragraph 18, and (v) such other amounts as are required to be paid or provided by law.

**“Cause”**:

- (i) your engaging or participating in intentional acts of material fraud against the Company Group;
- (ii) your willful misfeasance having a material adverse effect on the Company Group (except in the event of your Disability);
- (iii) your conviction of a felony;
- (iv) your willful failure to obey a material lawful directive from the Board or the President and Chief Executive of the Company that is appropriate to your position and does not interfere or conflict with the powers and authority granted to you hereunder;
- (v) your willful unauthorized disclosure of trade secret or other confidential material information of the Company;

(vi) your willful and material violation of any formal written policy of the Company that is generally applicable to all employees or all officers of the Company and its subsidiaries including, but not limited to, policies concerning insider trading or sexual harassment, Supplemental Code of Ethics for Senior Financial Officers, and the Company's Business Conduct Statement;

(vii) your willful failure to cooperate fully with an Investigation after being instructed by the Board by the Required Vote to cooperate or your willful destruction of or knowing and intentional failure to preserve documents or other material known by you to be relevant to any Investigation; or

(viii) your willful and material breach of any of your material obligations under this Agreement;

Notwithstanding the reporting lines set forth in paragraph 2(a) of this Agreement, no actions taken or failed to be taken by you within the scope of your authority, as set forth in paragraph 2(a) of the Agreement or as a result of the reporting lines, shall constitute a basis for Cause, and no communications between you and the Board shall constitute a basis for Cause.

For purposes of the foregoing definition, an act or omission shall be considered "willful" if done, or omitted to be done, by you with knowledge and intent.

Anything herein to the contrary notwithstanding, your termination of employment by the Company will not be deemed to be for Cause pursuant to clauses (i), (ii), (iv), (v), (vi), (vii) and (viii) above unless and until all of the Procedural Requirements have been satisfied.

**"Code Section 409A"**: Internal Revenue Code Section 409A.

**"Disability"** or being **"Disabled"**: your becoming "disabled" within the meaning of the STD.

**"Disability Termination Date"**: the six (6) month anniversary of your Disability onset date.

**"Equity Benefits"**: the following with respect to awards granted to you under any Company incentive plan:

(i) All outstanding stock option awards (or portions thereof) that have not fully vested and become exercisable on or before the date of such termination shall accelerate and vest immediately, and will continue to be exercisable until their expiration date.



(ii) All outstanding stock option awards (or portions thereof) that have previously vested and become exercisable by the date of such termination shall remain exercisable until their expiration date.

(iii) All outstanding RSUs and other equity awards (or portions thereof) that have not vested on or before the termination date shall accelerate and vest immediately and be settled within ten (10) business days thereafter; provided, however, that to the extent any such unvested and outstanding equity awards (or portions thereof) remain subject to performance-based vesting conditions on your termination date, such awards shall immediately vest (with an assumption that the performance goal(s) were achieved at target level, and be settled within ten (10) business days thereafter, and provided, further, that to the extent that you are a “specified employee” (within the meaning of Code Section 409A and determined pursuant to procedures adopted by the Company) at the time of your termination and any portion of your RSUs or other equity awards that would otherwise be settled during the six-month period following your termination of employment constitutes “deferred compensation” within the meaning of Code Section 409A, such portion shall be settled on the Permissible Payment Date.

**“Good Reason”**: the occurrence of any of the following without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with physical and mental incapacity): (A) a reduction in your position, titles, offices, reporting relationships, authorities, duties or responsibilities from those set forth in paragraph 2 of this Agreement, including any such reduction effected through any arrangement involving the sharing of your position, titles, offices reporting relationships, authorities, duties or responsibilities, or any such reduction which would remove positions, titles, offices reporting relationships, authorities, duties or responsibilities which are customarily given to the chief executive of a business of the size, type and nature of CBS operated by a public company comparable to the Company and in no event less than the duties set forth in paragraph 2 of this Agreement (for the avoidance of doubt, a reduction shall include and be deemed to have occurred if either (x) you cease to be the most senior executive responsible for the affairs of the CBS Businesses, (y) the Company is no longer a public company, or (z) there is any change in your reporting structure as set forth in paragraph 2 of this Agreement), (B) your determination in good faith, reasonably exercised, that you have been or are being directed to take actions or to refrain from taking actions on matters relating to the CBS Businesses that are within your authority as set forth in this Agreement (including Schedule B) unless such events are immaterial, inadvertent or isolated occurrences (for the avoidance of doubt, without regard to the cause of such interference, any involvement of the Company in such interference or any attempt by the Company to remedy such interference); (C) a reduction in your base Salary or target compensation in effect immediately prior to such reduction, including your annual Target Bonus; (D) the assignment to you of duties or responsibilities that are inconsistent with the usual and customary duties associated with a chairman and chief executive officer of a business

comparable to CBS or your duties as set forth in paragraph 2 of this Agreement or that impair your ability to function as the Chairman and Chief Executive Officer of the CBS Businesses; (E) the material breach by the Company of any of its obligations under this Agreement (it being understood that a breach by the Company of its obligations under paragraph 3 of this Agreement shall constitute a material breach of an obligation under this Agreement); or (F) the Company requiring you to be based anywhere other than the New York or Los Angeles metropolitan area, except for required travel on CBS business, or the Company requiring that you consistently spend more time in Los Angeles than your prior practice (which is approximately 25% of your time). You will give written notice of termination to the Company, given no more than thirty (30) days (or, in the event of your resignation pursuant to clause (B) hereof, ten (10) days) after you know of the occurrence of the event constituting Good Reason. Such notice shall state an effective resignation date that is not earlier than thirty (30) days (or, in the event of your resignation pursuant to clause (B) hereof, five (5) days) and not later than sixty (60) days after the date it is given to the Company, provided that the Company may set an earlier effective date for your resignation at any time after receipt of your notice. The Company shall have thirty (30) days (or, in the event of your resignation pursuant to clause (B) hereof, fourteen (14) days) from the receipt of your notice within which to cure, and, in the event of such cure, your notice shall be of no further force or effect. If no cure is effected, your resignation will be effective as of the date specified in your written notice to the Company or such earlier effective date set by the Company following receipt of your notice. Notwithstanding anything else to the contrary in this Agreement, if you should be entitled to resign your employment with Good Reason under circumstances described in clause (A), (C), (D) or (E) of the definition of Good Reason, the Company acknowledges and agrees that such circumstances shall not be capable of cure by the Company, and that you may resign your employment for Good Reason effective as of a date that may be as early as immediately upon the provision of written notice to the Company. This definition shall apply for purposes of this Agreement (and any other agreement that expressly incorporates the definition of Good Reason hereunder).

**“Investigation”**: a bona fide Company internal investigation or an investigation of the Company by regulatory or law enforcement authorities, whether or not related to your employment with the Company.

**“Life Insurance Coverage”**: life insurance coverage for thirty-six (36) months under the Company Group’s policy in effect on the date of termination in the amount then furnished to Company Group, as applicable, employees at no cost (the amount of which coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third party employer); provided, however, that to the extent the Company Group is unable to continue such benefits because of underwriting on the plan term, the Company shall provide you with economically equivalent benefits determined on an after-tax basis (to the extent such benefit was non-taxable).

“**LTD**”: the Company Group’s Long-Term Disability program.

“**Medical Insurance Coverage**”: medical, dental insurance and accidental death and dismemberment coverage for you and your eligible dependents (provided, however, that in the event of termination of this Agreement due to your death pursuant to paragraph 7(a)(v) or upon your death following termination of this Agreement for any other reason but prior to the expiration of the thirty-six (36) month period contained in this definition of Medical Insurance Coverage, the Medical Insurance Coverage shall be provided to your eligible dependents), at no cost to you (except as hereafter described) pursuant to the Company Group benefit plans in which you participated at the time of your termination of employment (or, if different, other benefit plans generally available to senior level executives) for a period of thirty-six (36) months following the termination date, or if earlier, the date on which you become eligible for medical, dental or accidental death and dismemberment coverage as the case may be from a third party, which period of coverage shall not be considered to run concurrently with the COBRA continuation period and the COBRA continuation period shall not be deemed to have commenced until after such thirty-six (36) month period; provided, however, that during the period that the Company provides you with this coverage, the cost of such coverage will be treated as taxable income to you and the Company may withhold taxes from your compensation for this purpose; provided, further, that you may elect to continue your medical and dental insurance coverage under COBRA at your own expense for the period required by law; provided, further, that to the extent the Company Group is unable to continue such benefits because of underwriting on the plan term or if such continuation would violate Section 105(h) of the Internal Revenue Code, the Company shall provide you with economically equivalent benefits determined on an after-tax basis (to the extent such benefit was non-taxable).

“**Outplacement Benefits**”: the Company will make available to you, at its expense, executive level outplacement services with a leading national outplacement firm, with such outplacement services to be provided for a period of up to twelve (12) months following the date on which your employment is terminated. The outplacement program shall be designed and the outplacement firm selected by the Company. The Company will pay all expenses related to the provision of outplacement services directly to the outplacement firm by the end of the calendar year following the calendar year in which the outplacement services are provided.

“**Permissible Payment Date**”: the earlier of (x) the first business day of the seventh calendar month following the calendar month in which your termination of employment occurs or (y) your death.

“**Procedural Requirements**”: all of the following: (x) there shall have been delivered to you, at the direction of the Board pursuant to a resolution duly adopted by the Required Vote, written notice of the Company’s intention to terminate you for Cause setting forth the nature of any alleged misfeasance in reasonable detail (including any corroborating

evidence) and, if such misfeasance is capable of being cured, the conduct required to cure, which notice shall be delivered as soon as practicable, but in no event later than forty-five (45) calendar days, after the occurrence of an event alleged to constitute Cause is known by (i) the Chair or other member of the Board, (ii) the Executive Vice President, Chief Administrative Officer of the Company, (iii) the President and Chief Executive Officer of the Company, (iv) the Chief Financial Officer of the Company or (v) the General Counsel of the Company; (y) except for a failure, conduct or breach which by its nature cannot be cured, you have been afforded thirty (30) calendar days from the receipt of such notice within which to cure and, if so cured, after which period the Company cannot terminate your employment under this Agreement for the stated reason; and (z) there shall have been delivered to you a copy of a resolution duly adopted by the Board by the Required Vote at a meeting of the Board called and held for such purpose (after reasonable notice is provided to you and you are given an opportunity, together with counsel, to be heard before the Board) finding that, in the good faith opinion of the Board by the Required Vote, Cause exists and specifying the particulars thereof in reasonable detail.

**“Pro-Rated Bonus”**: the Target Bonus pro-rated based on the number of days employed during the calendar year divided by 365.

**“Rabbi Trust”**: the “rabbi trust” established pursuant to the Grantor Trust Agreement effective as of December 4, 2019.

**“Release Effective Date”**: the date on which the general release in the form attached hereto as Exhibit A shall have become effective and irrevocable in its entirety.

For purposes of this Agreement, **“Required Vote”** shall mean the “Requisite Approval” as such term is defined in the Amended and Restated By-Laws of the Company attached as Exhibit C to the Merger Agreement (as such By-Laws may be amended or modified from time to time in accordance with the terms of the Merger Agreement or the terms of such By-Laws).

**“Retiree Plan Benefits”**: participation in any retiree medical plan of the Company or its successors as such plan may be in effect from time to time upon attainment of the age required for such participation.

**“Severance Amount”**: an amount equal to the sum of all remaining unpaid payments of Salary and Bonus that would be owed to you pursuant to this Agreement had your employment continued without interruption until the Expiration Date, paid in a lump sum within thirty (30) days following your termination date. For the avoidance of doubt, the Severance Amount shall not duplicate any amounts paid pursuant to paragraph 7(b)(i).

**“STD”**: the Company Group’s Short-Term Disability program.

8. No Acceptance of Payments. You represent that you have not accepted or given nor will you accept or give, directly or indirectly, any money, services or other valuable consideration from or to anyone other than the Company for the inclusion of any matter as part of any film, television program or other production produced, distributed and/or developed by the Company, or any of the Company Group.

9. Equal Opportunity Employer; Employee Statement of Business Conduct. You recognize that the Company is an equal opportunity employer. You agree that you will comply with Company policies regarding employment practices and with applicable federal, state and local laws prohibiting discrimination on the basis of race, color, sex, religion, national origin, citizenship, age, marital status, sexual orientation, disability or veteran status. In addition, you agree that you will comply with the Company's Business Conduct Statement.

10. Notices. All notices under this Agreement must be given in writing, by personal delivery or by registered mail, at the parties' respective addresses shown in this Agreement (or any other address designated in writing by either party), with a copy, in the case of the Company, to the attention of the General Counsel of the Company. Copies of all notices to you shall be given to Hughes Hubbard & Reed LLP, One Battery Park Plaza, New York, NY 10004, Attention: Kenneth A. Lefkowitz. Any notice given by registered mail shall be deemed to have been given three days following such mailing.

11. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you or the Company except that the Company may assign this Agreement to any majority-owned subsidiary of or any successor in interest to the Company, provided that such assignee expressly assumes all of the obligations of the Company hereunder and the Company shall continue to remain liable for all of the assigned obligations hereunder.

12. New York Law, Etc. **You acknowledge that this Agreement has been executed, in whole or in part, in the State of New York and that your employment duties are primarily performed in New York. Accordingly, you agree that this Agreement and all matters or issues arising out of or relating to your employment with the Company shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely therein without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of New York.**

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

14. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be found by a court of competent jurisdiction to be unenforceable but would be enforceable if some part were deleted or the period or area of application were reduced, then such provision shall apply with the modification necessary to make it enforceable, and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

15. Entire Understanding; Supersedes Prior Agreements. This Agreement and the Merger RSU Award Agreement dated August 13, 2019 (the "**Merger RSU Agreement**") contain the entire understanding of the parties hereto as of the time on the Effective Date that the Agreement is signed by both parties relating to the subject matter contained in this Agreement and the Merger RSU Agreement, and can be changed only by a writing signed by both parties. This Agreement supersedes and cancels all prior agreements (other than the Merger RSU Agreement) relating to your employment by the Company relating to the subject matter herein, including, without limitation, your prior employment agreements with the Company dated as of June 4, 2013 and July 1, 2017, as amended by letter agreements dated September 9, 2018, April 23, 2019 and August 13, 2019 (the "**Prior Agreements**"); provided, however, that no provision in this Agreement shall be construed to adversely affect any of your rights to compensation, expense reimbursement or benefits (including equity compensation or rights to receive deferred equity compensation) payable in accordance with the terms of the Prior Agreements (and applicable equity award agreements) or any of your rights to indemnification with respect to your service under the Prior Agreements, all of which are expressly agreed to survive the execution of this Agreement.

16. Payment of Deferred Compensation – Code Section 409A.

(a) To the extent applicable, it is intended that the compensation arrangements under this Agreement be in full compliance with Code Section 409A. This Agreement shall be construed in a manner to give effect to such intention. In no event whatsoever (including, but not limited to as a result of this paragraph 16 or otherwise) shall the Company or any of its affiliates be liable for any tax, interest or penalties that may be imposed on you under Code Section 409A. Except as expressly agreed in your letter agreement dated August 13, 2019, neither the Company nor any of its affiliates have any obligation to indemnify or otherwise hold you harmless from any or all such taxes, interest or penalties, or liability for any damages related thereto. You acknowledge that you have been advised to obtain independent legal, tax or other counsel in connection with Code Section 409A.

(b) Your right to any in-kind benefit or reimbursement benefits pursuant to any provisions of this Agreement or pursuant to any plan or arrangement of the Company covered by this Agreement shall not be subject to liquidation or exchange for cash or another benefit.

17. Arbitration. If any disagreement or dispute whatsoever shall arise

between the parties, the parties hereto agree that such disagreement or dispute shall be submitted to binding arbitration before the American Arbitration Association (the “AAA”), and that a neutral arbitrator will be selected in a manner consistent with its Employment Arbitration Rules and Mediation Procedures (the “Rules”). Such arbitration shall be confidential and private and conducted in accordance with the Rules. Any such arbitration proceeding shall take place in New York City before a single arbitrator (rather than a panel of arbitrators). The parties agree that the arbitrator shall have no authority to award any punitive or exemplary damages and waive, to the full extent permitted by law, any right to recover such damages in such arbitration. Each party shall bear its respective costs (including attorney’s fees, and there shall be no award of attorney’s fees), provided that if you are the prevailing party (as determined by the arbitrator in his or her discretion), you shall be entitled to recover all of your costs (including attorney’s fees) reasonably incurred in connection with such dispute. Following the arbitrator’s issuance of a final non-appealable award setting forth that you are the prevailing party, the Company shall reimburse you for such costs within thirty (30) days following its receipt of reasonable written evidence substantiating such costs, provided that in no event will payment be made to you later than the last day of the calendar year next following the calendar year in which the award is issued. If there is a dispute regarding the reasonableness of the costs you incur, the same arbitrator shall determine, in his or her discretion, the costs that shall be reimbursed to you by the Company. Judgment upon the final award(s) rendered by such arbitrator, after giving effect to the AAA internal appeals process, may be entered in any court having jurisdiction thereof. The Company, on its own behalf and on behalf of each of its affiliates, including, without limitation, all of their respective subsidiaries, officers, directors, and, to the fullest extent permitted by applicable law, their respective stockholders, agrees not to bring any suits, claims or other legal proceeding of any nature against you in any venue other than binding arbitration before the AAA pursuant to the terms of this paragraph. Notwithstanding anything herein to the contrary, you and/or the Company, as applicable, shall be entitled to seek injunctive, provisional and equitable relief in a court proceeding solely as a result of the Company’s or the Specified Executives’ or your, as applicable, alleged violation of the terms of paragraph 6 of this Agreement, and you and the Company, on its own behalf and on behalf of the Specified Executives, hereby consent and agree to exclusive personal jurisdiction in any state or federal court located in the City of New York, Borough of Manhattan.

18. Indemnification.

(a) If you are made a party, are threatened to be made a party to, or otherwise receive any other legal process in, any action, suit or proceeding, whether civil, criminal, administrative or investigative (a “**Proceeding**”), by reason of the fact that you are or were a director, officer or employee of the Company Group or any of their subsidiaries or affiliates or are or were serving at the request of the Company Group or any of their subsidiaries or affiliates as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise,

including service with respect to employee benefit plans, whether or not the basis of such Proceeding is your alleged action in an official capacity while serving as director, officer, member, employee or agent, the Company shall indemnify you and hold you harmless to the fullest extent permitted or authorized by the Company's certificate of incorporation and bylaws or, if greater, by the laws of the State of Delaware, against all cost, expense, liability and loss (including without limitation, attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement and any cost and fees incurred in enforcing your rights to indemnification or contribution) actually and reasonably incurred or suffered by you in connection therewith, and such indemnification shall continue even though you have ceased to be a director, member, employee or agent of the Company or other entity and shall inure to the benefit of your heirs, executors and administrators. The Company shall advance to you all reasonable costs and expenses that you incur in connection with a Proceeding within thirty (30) days after its receipt of a written request for such advance. Such request shall include an undertaking by you to repay the amount of such advance if it shall ultimately be determined that you are not entitled to be indemnified against such costs and expenses.

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

(c) It is understood and agreed that under no circumstances will you have any liability whatsoever with respect to the Showtime or Simon & Schuster divisions of the Company, regardless of the Company's having any interest in such divisions, and the Company shall indemnify you and hold you harmless against all cost, expense, liability and loss whatsoever associated with such divisions.

(d) To the extent that the Company maintains officers' and directors' liability insurance, you will be covered under such policy subject to the exclusions and limitations set forth therein. To the extent that the Company or any of its affiliates maintain "tail" officers' and directors' liability insurance pursuant to the terms of the Agreement and Plan of Merger dated as of August 13, 2019, by and between CBS Corporation and Viacom Inc., you will be covered under such policy subject to the exclusions and limitations set forth therein.

(e) The provisions of this paragraph 18 shall survive the expiration or termination of your employment and/or this Agreement.

19. Legal Fees. The Company shall reimburse you for reasonable legal fees and expenses incurred by you in connection with the negotiation and preparation of this Agreement. In addition, the Company shall reimburse you for all legal fees and



expenses and other fees and expenses which you may incur in an effort to establish entitlement to compensation or other benefits under this Agreement in accordance with paragraph 17. Any such reimbursement shall be made within 60 calendar days following the date on which the Company receives appropriate documentation with respect to such fees and expenses, but in no event shall payment be made later than December 31 of the calendar year following the calendar year in which you incur the related fees and expenses.

20. Released Claims. The Company hereby acknowledges and agrees that the claims released in the Settlement and the Company Corporation, National Amusements, Inc., the directors of the Company, you and certain others, cannot serve as the basis for a termination of your employment for Cause under paragraph 7 of this Agreement.

21. Representations of the Company. The Company hereby represents and warrants to you that (i) this Agreement has been duly authorized and executed by the Company, (ii) this Agreement is a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, and (iii) the Board, upon the recommendation from each of the Chair of the Committee and the members of the Special Committee of the Board, has unanimously adopted resolutions approving this Agreement.

22. Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile, and all of the counterparts shall constitute one fully executed agreement. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

[signature page to follow]

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

Very truly yours,

**ViacomCBS Inc.**

By: /s/ Nancy Phillips

Name: Nancy Phillips

Title: Executive Vice President,  
Chief People Officer

**ACCEPTED AND AGREED:**

/s/ Joseph R. Ianniello

Joseph R. Ianniello

Dated: December 4, 2019

**EXHIBIT A**

**Form of General Release**

**GENERAL RELEASE**

WHEREAS, Joseph R. Ianniello (hereinafter referred to as the “*Executive*”) and ViacomCBS Inc. (hereinafter referred to as “*Employer*”) are parties to an Employment Agreement, dated as of December 4, 2019 (the “*Employment Agreement*”), which provided for Executive’s employment with Employer on the terms and conditions specified therein; and

WHEREAS, pursuant to paragraph 7(b)(ii) of the Employment Agreement, Executive has agreed to execute a General Release of the type and nature set forth herein as a condition to his entitlement to certain payments and benefits upon his termination of employment with Employer; and

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

1. Excluding enforcement of the covenants, promises and/or rights reserved herein (including but not limited to those contained in paragraph 4), (a) Executive hereby irrevocably and unconditionally waives, releases, settles (gives up), acquits and forever discharges Employer and each of Employer’s owners, stockholders, predecessors, successors, assigns, directors, officers, employees, divisions, subsidiaries, affiliates (and directors, officers and employees of such companies, divisions, subsidiaries and affiliates) and all persons acting by, through, under or in concert with any of them (collectively, the “*Releasees*”), or any of them, from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys’ fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, including, but not limited to, any claims for salary, salary increases, alleged promotions, expanded job responsibilities, constructive discharge, misrepresentation, bonuses, equity awards of any kind, severance payments, unvested retirement benefits, vacation entitlements, benefits, moving expenses, business expenses, attorneys’ fees, any claims which he may have under any contract or policy (whether such contract or policy is written or oral, express or implied), rights arising out of alleged violations of any covenant of good faith and fair dealing (express or implied), any tort, any legal restrictions on Employer’s right to terminate employees, and any claims which he may have based upon any Federal, state or other governmental statute, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended, the Federal Age Discrimination In Employment Act of 1967, as amended (“*ADEA*”), the Employee

Retirement Income Security Act of 1974, as amended (“ERISA”), the American with Disabilities Act, as amended (“ADA”), the Civil Rights Act of 1991, as amended, the Rehabilitation Act of 1973, as amended, the Older Workers Benefit Protection Act, as amended (“OWBPA”), the Worker Adjustment Retraining and Notification Act, as amended (“WARN”), the Fair Labor Standards Act, as amended (“FLSA”), the Occupational Safety and Health Act of 1970 (“OSHA”), the Family and Medical Leave Act of 1993, as amended (“FMLA”), the New York State Human Rights Law, as amended, the New York Labor Act, as amended, the New York Equal Pay Law, as amended, the New York Civil Rights Law, as amended, the New York Rights of Persons With Disabilities Law, as amended, and the New York Equal Rights Law, as amended, the Sarbanes-Oxley Act of 2002, as amended (“SOX”), and Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”), that Executive now has, or has ever had, or ever shall have, against each or any of the Releasees, by reason of any and all acts, omissions, events, circumstances or facts existing or occurring up through the date of Executive’s execution hereof that directly or indirectly arise out of, relate to, or are connected with, Executive’s services to, or employment by Employer (any of the foregoing being a “**Claim**” or, collectively, the “**Claims**”); provided, that the foregoing shall not preclude you from exercising any legally protected whistleblower rights (including under Rule 21F under the Exchange Act) or rights concerning the defense of trade secrets; and (b) Executive will not now, or in the future, accept any recovery (including monetary damages or any form of personal relief) in any forum, nor will he pursue or institute any Claim against any of the Releasees.

2. Employer hereby irrevocably and unconditionally waives, releases, settles (gives up), acquits and forever discharges the Executive and each of his respective heirs, executors, administrators, representatives, agents, successors and assigns (“**Executive Parties**”), or any of them, from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys’ fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, that Employer and each of its affiliates now has, or has ever had, or ever shall have, against Executive Parties, by reason of any and all acts, omissions, events, circumstances or facts existing or occurring through the date of Employer execution of this release that directly or indirectly arise out of, relate to, or are connected with, the Executive’s services to, or employment by Employer; provided, however, that this General Release shall not apply to any of the continuing obligations of Executive under the Employment Agreement, or under any agreements, plans, contracts, documents or programs described or referenced in the Employment Agreement; and provided, further, that this General Release shall not apply to any rights Employer may have to obtain contribution or indemnity against Executive pursuant to contract or otherwise.

3. In addition, if applicable Executive expressly waives and relinquishes all rights and benefits afforded by California Civil Code Section 1542 and does so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 states as follows:

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

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

4. Notwithstanding the foregoing, neither the Employer nor the Executive has waived and/or relinquished any rights he may have to file any Claim that cannot be waived and/or relinquished pursuant to applicable laws, including, in the case of Executive, the right to file a charge or participate in any investigation with the Equal Employment Opportunity Commission or any other governmental or administrative agency that is responsible for enforcing a law on behalf of the government. Executive also acknowledges and understands that because Executive is waiving and releasing all claims for monetary damages and any other form of personal relief per paragraph 1, Executive may only seek and receive non-personal forms of relief through any such claim. Moreover, this General Release shall not apply to (a) any of the continuing obligations of Employer or any other Releasee under the Employment Agreement, or under any agreements, plans, contracts, documents or programs described or referenced in the Employment Agreement or any other written agreement entered into between Executive and Employer, (b) any rights Executive may have to obtain contribution or indemnity against Employer or any other Releasee pursuant to contract, Employer’s certificate of incorporation and by-laws, Agreement and Plan of Merger dated as of August 13, 2019, by and between CBS Corporation and Viacom Inc., or otherwise, (c) any rights Executive may have to enforce the terms of this General Release or the Employment Agreement, (d) any claims for accrued, vested benefits under any employee benefit or pension plan of Employer or its affiliates subject to the terms and conditions of such plan or pursuant to applicable law, and (e) any rights of Executive in connection with his interest as a stockholder or optionholder of Employer whether under agreements between Executive and Employer or any of its affiliates or otherwise.

5. Executive understands that he has been given a period of twenty-one (21) days to review and consider this General Release before signing it pursuant to the ADEA. Executive further understands that he may use as much of this 21-day period as Executive wishes prior to signing.

6. Executive acknowledges and represents that he understands that he may

revoke the General Release set forth in paragraph 1, including, the waiver of his rights under the Age Discrimination in Employment Act of 1967, as amended, effectuated in this General Release, within seven (7) days of signing this General Release. Revocation can be made by delivering a written notice of revocation to Executive Vice President, - General Counsel and Secretary, ViacomCBS Inc., 1515 Broadway, New York, New York 10036. For this revocation to be effective, written notice must be received by the General Counsel no later than the close of business on the seventh day after Executive signs this General Release. If Executive revokes the General Release set forth in paragraphs 1 and 3, Employer shall have no obligations to Executive under paragraph 7(b)(ii) of the Employment Agreement, except to the extent specifically provided for therein.

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

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

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

10. Executive represents and agrees (a) that Executive has, to the extent he desires, discussed all aspects of this General Release with his attorney, (b) that Executive has carefully read and fully understands all of the provisions of this General Release, and (c) that Executive is voluntarily executing this General Release.

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

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

This General Release is executed by the Executive and Employer as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Joseph R. Ianniello

VIACOMCBS INC.

By: \_\_\_\_\_

Name:

Title:

Exhibit A - 5

VIACOMCBS



Joseph R. Ianniello  
 c/o ViacomCBS Inc.  
 51 W. 52<sup>nd</sup> Street  
 New York, NY 10019

Dear Joe:

Dated as of January 31, 2020

Reference is made to your employment agreement with ViacomCBS Inc. (“*ViacomCBS*” or the “*Company*”) dated as of December 4, 2019 (together, the “*Agreement*”). All defined terms used without being defined herein shall have the meanings ascribed to them in the Agreement. This letter agreement amends and modifies the Agreement as set forth herein. The provisions of this letter agreement shall be effective as of the date hereof, unless another effective date is provided.

1. Term. Paragraph 1 of the Agreement shall be amended to provide that the Expiration Date is January 31, 2020.
2. Payments upon the Expiration Date. Your employment shall terminate effective January 31, 2020, and you shall be entitled to receive (x) the amounts set forth in paragraph 7(b)(i) of the Agreement, (y) subject to your execution of the Release and the Release Effective Date having occurred, the amounts set forth in paragraph 7(b)(ii) of the Agreement, and (z) the benefits set forth in paragraph 7(f) of the Agreement. The amounts to be received by you pursuant to clause (y) of this Section 2 are listed on Exhibit A attached hereto and shall be payable as follows: (i) the amount payable in cash will be paid to you (net of applicable withholdings) in a lump sum on the first regular payroll date of the Company following the Release Effective Date, and (ii) the amount payable in ViacomCBS shares upon net settlement of your RSUs will be delivered to you on the Release Effective Date. You shall be afforded airplane usage for travel previously scheduled.
3. Modification of Restrictive Covenants. The non-solicitation covenant set forth in paragraph 6(c)(i) of the Agreement shall be revised to read as follows: “You agree that, while employed by the Company and for twelve (12) months thereafter, you shall not directly or indirectly employ or solicit the employment of any person (other than your driver, the Manager, Administration or current personal assistant) who, on the date of termination of your employment, is an employee of the Company or any of its controlled affiliated companies, other than an employee who is subsequently terminated by the Company or affiliated company or resigns for “good reason” (as defined in such employee’s employment agreement with the Company or affiliated company).
4. Relocation. You shall be able to maintain your current Company-provided apartment in Los Angeles through April 30, 2020; provided that you may extend occupancy through May 31, 2020 by furnishing written notice of the request for extension to the Company by April 1, 2020, in which case you will reimburse the Company for the rent charge for the month of May.



5. Indemnification. For the avoidance of doubt, you will retain all of your existing rights to indemnification under paragraph 18 of the Agreement.
6. Communications. The parties plan to announce your separation from ViacomCBS on January 31, 2020. ViacomCBS agrees that you shall be given a reasonable opportunity to review and approve the content of any external announcement and review and comment on any SEC filing regarding your separation from ViacomCBS (and any subsequent press release or filing that is inconsistent with such announcement or filing) prior to its release. You shall also be permitted to send an internal departure memo, subject to ViacomCBS's prior approval (which approval shall not be unreasonably withheld or delayed).
7. Legal Fees. This letter agreement also confirms our understanding that, notwithstanding any provision in the Agreement, ViacomCBS shall promptly, upon submission of an appropriately detailed invoice, pay your legal fees reasonably incurred in connection with this letter agreement and related matters.
8. Release. References to the defined term "Employment Agreement" in Exhibit A (Form of General Release) to the Agreement shall be deemed to refer to the Agreement as amended by this letter agreement.
9. Representations. ViacomCBS hereby represents that (i) this letter agreement has been duly authorized and executed by ViacomCBS, (ii) the Agreement, as modified by this letter agreement, is a legal, valid and binding obligation of ViacomCBS enforceable against ViacomCBS in accordance with its terms, and (iii) the termination of your employment has been approved by the Board of Directors in accordance with Article XI, Section 4(b) and Article XI, Section 4(d) of the Company's By-Laws, and in accordance with Section 7(a) (ii) of your Employment Agreement.
10. Entire Understanding. This letter agreement, together with the Agreement and any equity award agreements pursuant to which you hold outstanding ViacomCBS equity awards, contains the entire understanding of the parties hereto as of the time that this letter agreement is signed by both parties relating to the subject matter contained herein, and can be changed only by a writing signed by both parties. Except as otherwise expressly provided herein, the Agreement and your equity award agreements shall continue in full force and effect in accordance with their terms.
11. Counterparts. This letter agreement may be executed in one or more counterparts, including by facsimile, and all of the counterparts shall constitute one fully executed agreement. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

[signature page to follow]

If the foregoing correctly sets forth our understanding, please sign, date, and return this letter agreement to the undersigned for execution on behalf of ViacomCBS.

Very truly yours,

**VIACOMCBS INC.**

By: /s/ Nancy Phillips

Name: Nancy Phillips

Title: Executive Vice President,  
Chief People Officer

**ACCEPTED AND AGREED:**

/s/ Joseph R. Ianniello

Joseph R. Ianniello




Jonathan H. Anshell  
c/o ViacomCBS Inc.  
1515 Broadway  
New York, NY 10036

Dear Jonathan:

Dated as of December 10, 2019

ViacomCBS Inc. (the “**Company**”), having an address at 1515 Broadway, New York, New York 10036, agrees to continue to employ you and you agree to accept such continued employment upon the following terms and conditions (this “**Agreement**”):

1. Term. The term of your employment under this Agreement shall commence on December 10, 2019 (the “**Effective Date**”) and, unless earlier terminated under this Agreement, shall expire on December 3, 2021 (the “**Expiration Date**”). The period from the Effective Date through the Expiration Date is referred to herein as the “**Term**” notwithstanding any earlier termination of your employment for any reason.

2. Duties. You will serve as Executive Vice President and General Counsel, ViacomCBS Media Networks and you agree to perform all duties reasonable and consistent with that office as the Executive Vice President, General Counsel of the Company (the “**GC**”) may assign to you from time to time. You will report to the GC or to such other executive as may be designated by the President and Chief Executive Officer, ViacomCBS. While you are employed hereunder, you agree to devote your entire business time, attention and energies to the business of the Company. Your principal place of employment will be at the Company’s executive offices in Studio City, CA (Radford); provided, however, that you will be required to render services in New York and elsewhere upon request for business reasons.

3. Base Compensation.

(a) Salary. For all the services rendered by you in any capacity under this Agreement, the Company agrees to pay you base salary (“**Salary**”) at the rate of Nine Hundred Fifty Thousand Dollars (\$950,000) per annum, less applicable deductions and withholding taxes, in accordance with the Company’s payroll practices as they may exist from time to time. During the Term of this Agreement, your Salary may be increased, and such increase, if any, shall be made at a time, and in an amount, that the Company shall determine in its discretion.

(b) Bonus Compensation. You also shall be eligible to receive annual bonus compensation (“**Bonus**”) during your employment with the Company under this Agreement, determined and payable as follows:

(i) Your Bonus for each calendar year during your employment with the Company under this Agreement will be determined in accordance with the guidelines

of the Company's short-term incentive program (the "**STIP**"), as such guidelines may be amended from time to time without notice in the discretion of the Company.

(ii) Your target bonus ("**Target Bonus**") for each calendar year during your employment with the Company under this Agreement shall be 100% of your Salary in effect on November 1<sup>st</sup> of such calendar year or the last day of your employment, if earlier.

(iii) Your Bonus for any calendar year shall be payable, less applicable deductions and withholding taxes, between January 1<sup>st</sup> and March 15<sup>th</sup> of the following calendar year, except as otherwise provided in the Retention Plan Letter (as defined in paragraph 7(f)(ii) below).

(iv) Except as otherwise set forth herein, you must be employed on the last day of a calendar year to receive a Bonus for such calendar year. However, if your employment with the Company terminates prior to the last day of a calendar year, the Company may, in its discretion, choose to pay you a prorated Bonus, in which case such prorated Bonus will be determined in accordance with the guidelines of the STIP and payable in accordance with paragraph 3(b)(iii).

(c) Long-Term Incentive Compensation. During your employment under this Agreement, you shall be eligible to receive annual grants of long-term incentive compensation under the Company's 2009 Long-Term Incentive Plan (or any successor plan thereto) (the "**LTIP**"), as may be amended from time to time without notice in the discretion of the Company. Beginning with the annual LTIP grants made for fiscal year 2021 (it being understood that you have already received an LTIP grant for each of the 2019 and 2020 fiscal years), you shall have a target long-term incentive value equal to One Million One Hundred Thousand Dollars (\$1,100,000). The precise amount, form (including equity and equity-based awards, which for purposes of this Agreement are collectively referred to as "**equity awards**") and timing of any such long-term incentive award, if any, shall be determined in the discretion of the Compensation Committee of the Company's Board of Directors (the "**Compensation Committee**").

4. Benefits. You shall participate in all Company vacation, medical, dental, life insurance, long-term disability insurance, retirement, long-term incentive and other benefit plans and programs applicable generally to other senior executives of the Company and its subsidiaries as the Company may have or establish from time to time and in which you would be eligible to participate under the terms of the plans, as may be amended from time to time. This provision shall not be construed to either require the Company to establish any welfare, compensation or long-term incentive plans, or to prevent the modification or termination of any plan once established, and no action or inaction with respect to any plan shall affect this Agreement.

5. Business Expenses, Etc. During your employment under this Agreement, the Company shall reimburse you for such reasonable travel and other expenses incurred in the

performance of your duties as are customarily reimbursed to Company executives at comparable levels. Such travel and other expenses shall be reimbursed by the Company as soon as practicable in accordance with the Company's established guidelines, as may be amended from time to time, but in no event later than December 31<sup>st</sup> of the calendar year following the calendar year in which you incur the related expenses.

6. Non-Competition, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment with the Company is on an exclusive basis and that, while you are employed by the Company or any of its subsidiaries, you will not engage in any other business activity which is in conflict with your duties and obligations (including your commitment of time) under this Agreement. You further agree that, during the Non-Compete Period (as defined below), you shall not directly or indirectly engage in or participate in (or negotiate or sign any agreement to engage in or participate in), whether as an owner, partner, stockholder, officer, employee, director, agent of or consultant for, any business which at such time is competitive with any business of the Company, or any of its subsidiaries, without the written consent of the Company; provided, however, that this provision shall not prevent you from investing as less than a one (1%) percent stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system. The Non-Compete Period shall cover the period during your employment with the Company and shall continue following the termination of your employment for any reason, other than the expiration of the Term, for the greater of: (i) twelve (12) months; or (ii) for so long as any payments are due to you pursuant to paragraph 7(b), 7(c) or 7(f) of this Agreement. The preceding sentence shall be modified by the terms of the Retention Plan Letter, if and to the extent applicable.

(b) Confidential Information. You agree that, during the Term and at any time thereafter, (i) you shall not use for any purpose other than the duly authorized business of the Company, or disclose to any third party, any information relating to the Company, or any of its affiliated companies which is non-public, confidential or proprietary to the Company or any of its affiliated companies ("**Confidential Information**"), including any trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of your duties under this Agreement consistent with the Company's policies); and (ii) you will comply with any and all confidentiality obligations of the Company to a third party, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information which (x) is or becomes generally available to the public other than as a result of a disclosure by you or at your direction or by any other person who directly or indirectly receives such information from you, or (y) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you. For purposes of this paragraph 6(b), the term "third party" shall be defined to mean any person other than the Company and its subsidiaries or any of their respective directors and senior officers.

Notwithstanding the foregoing, nothing in this Agreement or any other agreement between the parties or any other policies of the Company or any of its subsidiaries prohibits or restricts you or your attorneys from: (i) making any disclosure of relevant and necessary information or documents in any internal investigation, government investigation, action or proceeding as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; (iii) accepting any U.S. Securities and Exchange Commission awards; or (iv) filing a charge with, initiating communications with, or responding to any inquiry from, any government agency or regulatory or supervisory authority regarding any good-faith concerns about possible violations of Law including, without limitation, the U.S. Equal Employment Opportunity Commission and the National Labor Relations Board. Pursuant to 18 U.S.C. § 1833(b), you will not be held criminally or civilly liable under any Federal or state trade secret law for the disclosure of a trade secret of the Company or any of its subsidiaries that (x) is made (A) in confidence to a Federal, state, or local government official, either directly or indirectly, or to your attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the trade secret to your attorney and use the trade secret information in the court proceeding, provided that you file any document containing the trade secret under seal, and do not disclose the trade secret, except pursuant to court order. Nothing in this Agreement or any other agreement between the parties or any other policies of the Company or its subsidiaries is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

(c) No Solicitation, Etc. You agree that, while employed by the Company and for the greater of twelve (12) months thereafter or for so long as payments are due to you pursuant to paragraph 7(b)(ii) or 7(c)(ii) of this Agreement, you shall not, directly or indirectly:

(i) employ or solicit the employment of any person who is then or has been within twelve (12) months prior thereto, an employee of the Company or any of its affiliated companies; or

(ii) do any act or thing to cause, bring about, or induce any interference with, disturbance to, or interruption of any of the then-existing relationships (whether or not such relationships have been reduced to formal contracts) of the Company or any of its affiliated companies with any customer, employee, consultant or supplier.

(d) Ownership. The results and proceeds of your services under this Agreement, including, without limitation, any works of authorship resulting from your services during your employment with the Company and/or any of its affiliated companies and any works in progress resulting from such services, shall be works-made-for-hire and the Company shall be

deemed the sole owner throughout the universe of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner the Company determines, in its discretion, without any further payment to you. If, for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to the Company under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, whether now known or hereafter defined or discovered, and the Company shall have the right to use the work in perpetuity throughout the universe in any manner the Company determines, in its discretion, without any further payment to you. You shall, as may be requested by the Company from time to time, do any and all things which the Company may deem useful or desirable to establish or document the Company's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if you are unavailable or unwilling to execute such documents, you hereby irrevocably designate the GC or her designee as your attorney-in-fact with the power to execute such documents on your behalf. To the extent you have any rights in the results and proceeds of your services under this Agreement that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 6(d) is subject to, and does not limit, restrict, or constitute a waiver by the Company of any ownership rights to which it may be entitled by operation of law by virtue of being your employer.

(e) Litigation.

(i) You agree that during the Term and for twelve (12) months thereafter or, if later, during the pendency of any litigation or other proceeding, (x) you shall not communicate with anyone (other than your own attorneys and tax advisors), except to the extent necessary in the performance of your duties under this Agreement, with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving the Company, or any of its affiliated companies, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to the Company or its counsel; and (y) in the event that any other party attempts to obtain information or documents from you with respect to such matters, either through formal legal process such as a subpoena or by informal means such as interviews, you shall promptly notify the Company's counsel before providing any information or documents.

(ii) You agree to cooperate with the Company and its attorneys, both during and after the termination of your employment, in connection with any litigation or other proceeding arising out of or relating to matters in which you were involved or had knowledge of prior to the termination of your employment. Your cooperation shall include, without limitation, providing assistance to the Company's counsel, experts or consultants, providing truthful testimony in pretrial and trial or hearing proceedings and

any travel related to your attendance at such proceedings. In the event that your cooperation is requested after the termination of your employment, the Company will (x) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (y) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses. Reimbursement shall be made within 60 calendar days following the date on which the Company receives appropriate documentation with respect to such expenses, but in no event shall payment be made later than December 31 of the calendar year following the calendar year in which you incur the related expenses.

(iii) You agree that during the Term and at any time thereafter, to the fullest extent permitted by law, you will not testify voluntarily in any lawsuit or other proceeding which directly or indirectly involves the Company, or any of its affiliated companies, or which may create the impression that such testimony is endorsed or approved by the Company, or any of its affiliated companies, without advance notice (including the general nature of the testimony) to and, if such testimony is without subpoena or other compulsory legal process, the approval of the GC.

(f) No Right to Give Interviews or Write Books, Articles, Etc. During the Term, except as authorized by the Company, you shall not (i) give any interviews or speeches, or (ii) prepare or assist any person or entity in the preparation of any books, articles, television or motion picture productions or other creations, in either case, concerning the Company, or any of its affiliated companies or any of their respective officers, directors, agents, employees, suppliers or customers.

(g) Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with the Company shall remain the exclusive property of the Company. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy the Company may have, to deduct from any monies otherwise payable to you the following: (i) all amounts you may owe to the Company, or any of its subsidiaries at the time of or subsequent to the termination of your employment with the Company; and (ii) the value of the Company property which you retain in your possession after the termination of your employment with the Company. In the event that the law of any state or other jurisdiction requires the consent of an employee for such deductions, this Agreement shall serve as such consent. Notwithstanding anything in this paragraph 6(g) to the contrary, the Company will not exercise such right to deduct from any monies otherwise payable to you that constitute “deferred compensation” within the meaning of Internal Revenue Code Section 409A (“**Code Section 409A**”).

(h) Mutual Non-Disparagement. You and, to the extent set forth in the next sentence, the Company agree that each party shall not, during the Term and for one (1) year thereafter, criticize, ridicule or make any statement which disparages or is derogatory of the



other party in any non-public communication with any customer, client or member of the investment community or media or in any public communication; provided, however, that the foregoing shall not apply to any bona fide news story unrelated to your employment with the Company (*e.g.*, related to your running for public office, etc.). The Company's obligations under the preceding sentence shall be limited to communications by its senior corporate executives having the rank of Senior Vice President or above ("***Specified Executives***"), and it is agreed and understood that any such communication by any Specified Executive (or by any executive at the behest of a Specified Executive) shall be deemed to be a breach of this paragraph 6(h) by the Company. Notwithstanding the foregoing, neither you nor the Company shall be prohibited from making truthful statements in connection with any arbitration proceeding described in paragraph 18 hereof concerning a dispute relating to this Agreement.

(i) Injunctive Relief. The Company has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You acknowledge and agree that any violation of paragraphs 6(a) through (h) of this Agreement will result in irreparable damage to the Company and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company. The Company acknowledges and agrees that any violation of paragraph 6(h) by the Company or the Specified Executives will result in irreparable damage to you and, accordingly, you may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraph, in addition to any other remedies available to you.

(j) Survival; Modification of Terms. Your obligations under paragraphs 6(a) through (i) shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment under this Agreement for any reason or the expiration of the Term. You and the Company agree that the restrictions and remedies contained in paragraphs 6(a) through (i) are reasonable and that it is your intention and the intention of the Company that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable but would be enforceable if some part were deleted or the period or area of application reduced, then such restriction or remedy shall apply with the modification necessary to make it enforceable. You acknowledge that the Company conducts its business operations around the world and has invested considerable time and effort to develop the international brand and goodwill associated with its name. To that end, you further acknowledge that the obligations set forth in this paragraph 6 are by necessity international in scope and necessary to protect the international operations and goodwill of the Company and its affiliated companies.

## 7. Termination of Employment.

### (a) Termination for Cause.

(i) The Company may, at its option, terminate your employment under this Agreement for Cause at any time during the Term. For purposes of this Agreement,

“**Cause**” shall mean: (A) embezzlement, fraud or other conduct which would constitute a felony or a misdemeanor involving fraud or perjury; (B) willful unauthorized disclosure of Confidential Information; (C) your failure to obey a material lawful directive that is appropriate to your position from an executive(s) in your reporting line; (D) your failure to comply with the written policies of the Company, including the Company’s Business Conduct Statement or successor conduct statement as they apply from time to time; (E) your material breach of this Agreement (including any representations herein); (F) during the Term, your terminating your employment without Good Reason other than due to your death or Disability or otherwise as expressly permitted by the Company; (G) your failure (except in the event of your Disability) or refusal to substantially perform your material obligations under this Agreement; (H) willful failure to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities or the destruction or failure to preserve documents or other material reasonably likely to be relevant to such an investigation, or the inducement of others to fail to cooperate or to destroy or fail to produce documents or other material; or (I) conduct which is considered an offense involving moral turpitude under federal state or local laws, and which reasonably could be expected to (1) bring you to public disrepute, scandal or ridicule or reflect unfavorably upon any of the Company’s businesses or those who conduct business with the Company and its affiliated entities, and (2) have a material negative effect on the Company.

Prior to terminating your employment for Cause, the Company will give you written notice of termination regarding any alleged act, failure or breach in reasonable detail and, except in the case of clause (A), (B) or (F) or any other conduct, failure, breach or refusal which, by its nature, the Company determines cannot reasonably be expected to be cured, the conduct required to cure. Except for conduct described in clause (A), (B) or (F) or any other conduct, failure, breach or refusal which, by its nature, the Company determines cannot reasonably be expected to be cured, you shall have ten (10) business days from the giving of such notice within which to cure any conduct, failure, breach or refusal under clause (C), (D), (E), (F), (G), (H) or (I) of this paragraph 7(a)(i); provided, however, that if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

(ii) In the event that your employment terminates under paragraph 7(a)(i) during the Term, the Company shall have no further obligations under this Agreement, including, without limitation, any obligation to pay Salary or Bonus or provide benefits, except for the Accrued Obligations (defined below) or otherwise to the extent required by applicable law.

(b) Termination without Cause.

(i) The Company may terminate your employment under this Agreement without Cause at any time during the Term by providing written notice of termination to you.

(ii) In the event that your employment terminates under paragraph 7(b)(i) during the Term hereof, you shall have a “Qualifying Termination” (as such term is defined in the Retention Plan Letter) and you shall thereafter receive, less applicable withholding taxes, (w) any unpaid Salary through and including the date of termination, any unpaid Bonus earned for the calendar year prior to the calendar year in which you are terminated, and any business expense reimbursements incurred but not yet approved and/or paid, payable within thirty (30) days following your termination date, (x) any accrued vested benefits under any employee benefit or pension plan of the Company or its affiliates (including any equity plan or award agreement thereunder) subject to the terms and conditions of such plan or pursuant to applicable law, (y) such other amounts as are required to be paid or provided by law (clauses (w), (x) and (y) together, the “**Accrued Obligations**”), and (z) subject to your compliance with paragraph 7(i) hereunder, the payments and benefits set forth in the Retention Plan Letter.

(c) Resignation with Good Reason.

(i) You may resign your employment under this Agreement with Good Reason at any time during the Term by written notice of termination to the Company given no more than thirty (30) calendar days after the occurrence of the event constituting Good Reason. Such notice shall state an effective resignation date that is not earlier than thirty (30) business days and not later than sixty (60) calendar days after the date it is given to the Company, provided that the Company may set an earlier effective date for your resignation at any time after receipt of your notice. For purposes of this Agreement (and any other agreement that expressly incorporates the definition of Good Reason hereunder), “**Good Reason**” shall mean the occurrence of any of the following without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with physical and mental incapacity): (A) a material reduction in your position, titles, offices, reporting relationships, authorities, duties or responsibilities from those in effect immediately prior to such reduction; (B) a material reduction in your base Salary or target compensation in effect immediately prior to such reduction, including your annual Target Bonus or long term incentive targets; (C) the assignment to you of duties or responsibilities that are materially inconsistent with your position, titles, offices or reporting relationships as they exist on the Effective Date or that materially impair your ability to function as Executive Vice President and General Counsel, ViacomCBS Media Networks; (D) the material breach by the Company of any of its obligations under this Agreement; or (E) the requirement that you relocate outside of the Los Angeles metropolitan area.

The Company shall have thirty (30) days from the receipt of your notice within which to cure and, in the event of such cure, your notice shall be of no further force or effect. If no cure is effected, your resignation will be effective as of the date specified in your written notice to the Company or such earlier effective date set by the Company following receipt of your notice.

(ii) In the event that your employment terminates under paragraph 7(c)(i) during the Term, you shall thereafter receive, less applicable withholding taxes, (x) the Accrued Obligations, payable within thirty (30) days following your termination date, and (y), subject to your compliance with paragraph 7(i) hereunder, the payments and benefits as set forth in the Retention Plan Letter

(d) Death.

(i) Your employment with the Company shall terminate automatically upon your death.

(ii) In the event of your death prior to the end of the Term while you are actively employed, your beneficiary or estate shall receive (x) the Accrued Obligations, payable, less applicable withholding taxes, within 30 days following your date of death; and (y) bonus compensation for the calendar year in which your death occurs, determined in accordance with the STIP (*i.e.*, based upon the Company's achievement of its goals and the Company's good faith estimate of your achievement of your personal goals) and prorated for the portion of the calendar year through and including your date of death, payable, less applicable withholding taxes, between January 1<sup>st</sup> and March 15<sup>th</sup> of the following calendar year. In addition, (A) all stock option and stock appreciation right awards (or portions thereof) that have not vested and become exercisable on the date of such termination shall accelerate and vest immediately, and shall continue to be exercisable by your beneficiary or estate until the greater of two years following your date of death or the period provided in accordance with the terms of the grant, provided that in no event shall the exercise period of such awards extend beyond their expiration date; (B) all stock option and stock appreciation right awards (or portions thereof) that have previously vested and become exercisable by the date of your death shall remain exercisable by your beneficiary or estate until the greater of two years following your date of death or the period provided in accordance with the terms of the grant, provided that in no event shall the exercise period of such awards extend beyond their expiration date; (C) all RSU awards and equity awards other than stock options and stock appreciation rights (or portions thereof) that remain subject only to time-based vesting conditions on the date of your death shall immediately vest and be settled within ten (10) business days thereafter; and (D) all RSU awards and equity awards other than stock options and stock appreciation rights (or portions thereof) that remain subject to performance-based vesting conditions on the date of your death shall vest if and to the extent the Compensation Committee certifies that a level of the performance goal(s) relating to such RSU or other equity award has been met following the end of the

applicable performance period, and shall be settled within ten (10) business days thereafter.

(iii) In the event of your death after the termination of your employment (which termination occurred during the Term) under circumstances described in paragraph 7(b)(i) or 7(c)(i), but prior to payment of any amounts or benefits described in paragraph 7(b)(ii) or paragraph 7(c)(ii), as applicable, that you would have received had you continued to live, all such amounts and benefits shall be paid, less applicable deductions and withholding taxes, to your beneficiary (or, if no beneficiary has been designated, to your estate) in accordance with the applicable payment schedule set forth in paragraph 7(b)(ii) or paragraph 7(c)(ii), as applicable.

(e) Disability.

(i) If, while employed during the Term, you become “disabled” within the meaning of such term under the Company’s Short-Term Disability (“**STD**”) program (such condition is referred to as a “**Disability**” or being “**Disabled**”), you will be considered to have experienced a termination of employment with the Company and its subsidiaries as of the date you first become eligible to receive benefits under the Company’s Long-Term Disability (“**LTD**”) program or, if you do not become eligible to receive benefits under the Company’s LTD program, you have not returned to work by the six (6) month anniversary of your Disability onset date.

(ii) Except as provided in this paragraph 7(e)(ii), if you become Disabled while employed full-time during the Term, you will exclusively receive compensation under the STD program in accordance with its terms and, thereafter, under the LTD program in accordance with its terms, provided you are eligible to receive LTD program benefits. Notwithstanding the foregoing, if you have not returned to work by December 31<sup>st</sup> of a calendar year during the Term, you will receive bonus compensation for the calendar year(s) during the Term in which you receive compensation under the STD program, determined as follows:

(A) for the portion of the calendar year from January 1<sup>st</sup> until the date on which you first receive compensation under the STD program, bonus compensation shall be determined in accordance with the STIP (*i.e.*, based upon the Company’s achievement of its goals and the Company’s good faith estimate of your achievement of your personal goals) and prorated for such period; and

(B) for any subsequent portion of that calendar year and any portion of the following calendar year in which you receive compensation under the STD program, bonus compensation shall be in an amount equal to your Target Bonus and prorated for such period(s).

(iii) Bonus compensation under paragraph 7(e)(ii) shall be paid, less applicable deductions and withholding taxes, between January 1<sup>st</sup> and March 15<sup>th</sup> of the calendar year following the calendar year to which such bonus compensation relates. You will not receive bonus compensation for any portion of the calendar year(s) during the Term while you receive benefits under the LTD program. For the periods that you receive compensation and benefits under the STD and LTD programs, such compensation and benefits and the bonus compensation provided under paragraph 7(e)(ii) are in lieu of Salary and Bonus under paragraphs 3(a) and (b).

(iv) In addition, if your employment terminates due to your “Permanent Disability” (as defined in the LTIP or, if applicable, a predecessor plan to the LTIP), (i) all stock option and stock appreciation right awards (or portions thereof) that have not vested and become exercisable on your termination date shall accelerate and vest immediately, and shall continue to be exercisable until the greater of three years following the termination date or the period provided in accordance with the terms of the grant, provided that in no event shall the exercise period of such awards extend beyond their expiration date; (ii) all stock option and stock appreciation right awards (or portions thereof) that have previously vested and become exercisable by your termination date shall remain exercisable until the greater of three years following the termination date or the period provided in accordance with the terms of the grant, provided that in no event shall the exercise period of such awards extend beyond their expiration date; (iii) all RSU awards and equity awards other than stock options and stock appreciation rights (or portions thereof) that remain subject only to time-based vesting conditions on your termination date shall immediately vest and be settled within ten (10) business days thereafter; and (iv) all RSU awards and equity awards other than stock options and stock appreciation rights (or portions thereof) that remain subject to performance-based vesting conditions on your termination date shall vest if and to the extent the Compensation Committee certifies that a level of the performance goal(s) relating to such RSU or other equity award has been met following the end of the applicable performance period, and shall be settled within ten (10) business days thereafter. Notwithstanding the foregoing, if you are a “specified employee” (within the meaning of Code Section 409A and determined pursuant to procedures adopted by the Company) at the time of your termination due to Permanent Disability and any portion of your RSUs or other equity awards that would otherwise be settled during the six-month period following your termination of employment constitutes “deferred compensation” within the meaning of Code Section 409A, such portion shall instead be settled on the Permissible Payment Date.

(f) Renewal Notice / Non-Renewal.

(i) The Company shall notify you six (6) months prior to the expiration of the Term in writing if it intends to continue your employment beyond the expiration of the Term. If you are notified that the Company does intend to continue your employment, then you agree that you shall negotiate exclusively with the Company for

the first 90 days following such notification (the “**Exclusive Negotiating Period**”). Nothing contained herein shall obligate the Company to provide an increase to your compensation hereunder upon such renewal.

(ii) If you remain employed hereunder on the Expiration Date, but have not entered into a new written contractual relationship with the Company (or any of its subsidiaries), and the Company advises you on or before the last day of the Term that it does not wish to continue your employment beyond the expiration of the Term, your employment shall automatically terminate on the day next following the Expiration Date, and you shall receive the same payments and benefits as though you had been terminated pursuant to paragraph 7(b)(i) hereof on the last day of the Term and had a “Qualifying Termination” under the CBS Corporation Senior Executive Retention Plan, dated March 16, 2018, and the letter agreement evidencing your participation in such arrangement dated as of February 21, 2019 (together, the “**Retention Plan Letter**”).

(iii) If you remain employed hereunder on the Expiration Date, but have not entered into a new written contractual relationship with the Company (or any of its subsidiaries), and you notify the Company on or before the last day of the Term that you do not wish to continue your employment on an “at will” basis beyond the expiration date of the Term, your employment shall automatically terminate on the day next following the Expiration Date, and you shall receive less applicable withholding taxes, the Accrued Obligations, payable within thirty (30) days following your termination date. If on or prior to the last day of the Exclusive Negotiating Period the Company does not offer you a new contract on at least the “Same Terms and Conditions” (as defined below), then in addition to the Accrued Obligations, you shall also receive, subject to your compliance with paragraph 7(i) below, the same payments and benefits as though you had been terminated pursuant to paragraph 7(b)(i) hereof on the last day of the Term and had a “Qualifying Termination” under the Retention Plan Letter. If, however, on or prior to the last day of the Exclusive Negotiating Period the Company does offer you a new contract on at least the Same Terms and Conditions, you shall only be entitled to payment of the Accrued Obligations and you shall not be entitled to receive severance payments or benefits under any Company plan, policy, or program.

For purposes of this paragraph 7(f)(iii), the term “**Same Terms and Conditions**” shall mean a minimum two-year employment term and the same total target direct compensation – *i.e.*, Salary, Target Bonus, and target long-term incentive value – as reflected in paragraph 3 above.

(iv) If you remain in the employ of the Company beyond the end of the Term, but have not entered into a new written contractual relationship with the Company (or any of its subsidiaries), your continued employment shall be ‘at will’ and on such terms and conditions as the Company may at the time establish, and either party, during such period, may terminate your employment at any time, provided that if the Company terminates your employment during such period without Cause (as that term is defined in

paragraph 7(a)(i) of this Agreement), then you shall thereafter receive severance under the then current Company severance policy applicable to executives at your level, subject to the terms of such severance policy (including your execution of a release in favor of the Company pursuant to such policy to the extent required).

(g) Resignation from Official Positions. If your employment with the Company terminates for any reason, you shall automatically be deemed to have resigned at that time from any and all officer or director positions that you may have held with the Company, or any of its affiliated companies and all board seats or other positions in other entities you held on behalf of the Company, including any fiduciary positions (including as a trustee) you hold with respect to any employee benefit plans or trusts established by the Company. You agree that this Agreement shall serve as written notice of resignation in this circumstance. If, however, for any reason this paragraph 7(g) is deemed insufficient to effectuate such resignation, you agree to execute, upon the request of the Company or any of its affiliated companies, any documents or instruments which the Company may deem necessary or desirable to effectuate such resignation or resignations, and you hereby authorize the Secretary and any Assistant Secretary of the Company or any of its affiliated companies to execute any such documents or instruments as your attorney-in-fact.

(h) Termination of Benefits. Notwithstanding anything in this Agreement to the contrary (except as otherwise provided in Section 6 of the Retention Plan Letter with respect to medical and dental benefits), participation in all Company benefit plans and programs (including, without limitation, vacation accrual, all retirement and related excess plans and LTD) will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs, and subject to any vested rights you may have under the terms of such plans or programs. The foregoing shall not apply to the LTIP and, after the termination of your employment, your rights under the LTIP shall be governed by the terms of the LTIP award agreements, certificates, the applicable LTIP plan(s) and this Agreement.

(i) Release; Compliance with Paragraph 6.

(i) Notwithstanding any provision in this Agreement to the contrary, prior to payment by the Company of any amount or provision of any benefit pursuant to paragraph 7(b)(ii), 7(c)(ii) or 7(f), as applicable, within sixty (60) days following your termination of employment, (x) you shall have executed and delivered to the Company a general release in a form satisfactory to the Company and (y) such general release shall have become effective and irrevocable in its entirety (such date, the "**Release Effective Date**"); provided, however, that if, at the time any cash severance payments are scheduled to be paid to you pursuant to paragraph 7(b)(ii), 7(c)(ii) or 7(f), as applicable, you have not executed a general release that has become effective and irrevocable in its entirety, then any such cash severance payments shall be held and accumulated without interest, and shall be paid to you on the first Regular Payroll Date following the Release Effective Date and the vesting of any stock options, RSUs and other equity awards shall be suspended until the Release Effective Date. Your failure or refusal to sign and deliver



the release or your revocation of an executed and delivered release in accordance with applicable laws, whether intentionally or unintentionally, will result in the forfeiture of the payments and benefits under paragraph 7(b)(ii), 7(c)(ii) or 7(f), as applicable. Notwithstanding the foregoing, if the sixty (60) day period does not begin and end in the same calendar year, then the Release Effective Date shall occur no earlier than January 1<sup>st</sup> of the calendar year following the calendar year in which your termination occurs.

(ii) Notwithstanding any provision in this Agreement to the contrary, the payments and benefits described in paragraphs 7(b)(ii), 7(c)(ii) and 7(f), as applicable, shall immediately cease, and the Company shall have no further obligations to you with respect thereto, in the event that you materially breach any provision of paragraph 6 hereof.

8. No Acceptance of Payments. You represent that you have not accepted or given nor will you accept or give, directly or indirectly, any money, services or other valuable consideration from or to anyone other than the Company for the inclusion of any matter as part of any film, television program or other production produced, distributed and/or developed by the Company, or any of its affiliated companies.

9. Equal Opportunity Employer; Employee Statement of Business Conduct. You recognize that the Company is an equal opportunity employer. You agree that you will comply with Company policies regarding employment practices and with applicable federal, state and local laws prohibiting discrimination on the basis of race, color, sex, religion, national origin, citizenship, age, marital status, sexual orientation, disability or veteran status. In addition, you agree that you will comply with the Company's Business Conduct Statement.

10. Notices. All notices under this Agreement must be given in writing, by personal delivery or by registered mail, at the parties' respective addresses shown on this Agreement (or any other address designated in writing by either party), with a copy, in the case of the Company, to the attention of the GC. Any notice given by registered mail shall be deemed to have been given three days following such mailing.

11. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you or the Company except that the Company may assign this Agreement to any majority-owned subsidiary of or any successor in interest to the Company.

12. New York Law, Etc. **You acknowledge that this Agreement has been executed, in whole or in part, in the State of New York and that a significant portion of your employment duties are performed in New York even though you reside in Los Angeles. Accordingly, you agree that this Agreement and all matters or issues arising out of or relating to your employment with the Company shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely therein without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of New York.**

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

14. Entire Understanding. This Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and can be changed only by a writing signed by both parties.

15. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be found by a court of competent jurisdiction to be unenforceable but would be enforceable if some part were deleted or the period or area of application were reduced, then such provision shall apply with the modification necessary to make it enforceable, and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

16. Supersedes Prior Agreements. This Agreement, together with Retention Plan Letter, contain the entire understanding of the parties hereto as of the date that the Agreement is signed by both parties relating to the subject matter contained in this Agreement, and can be changed only by a writing signed by both parties. Upon the Effective Date, this Agreement supersedes and cancels all prior agreements (other than the Retention Plan Letter) relating to your employment by the Company or any of the Company's affiliated companies relating to the subject matter herein, including, without limitation, your employment agreement with the Company dated as of January 1, 2019 and the side letter also dated as of January 1, 2019 (together, the "**Prior Employment Agreement**"); provided, however, that no provision in this Agreement shall be construed to adversely affect any of your rights to compensation, expense reimbursement or benefits (including equity compensation) payable in accordance with the terms of the Prior Employment Agreement (and applicable equity award agreements) or any of your rights to indemnification under the Company's by-laws and/or articles of incorporation with respect to your service under the Prior Employment Agreement, all of which are expressly agreed to survive the execution of this Agreement. For the avoidance of doubt, the Retention Plan Letter shall survive the execution of this Agreement and remain enforceable in accordance with its terms.

17. Payment of Deferred Compensation – Code Section 409A.

(a) To the extent applicable, it is intended that the compensation arrangements under this Agreement be in full compliance with Code Section 409A. This Agreement shall be construed in a manner to give effect to such intention. In no event whatsoever (including, but not limited to as a result of this paragraph 17 or otherwise) shall the Company or any of its affiliates be liable for any tax, interest or penalties that may be imposed on you under Code Section 409A. Neither the Company nor any of its affiliates have any

obligation to indemnify or otherwise hold you harmless from any or all such taxes, interest or penalties, or liability for any damages related thereto. You acknowledge that you have been advised to obtain independent legal, tax or other counsel in connection with Code Section 409A.

(b) Your right to any in-kind benefit or reimbursement benefits pursuant to any provisions of this Agreement or pursuant to any plan or arrangement of the Company covered by this Agreement shall not be subject to liquidation or exchange for cash or another benefit.

18. Arbitration. If any disagreement or dispute whatsoever shall arise between the parties concerning, arising out of or relating to this Agreement (including the documents referenced herein) or your employment with the Company, the parties hereto agree that such disagreement or dispute shall be submitted to binding arbitration before the American Arbitration Association (the “AAA”), and that a neutral arbitrator will be selected in a manner consistent with its Employment Arbitration Rules and Mediation Procedures (the “Rules”). Such arbitration shall be confidential and private and conducted in accordance with the Rules. Any such arbitration proceeding shall take place in Los Angeles before a single arbitrator (rather than a panel of arbitrators). The parties agree that the arbitrator shall have no authority to award any punitive or exemplary damages and waive, to the full extent permitted by law, any right to recover such damages in such arbitration. Each party shall bear its respective costs (including attorney’s fees, and there shall be no award of attorney’s fees); provided that if you are the prevailing party (as determined by the arbitrator in his or her sole discretion) in a dispute concerning the enforcement of the provisions of this Agreement, you shall be entitled to recover all of your costs (including attorney’s fees) reasonably incurred in connection with such dispute. Following the arbitrator’s issuance of a final non-appealable award setting forth that you are the prevailing party, the Company shall reimburse you for such costs within thirty (30) days following its receipt of reasonable written evidence substantiating such costs, provided that in no event will payment be made to you later than the last day of the calendar year next following the calendar year in which the award is issued. If there is a dispute regarding the reasonableness of the costs you incur, the same arbitrator shall determine, in his or her sole discretion, the costs that shall be reimbursed to you by the Company. Judgment upon the final award(s) rendered by such arbitrator, after giving effect to the AAA internal appeals process, may be entered in any court having jurisdiction thereof. Notwithstanding anything herein to the contrary, the Company shall be entitled to seek injunctive, provisional and equitable relief in a court proceeding as a result of your alleged violation of the terms of paragraph 6 of this Agreement, and you hereby consent and agree to exclusive personal jurisdiction in any state or federal court located in the City of New York, Borough of Manhattan.

19. Limitation on Payments.

(a) In the event that the payments and benefits provided for in this Agreement or other payments and benefits payable or provided to you (i) constitute “parachute payments” within the meaning of Section 280G of the Code and (ii) but for this paragraph 19, would be

subject to the excise tax imposed by Section 4999 of the Code, then your payments and benefits under this Agreement or other payments or benefits (the “**280G Amounts**”) will be either:

(i) delivered in full; or

(ii) delivered as to such lesser extent that would result in no portion of the 280G Amounts being subject to the excise tax under Section 4999 of the Code;

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999 of the Code, results in the receipt by you on an after-tax basis of the greatest amount of 280G Amounts, notwithstanding that all or some portion of the 280G Amounts may be taxable under Section 4999 of the Code.

(b) In the event that a reduction of 280G Amounts is made in accordance with this paragraph 19, the reduction will occur, with respect to the 280G Amounts considered parachute payments within the meaning of Section 280G of the Code, in the following order:

(i) reduction of cash payments in reverse chronological order (*i.e.*, the cash payment owed on the latest date following the occurrence of the event triggering the excise tax will be the first cash payment to be reduced);

(ii) cancellation of equity awards that were granted “contingent on a change in ownership or control” within the meaning of Code Section 280G, in the reverse order of date of grant of the awards (*i.e.*, the most recently granted equity awards will be cancelled first);

(iii) reduction of the accelerated vesting of equity awards in the reverse order of date of grant of the awards (*i.e.*, the vesting of the most recently granted equity awards will be cancelled first); and

(iv) reduction of employee benefits in reverse chronological order (*i.e.*, the benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first benefit to be reduced).

In no event will you have any discretion with respect to the ordering of payment reductions.

(c) Unless you and the Company otherwise agree in writing, any determination required under this paragraph 19 will be made in writing by a nationally recognized accounting or valuation firm (the “**Firm**”) selected by the Company, whose determination will be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required by this paragraph 19, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and you will furnish to the Firm such information and documents as the

Firm may reasonably request in order to make a determination under this paragraph 19. The Company will bear all costs for payment of the Firm's services in connection with any calculations contemplated by this paragraph 19.

20. Clawback Policy. Any compensation provided to you, whether under this Agreement or otherwise, with regard to your employment with the Company and/or its subsidiaries, as applicable, shall be subject to the applicable provisions of any clawback policy implemented by the Company from time to time, including any policy implemented pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder.

21. Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile, and all of the counterparts shall constitute one fully executed Agreement. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart. Additionally, the parties agree that this Agreement may be electronically signed, and that electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforcement and admissibility.

[signature page to follow]

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

Very truly yours,

**VIACOMCBS INC.**

By: /s/ Stephen Mirante

Name Stephen D. Mirante

Title: Executive Vice President,

Chief Administrative Officer, CBS

**ACCEPTED AND AGREED:**

/s/ Jonathan Anshell

Jonathan Anshell

Dated: 12/10/2019

**Subsidiaries of ViacomCBS Inc.**  
**(as of January 1, 2020)**

<b><u>Subsidiary Name</u></b>	<b><u>Place of Incorporation or Organization</u></b>
13 Investments LLC	Louisiana
13 Productions LLC	Louisiana
14 Hours Productions Inc.	Canada (Ontario)
1928778 Ontario Inc.	Canada (Ontario)
2POP, LLC	California
365Gay LLC	Delaware
37th Floor Productions Inc.	Delaware
38th Floor Productions Inc.	Delaware
5555 Communications Inc.	Delaware
90210 Productions, Inc.	California
A.S. Payroll Company, Inc.	California
Aardvark Productions, Inc.	Delaware
Aaron Spelling Productions, Inc.	California
AC INVERSORA S.A.	Argentina
Acorn Pipe Line Company	Texas
Acorn Properties, Inc.	Texas
Acorn Trading Company	Texas
Acquisition Group West LLC	Delaware
Addax Music Co., Inc.	Delaware
Adoy LLC	Delaware
Aetrax International Corporation	Delaware
After School Productions Inc.	Delaware
AfterL.com LLC	Delaware
AG Films Canada Inc.	Canada (Ontario)
Ages Electronics, Inc.	Delaware
Ages Entertainment Software LLC	Delaware
Air Realty Corporation	Delaware
Air Realty LLC	Delaware
All About Productions LLC	Delaware
All Media Inc.	Delaware
ALTSIM Inc.	Delaware
Amadea Film Productions, Inc.	Texas
Amazing Race Productions Inc.	Delaware
Animated Productions Inc.	Delaware
Antilles Oil Company, Inc.	Puerto Rico
A-R Acquisition Corp.	Delaware
Armacost Music LLC	Delaware
Around the Block Productions, Inc.	Delaware
Artcraft Productions Inc.	Delaware
Aspenfair Music, Inc.	California
ATCO I S.A.	Argentina
Atlanta Television Station WUPA Inc.	Delaware
Atlántida Comunicaciones S.A.	Argentina
Atom Digital Inc.	Delaware

**Subsidiary Name****Place of Incorporation or Organization**

<b>Atom Entertainment, Inc.</b>	Delaware
<b>ATV ACME, LLC</b>	California
<b>Audioscrobbler Limited</b>	United Kingdom
<b>August Street Films Limited</b>	United Kingdom
<b>Avery Productions LLC</b>	Delaware
<b>Awesomeness BP, LLC</b>	California
<b>Awesomeness Distribution, LLC</b>	California
<b>Awesomeness Inc.</b>	Delaware
<b>Awesomeness Music Publishing, LLC</b>	California
<b>Awesomeness UK Distribution Limited</b>	United Kingdom
<b>Awesomeness UK Limited</b>	United Kingdom
<b>Awesomeness UK Network Limited</b>	United Kingdom
<b>Awesomeness, LLC</b>	California
<b>AwesomenessTV Holdings, LLC</b>	Delaware
<b>Awestruck, LLC</b>	California
<b>AXN, LLC</b>	California
<b>Babunga Inc.</b>	Delaware
<b>Bahamas Underwriters Services Limited</b>	Bahamas
<b>BAPP Acquisition Corporation</b>	Delaware
<b>Barrington Songs LLC</b>	Delaware
<b>Bay County Energy Systems, Inc.</b>	Delaware
<b>Bay Resource Management, Inc.</b>	Delaware
<b>Beijing Yalian Online Network Technology Co. Ltd.</b>	China
<b>Belhaven Limited</b>	Bahamas
<b>Bellator Sport Worldwide LLC</b>	Delaware
<b>Benjamin Button Productions LLC</b>	Louisiana
<b>BET Acquisition Corp.</b>	Delaware
<b>BET Arabesque, LLC</b>	Delaware
<b>BET Comic View II, LLC</b>	Delaware
<b>BET Consumer Services, Inc.</b>	Delaware
<b>BET Creations, Inc.</b>	Delaware
<b>BET Development Company</b>	Delaware
<b>BET Documentaries, LLC</b>	Delaware
<b>BET Event Productions, LLC</b>	Delaware
<b>BET Holdings LLC</b>	Delaware
<b>BET Innovations Publishing, Inc.</b>	Delaware
<b>BET Interactive, LLC</b>	Delaware
<b>BET International, Inc.</b>	Delaware
<b>BET Live from LA, LLC</b>	Delaware
<b>BET Music Soundz, Inc.</b>	Delaware
<b>BET Oh Drama!, LLC</b>	Delaware
<b>BET Pictures II Development &amp; Production, Inc.</b>	Delaware
<b>BET Pictures II Distribution, Inc.</b>	Delaware
<b>BET Pictures II, LLC</b>	Delaware
<b>BET Productions II, Inc.</b>	Delaware
<b>BET Productions IV, LLC</b>	Delaware
<b>BET Productions V, Inc.</b>	Delaware
<b>BET Productions, LLC</b>	Delaware



**Subsidiary Name****Place of Incorporation or Organization**

<b>BET Satellite Services, Inc.</b>	Delaware
<b>BET Services, Inc.</b>	District of Columbia
<b>BET ST LLC</b>	Delaware
<b>BET Streaming LLC</b>	Delaware
<b>Beta Theatres Inc.</b>	Delaware
<b>BETCH SKETCH, LLC</b>	California
<b>BETN Theatre Ventures, LLC</b>	Delaware
<b>BET-SVOD Holdings Inc.</b>	Delaware
<b>Beverly Productions Canada Inc.</b>	Canada (B.C.)
<b>Beverlyfax Music, Inc.</b>	California
<b>Big Frame, LLC</b>	Delaware
<b>BIG JOHN, LLC</b>	California
<b>Big Shows Inc.</b>	Delaware
<b>Big Ticket Music Inc.</b>	Delaware
<b>Big Ticket Pictures Inc.</b>	Delaware
<b>Big Ticket Productions Inc.</b>	Delaware
<b>Big Ticket Television Inc.</b>	Delaware
<b>Bikini Bottom Holdings Inc.</b>	Delaware
<b>Bikini Bottom Productions Limited Liability Company</b>	New York
<b>Black Entertainment Television LLC</b>	District of Columbia
<b>Blackout Productions Inc.</b>	Delaware
<b>Blackrock Insurance Corporation</b>	New York
<b>Bling Productions Inc.</b>	Delaware
<b>Blue Cow Inc.</b>	Delaware
<b>Blue Sea Productions, Inc.</b>	Delaware
<b>Blue/White Productions, Inc.</b>	Delaware
<b>BN Productions Inc.</b>	Delaware
<b>Bob's Post House, LLC</b>	California
<b>BODYBAG, LLC</b>	California
<b>Bombay Hook LLC</b>	Delaware
<b>Bonneville Wind Corporation</b>	Utah
<b>Boxing Acquisition Inc.</b>	Delaware
<b>Branded Productions, Inc.</b>	California
<b>Breakdown Productions Inc.</b>	Delaware
<b>Brentwood Pictures Inc.</b>	Delaware
<b>Bronson Avenue LLC</b>	Delaware
<b>Bronson Gate Film Management GmbH</b>	Germany
<b>Brotherhood Productions, Inc.</b>	Rhode Island
<b>Bruin Music Company</b>	Delaware
<b>Buster Productions Inc.</b>	Delaware
<b>C-28 FCC Licensee Subsidiary, LLC</b>	Delaware
<b>Cania Productions Inc.</b>	Canada (Ontario)
<b>Caper Productions LLC</b>	Delaware
<b>Capital Equipment Leasing Limited</b>	United Kingdom
<b>Caprice Pty Ltd.</b>	Australia
<b>Caroline Films Productions, Inc.</b>	California
<b>Cayman Overseas Reinsurance Association</b>	Cayman Islands
<b>CBS (PDI) Distribution Inc.</b>	Delaware

**Subsidiary Name****Place of Incorporation or Organization**

CBS 247 Inc.	Delaware
CBS Advertiser Services Inc.	Delaware
CBS AJV Inc.	Delaware
CBS All Access International LLC	Delaware
CBS All Access International UK Limited	United Kingdom
CBS Aquisition Holdings Limited	United Kingdom
CBS Asia Inc.	Delaware
CBS ATSC3 Protection Inc.	Delaware
CBS Broadcast International Asia Inc.	New York
CBS Broadcast International B.V.	Netherlands
CBS Broadcast International of Canada Ltd.	Canada (Ontario)
CBS Broadcast Services Limited	United Kingdom
CBS Broadcasting Inc.	New York
CBS Broadcasting West Inc.	Delaware
CBS Canada Co.	Canada (Nova Scotia)
CBS Canada Holdings Co.	Canada (Nova Scotia)
CBS Canadian Film and Television Inc.	Canada (Ontario)
CBS Channel 10/55 Inc.	Delaware
CBS Communications Services Inc.	Delaware
CBS Communications Technology Group Inc.	Delaware
CBS Consumer Products Inc.	Delaware
CBS Corporate Services Inc.	Delaware
CBS Cultural Communications Inc.	Delaware
CBS Cultural Development (Beijing) Co., Limited	China
CBS Cultural Development (Hong Kong) Co, Limited	Hong Kong
CBS CW Network Partner LLC	Delaware
CBS DBS Inc.	Delaware
CBS DEC Inc.	Delaware
CBS Domains Inc.	Virginia
CBS EcoMedia Inc.	Delaware
CBS EMEA Limited	United Kingdom
CBS Employee Services Inc.	Delaware
CBS Enterprises (UK) Limited	United Kingdom
CBS Executive Services Corporation	Delaware
CBS Experiences Inc.	Delaware
CBS Film Funding Company Inc.	Delaware
CBS Films Canadian Productions Inc.	Canada (Ontario)
CBS Films Distribution Inc.	Delaware
CBS Films Inc.	Delaware
CBS Films Productions Inc.	Delaware
CBS Finance 1 UK Limited	United Kingdom
CBS Finance 2 UK Limited	United Kingdom
CBS Finance Holdings Limited	United Kingdom
CBS First Run Development Company Inc.	Delaware
CBS First Run Limited	Delaware
CBS General Entertainment Australia Inc.	Delaware
CBS Global Holding Inc.	Delaware
CBS Holding (Germany) B.V.	Netherlands

**Subsidiary Name****Place of Incorporation or Organization**

<b>CBS Holdings (Germany) II B.V.</b>	Netherlands
<b>CBS Holdings (Mexico) Inc.</b>	Delaware
<b>CBS Hollywood Partner Inc.</b>	Delaware
<b>CBS Home Entertainment Inc.</b>	Delaware
<b>CBS IDA Inc.</b>	Delaware
<b>CBS Interactive GmbH</b>	Switzerland
<b>CBS Interactive Inc.</b>	Delaware
<b>CBS Interactive Limited</b>	United Kingdom
<b>CBS Interactive Media Inc.</b>	Delaware
<b>CBS Interactive Pte Ltd.</b>	Singapore
<b>CBS Interactive Pty. Ltd.</b>	Australia
<b>CBS International (Netherlands) B.V.</b>	Netherlands
<b>CBS International GmbH</b>	Germany
<b>CBS International Holdings B.V.</b>	Netherlands
<b>CBS International Holdings UK Limited</b>	United Kingdom
<b>CBS International Inc.</b>	Delaware
<b>CBS International Sales Holdings B.V.</b>	Netherlands
<b>CBS International Television (UK) Limited</b>	United Kingdom
<b>CBS International Television Australia Pty Limited</b>	Australia
<b>CBS International Television Italia Srl</b>	Italy
<b>CBS International Television Japan GK</b>	Japan
<b>CBS IRB Acquisition Inc.</b>	Delaware
<b>CBS Japan Inc.</b>	New York
<b>CBS K-Band Inc.</b>	Delaware
<b>CBS Last FM Holding Inc.</b>	Delaware
<b>CBS LITV LLC</b>	Delaware
<b>CBS Lyrics Inc.</b>	Delaware
<b>CBS Mass Media Corporation</b>	Delaware
<b>CBS MaxPreps Inc.</b>	California
<b>CBS Media Realty Corporation</b>	New York
<b>CBS Music LLC</b>	Delaware
<b>CBS Netherlands Worldwide B.V.</b>	Netherlands
<b>CBS Netherlands Asia Pacific Holding B.V.</b>	Netherlands
<b>CBS Netherlands Global Holding B.V.</b>	Netherlands
<b>CBS Network Ten B.V.</b>	Netherlands
<b>CBS News Inc.</b>	Delaware
<b>CBS Offshore Networks Holdings Limited</b>	United Kingdom
<b>CBS Operations Investments Inc.</b>	Delaware
<b>CBS Operations Services Inc.</b>	Delaware
<b>CBS Outdoor Investments Inc.</b>	Delaware
<b>CBS Outdoor Metro Services Limited</b>	United Kingdom
<b>CBS Overseas Inc.</b>	New York
<b>CBS Overseas Productions Two Inc.</b>	Delaware
<b>CBS Phoenix Inc.</b>	Delaware
<b>CBS Pictures Overseas Inc.</b>	Delaware
<b>CBS PNW Sports Inc.</b>	Delaware
<b>CBS Pop Partner Inc.</b>	Delaware
<b>CBS Productions UK Holdings Limited</b>	United Kingdom

**Subsidiary Name****Place of Incorporation or Organization**

<b>CBS Publishing UK Holdings Limited</b>	United Kingdom
<b>CBS Receivables Funding II Corporation</b>	Delaware
<b>CBS Receivables Funding III Corporation</b>	Delaware
<b>CBS Records Inc.</b>	Delaware
<b>CBS Retail Stores Inc.</b>	Delaware
<b>CBS Satellite News Inc.</b>	Delaware
<b>CBS Services Inc.</b>	Delaware
<b>CBS Shopping Inc.</b>	Delaware
<b>CBS Sports Inc.</b>	Delaware
<b>CBS Stages Canada Co.</b>	Canada (Nova Scotia)
<b>CBS Stations Group of Texas LLC</b>	Delaware
<b>CBS Stock Holdings I Inc.</b>	Delaware
<b>CBS Studios Distribution C.V.</b>	Netherlands
<b>CBS Studios Distribution UK Limited</b>	United Kingdom
<b>CBS Studios Inc.</b>	Delaware
<b>CBS Studios Netherlands Holding B.V.</b>	Netherlands
<b>CBS Studios Networks Inc.</b>	New York
<b>CBS Studios Overseas Productions Inc.</b>	Delaware
<b>CBS Studios Productions LLC</b>	Delaware
<b>CBS Subsidiary Management Corp.</b>	Delaware
<b>CBS Survivor Productions, Inc.</b>	Delaware
<b>CBS Technology Corporation</b>	Delaware
<b>CBS Television Licenses LLC</b>	Delaware
<b>CBS Television Service Inc.</b>	Delaware
<b>CBS Television Stations Inc.</b>	Delaware
<b>CBS Temp Services Inc.</b>	Delaware
<b>CBS TVG Inc.</b>	Delaware
<b>CBS UAC Corporation</b>	Delaware
<b>CBS UK</b>	United Kingdom
<b>CBS UK Channels Limited</b>	United Kingdom
<b>CBS UK Finance LP</b>	United Kingdom
<b>CBS UK Productions Limited</b>	United Kingdom
<b>CBS World Wide Ltd.</b>	New York
<b>CBS Worldwide Distribution Inc.</b>	Delaware
<b>CBS/CTS Airport Network Inc.</b>	Delaware
<b>CBS/CTS Inc.</b>	Delaware
<b>CBS/Westinghouse of PA Inc.</b>	Delaware
<b>CBS-CSI International B.V.</b>	Netherlands
<b>CBS-Lux Holding LLC</b>	Delaware
<b>CBS-Sac Music Inc.</b>	Delaware
<b>CBT Sports, LLC</b>	Delaware
<b>CC Direct Inc.</b>	Delaware
<b>CCG Ventures, Inc.</b>	Delaware
<b>Central Productions LLC</b>	Delaware
<b>Centurion Satellite Broadcast Inc.</b>	Delaware
<b>Championship Productions Inc.</b>	Delaware
<b>Channel 28 Television Station, Inc.</b>	Delaware
<b>Channel 34 Television Station LLC</b>	Delaware

**Subsidiary Name****Place of Incorporation or Organization**

<b>Channel 5 Broadcasting Limited</b>	United Kingdom
<b>Channel Community Networks Corporation</b>	Canada (Ontario)
<b>Channel Services GmbH</b>	Switzerland
<b>Channel Services Holdings B.V.</b>	Netherlands
<b>Charter Crude Oil Company</b>	Texas
<b>Charter Futures Trading Company</b>	Texas
<b>Charter Media Company</b>	Delaware
<b>Charter Oil (Bahamas) Limited</b>	Bahamas
<b>Charter Oil Company</b>	Florida
<b>Charter Oil Services, Inc.</b>	Texas
<b>Charter Oil Specialties Limited</b>	Bahamas
<b>Chartreuse Pty Limited</b>	Australia
<b>Chazo Productions Inc.</b>	Delaware
<b>Chuanmei Information Technologies (Shanghai) Co., Ltd.</b>	China
<b>Cinematic Arts B.V.</b>	Netherlands
<b>CIOC LLC</b>	Delaware
<b>CIOC Remediation Trust</b>	Delaware
<b>CJD, LLC</b>	California
<b>Classless Inc.</b>	Delaware
<b>Clicker Media Inc.</b>	Delaware
<b>Cloverleaf Productions Inc.</b>	Delaware
<b>CMT Productions Inc.</b>	Delaware
<b>CN Pilot Productions Inc.</b>	Canada (Ontario)
<b>CNET Investments, Inc.</b>	Delaware
<b>Columbia Broadcasting System (Barbados) SRL</b>	Barbados
<b>Columbia Broadcasting System Holdings UK Limited</b>	United Kingdom
<b>Columbia Broadcasting System International (Barbados) SRL</b>	Barbados
<b>Columbia Television, Inc.</b>	New York
<b>Columbus Circle Films LLC</b>	Delaware
<b>Comanche Moon Productions Inc.</b>	New Mexico
<b>Comedy Partners</b>	New York
<b>Comicbook.com, LLC</b>	Tennessee
<b>Commerce Street Productions Inc.</b>	Delaware
<b>Commissioner.com, Inc.</b>	New York
<b>Compelling Music LLC</b>	California
<b>Concord Entertainment Inc.</b>	Delaware
<b>Consolidated Caguas Corporation</b>	Delaware
<b>Country Music Television, Inc.</b>	Tennessee
<b>Country Network Enterprises, Inc.</b>	Delaware
<b>Country Services Inc.</b>	Delaware
<b>country.com, Inc.</b>	Delaware
<b>Cradle of Life Productions LLC</b>	Delaware
<b>Creative Mix Inc.</b>	Delaware
<b>Cross Step Productions Inc.</b>	Delaware
<b>CSTV Networks, Inc.</b>	Delaware
<b>CSTV Online, Inc.</b>	Delaware
<b>CSTV Regional, LLC</b>	Delaware
<b>CSTV-A, LLC</b>	Delaware

**Subsidiary Name****Place of Incorporation or Organization**

CSTV-B, LLC	Delaware
CVV (Japan) B.V.	Netherlands
DABL Network LLC	Delaware
Danger Productions Inc.	Canada (Ontario)
Danielle Productions LLC	Delaware
Danni Productions LLC	Louisiana
Davis Circle Productions Inc.	Delaware
Daza Productions Inc.	Delaware
DEAD X, LLC	California
Delaware Resource Beneficiary, Inc.	Delaware
Delaware Resource Lessee Trust	Delaware
Delaware Resource Management, Inc.	Delaware
Desilu Productions Inc.	Delaware
Detroit Television Station WKBD Inc.	Virginia
dFactory Sarl	Switzerland
DIGICO Inc.	Delaware
Digital Video Ops Inc.	Delaware
Direct Court Productions, Inc.	Delaware
DM Holding Inc.	Delaware
DMS Holdco Inc.	Delaware
Dotspotter Inc.	Delaware
DT Investor Inc.	Delaware
DTE Films LLC	Delaware
Dutchess Resource Management, Inc.	Delaware
DW (Netherlands) B.V.	Netherlands
DW Distribution L.L.C.	Delaware
DW Dramatic Television L.L.C.	Delaware
DW Films L.L.C.	Delaware
DW Finance L.L.C.	Delaware
DW Funding, LLC	Delaware
DW Holdco LLC	Delaware
DW International Distribution L.L.C.	Delaware
DW International Productions L.L.C.	Delaware
DW Internet L.L.C.	Delaware
DW Music Publishing L.L.C.	Delaware
DW Music Publishing Nashville L.L.C.	Delaware
DW One Corp.	Delaware
DW Project Development L.L.C.	Delaware
DW SKG TV L.L.C.	Delaware
DW Studios L.L.C.	Delaware
DW Studios Productions L.L.C.	Delaware
DW Television Animation L.L.C.	Delaware
DW Television L.L.C.	Delaware
DW TV Finance I L.L.C.	Delaware
DW Two Corp.	Delaware
DWTT Productions Limited	New Zealand
Dynamic Soap, Inc.	California
Eagle Direct, Inc.	Delaware

**Subsidiary Name****Place of Incorporation or Organization**

<b>Eighth Century Corporation</b>	Delaware
<b>Elevate Productions Inc.</b>	Delaware
<b>Eleveno Pty Limited</b>	Australia
<b>ELIANIMAL, LLC</b>	California
<b>Elite Productions Inc.</b>	Delaware
<b>Elysium Productions Inc.</b>	Delaware
<b>Emily Productions LLC</b>	Delaware
<b>Energy Development Associates Inc.</b>	Delaware
<b>ENFISUR S.A.</b>	Argentina
<b>EPI Music LLC</b>	California
<b>Erica Film Productions, Inc.</b>	California
<b>ET Media Group Inc.</b>	Delaware
<b>Evergreen Programs LLC</b>	New York
<b>EWB Corporation</b>	Delaware
<b>Express Lane Productions Inc.</b>	Delaware
<b>Eye Animation Productions Inc.</b>	Delaware
<b>Eye Creative Media Group Inc.</b>	Delaware
<b>Eye Explorations Inc.</b>	Delaware
<b>Eye Podcast Productions Inc.</b>	Delaware
<b>Eye Productions Inc.</b>	Delaware
<b>Failure To Launch Productions LLC</b>	Louisiana
<b>Fall, LLC</b>	California
<b>Famous Orange Productions Inc.</b>	Delaware
<b>Famous Players International B.V.</b>	Netherlands
<b>Famous Players Investments B.V.</b>	Netherlands
<b>Festival Inc.</b>	Delaware
<b>FHT Media Holdings LLC</b>	Delaware
<b>Fifty-Sixth Century Antrim Iron Company, Inc.</b>	Delaware
<b>Film Intex Corporation</b>	Delaware
<b>Films Paramount SARL</b>	France
<b>Films Ventures (Fiji) Inc.</b>	Delaware
<b>First Cut Productions Inc.</b>	Canada (B.C.)
<b>First Hotel Investment Corporation</b>	Delaware
<b>Forty-Fourth Century Corporation</b>	Delaware
<b>Four Crowns, Inc.</b>	Delaware
<b>French Street Management LLC</b>	Delaware
<b>Front Street Management Inc.</b>	Delaware
<b>Futa B.V.</b>	Netherlands
<b>Future General Corporation</b>	Delaware
<b>G&amp;W Leasing Company</b>	Delaware
<b>G&amp;W Natural Resources Company, Inc.</b>	Delaware
<b>Game One SAS</b>	France
<b>Games Animation Inc.</b>	Delaware
<b>Games Exchange Inc.</b>	Delaware
<b>Games Productions Inc.</b>	Delaware
<b>Gateway Fleet Company</b>	Pennsylvania
<b>GC Productions Inc.</b>	Delaware
<b>GFB Productions Inc.</b>	Canada (Ontario)

**Subsidiary Name****Place of Incorporation or Organization**

<b>Gladiator Productions L.L.C.</b>	Delaware
<b>Glendale Property Corp.</b>	Delaware
<b>Global Film Distributors B.V.</b>	Netherlands
<b>Glory Productions Inc.</b>	Delaware
<b>Gloucester Titanium Company, Inc.</b>	Delaware
<b>GNS Productions Inc.</b>	Delaware
<b>GolfWeb</b>	California
<b>Gorgen, Inc.</b>	California
<b>Government Issue LLC</b>	Louisiana
<b>Gower Avenue Films Limited</b>	United Kingdom
<b>Grace Productions LLC</b>	Delaware
<b>Grad Night, LLC</b>	California
<b>Grammar Productions Inc.</b>	Delaware
<b>Gramofair Inc.</b>	Delaware
<b>Grand Bahama Petroleum Company Limited</b>	Bahamas
<b>Grande Alliance Co. Ltd.</b>	Cayman Islands
<b>Granite Productions Inc.</b>	California
<b>Granville Canadian Productions Inc.</b>	Canada (Ontario)
<b>Granville LA LLC</b>	Louisiana
<b>Granville Pictures Inc.</b>	Delaware
<b>Gravity Productions Inc.</b>	Canada (B.C.)
<b>Green Tiger Press, Inc.</b>	California
<b>Group W Television Stations, L.P.</b>	Delaware
<b>Guidance, LLC</b>	California
<b>Gulf &amp; Western do Brazil Industria e Comercio Limitada (in liquidation)</b>	Brazil
<b>Gulf &amp; Western Indonesia, Inc.</b>	Delaware
<b>Gulf &amp; Western International N.V.</b>	Netherlands Antilles
<b>Gulf &amp; Western Limited</b>	Bahamas
<b>H R Acquisition Corp.</b>	Delaware
<b>Hamilton Projects, Inc.</b>	New York
<b>Hard Caliche LLC</b>	New Mexico
<b>HERO Broadcasting Holding LLC</b>	Delaware
<b>HERO Broadcasting LLC</b>	Delaware
<b>HERO Licenseco LLC</b>	Delaware
<b>Hey Yeah Productions Inc.</b>	Delaware
<b>High Command Productions Limited</b>	United Kingdom
<b>House of Yes Productions Inc.</b>	Delaware
<b>Hudson Street Productions, Inc.</b>	Delaware
<b>HUSD, LLC</b>	California
<b>Image Edit, Inc.</b>	Delaware
<b>Imagine Radio, Inc.</b>	California
<b>IMR Acquisition Corp.</b>	Delaware
<b>Inside Edition Inc.</b>	New York
<b>Interstitial Programs Inc.</b>	Delaware
<b>Invisions Holding B.V.</b>	Netherlands
<b>Irvine Games Inc.</b>	Delaware
<b>Irvine Games USA Inc.</b>	Delaware



**Subsidiary Name****Place of Incorporation or Organization**

<b>Joseph Productions Inc.</b>	Delaware
<b>Jumbo Ticket Songs Inc.</b>	Delaware
<b>Jupiter Spring Productions Limited</b>	United Kingdom
<b>Just U Productions, Inc.</b>	California
<b>K.W. M., Inc.</b>	Delaware
<b>KAPCAN1 Productions Inc.</b>	Canada (B.C.)
<b>Katled Systems Inc.</b>	Delaware
<b>Kilo Mining Corporation</b>	Pennsylvania
<b>King Street Productions Inc.</b>	Delaware
<b>King World Corporation</b>	Delaware
<b>King World Development Inc.</b>	California
<b>King World Direct Inc.</b>	Delaware
<b>King World Media Sales Inc.</b>	Delaware
<b>King World Merchandising, Inc.</b>	Delaware
<b>King World Productions, Inc.</b>	Delaware
<b>King World Studios West Inc.</b>	California
<b>King World/CC Inc.</b>	New York
<b>Kristina Productions Inc.</b>	Delaware
<b>KUTV Holdings, Inc.</b>	Delaware
<b>KVMM LLC</b>	Delaware
<b>KW Development Inc.</b>	California
<b>KWP Studios Inc.</b>	California
<b>KWP/RR Inc.</b>	New York
<b>KWTS Productions Inc.</b>	California
<b>Ladies Man Productions USA Inc.</b>	Delaware
<b>Large Ticket Songs Inc.</b>	Delaware
<b>Last Holiday Productions LLC</b>	Louisiana
<b>Last.FM Acquisition Limited</b>	United Kingdom
<b>Last.FM Limited</b>	United Kingdom
<b>Late Night Cartoons Inc.</b>	Delaware
<b>Laurel Entertainment LLC</b>	Delaware
<b>LAXG, LLC</b>	California
<b>Light Meter, LLC</b>	California
<b>Liliana Productions Inc.</b>	Delaware
<b>Linbaba's Story Pty Ltd</b>	Australia
<b>Lincoln Point Productions Inc.</b>	Delaware
<b>Lisarb Holding B.V.</b>	Netherlands
<b>List Productions, LLC</b>	California
<b>Little Boston Company Inc.</b>	Delaware
<b>Long Branch Productions LLC</b>	Louisiana
<b>Long Road Productions</b>	Illinois
<b>Los Angeles Television Station KCAL LLC</b>	Delaware
<b>Louisiana CMT LLC</b>	Louisiana
<b>Louisiana RPI LLC</b>	Louisiana
<b>Low Key Productions Inc.</b>	Delaware
<b>LS Productions Inc.</b>	Canada (Ontario)
<b>LT Holdings Inc.</b>	Delaware
<b>M4Mobile, LLC</b>	California

**Subsidiary Name****Place of Incorporation or Organization**

<b>Maarten Investerings Partnership</b>	New York
<b>MAD MOMS, LLC</b>	California
<b>MAD Production Trucking Company</b>	Delaware
<b>Magic Molehill Productions, Inc.</b>	California
<b>Magical Jade Productions Inc.</b>	Delaware
<b>Magical Motion Pictures Inc.</b>	Delaware
<b>Magicam, Inc.</b>	Delaware
<b>Marathon Holdings Inc.</b>	Delaware
<b>Matlock Company, The</b>	Delaware
<b>Mattalex LLC</b>	Delaware
<b>Mattalex Two LLC</b>	Delaware
<b>Mayday Productions Inc.</b>	Canada (Ontario)
<b>MDP Productions, LLC</b>	Delaware
<b>MDR, LLC</b>	California
<b>Meadowland Parkway Associates</b>	New Jersey
<b>Melange Pictures LLC</b>	Delaware
<b>Melrose Productions Inc.</b>	California
<b>Meredith Productions LLC</b>	Delaware
<b>Merlot Film Productions, Inc.</b>	California
<b>Merritt Inc.</b>	Delaware
<b>Miami Television Station WBFS Inc.</b>	Delaware
<b>Michaela Productions Inc.</b>	Delaware
<b>MMA Holdco Inc.</b>	Delaware
<b>MonkeyWurks LLC</b>	Delaware
<b>MoonMan Productions Inc.</b>	Delaware
<b>MTV Animation Inc.</b>	Delaware
<b>MTV Asia</b>	Cayman Islands
<b>MTV Asia Development Company Inc.</b>	Delaware
<b>MTV Asia Ventures (India) Pte. Limited</b>	Mauritius
<b>MTV Asia Ventures Co.</b>	Cayman Islands
<b>MTV DMS Inc.</b>	Delaware
<b>MTV Games Inc.</b>	Delaware
<b>MTV Hong Kong Limited</b>	Hong Kong
<b>MTV India</b>	Cayman Islands
<b>MTV Networks Argentina LLC</b>	Delaware
<b>MTV Networks Argentina S.R.L.</b>	Argentina
<b>MTV Networks Canada, ULC</b>	Canada
<b>MTV Networks Colombia S.A.S.</b>	Colombia
<b>MTV Networks Company</b>	Delaware
<b>MTV Networks de Mexico, S. de R.L. de C.V.</b>	Mexico
<b>MTV Networks Enterprises Inc.</b>	Delaware
<b>MTV Networks Europe Inc.</b>	Delaware
<b>MTV Networks Europe LLC</b>	Delaware
<b>MTV Networks Global Services Inc.</b>	Delaware
<b>MTV Networks Holdings SARL</b>	France
<b>MTV Networks Latin America Inc.</b>	Delaware
<b>MTV Networks Music Productions Inc.</b>	Delaware
<b>MTV Networks s.r.o.</b>	Czech Republic

**Subsidiary Name****Place of Incorporation or Organization**

MTV Networks Sarl	France
MTV Networks, Unipessoal, LDA	Portugal
MTV NZ Limited	New Zealand
MTV Ownership (Portugal), LDA	Portugal
MTV Russia Holdings Inc.	Delaware
MTV S.A.	Cayman Islands
MTV Songs Inc.	Delaware
MTV Taiwan LDC	Cayman Islands
MTVBVI Inc.	Delaware
MTVN Direct Inc.	Delaware
MTVN Online Partner I Inc.	Delaware
MTVN Social Gaming Inc.	Delaware
Music by Nickelodeon Inc.	Delaware
Music by Video Inc.	Delaware
MVP.com Sports, Inc.	Delaware
N.V. Broadcasting (Canada) Inc.	Canada
Narrabeen Productions Inc.	Delaware
Netherlands Management Services LLC	Delaware
Netherlands Overseas LLC	Delaware
Network Ten ( Sydney) Pty Limited	Australia
Network Ten (Adelaide) Pty Limited	Australia
Network Ten (Brisbane) Pty Limited	Australia
Network Ten (Melbourne) Pty Limited	Australia
Network Ten (Perth) Pty Limited	Australia
Network Ten All Access Pty Ltd.	Australia
Network Ten Pty Limited	Australia
Networks CTS Inc.	Delaware
Neutronium Inc.	Delaware
New 38th Floor Productions Inc.	Delaware
New Coral Ltd.	Cayman Islands
New Country Services Inc.	Delaware
New Creative Mix Inc.	Delaware
New Games Productions Inc.	Delaware
New International Mix Inc.	Delaware
New Jersey Zinc Exploration Company, The	Delaware
New Nickelodeon Animation Studios Inc.	Delaware
New Not Before 10AM Productions Inc.	Delaware
New Open Door Productions Inc.	Delaware
New Pop Culture Productions Inc.	Delaware
New Providence Assurance Company Limited	Bahamas
New Remote Productions Inc.	Delaware
New Viacom Velocity LLC	Delaware
Newdon Productions	Illinois
Nick at Nite's TV Land Retromercials Inc.	Delaware
Nickelodeon Animation Studios Inc.	Delaware
Nickelodeon Asia Holdings Pte Ltd	Singapore
Nickelodeon Australia	Australia
Nickelodeon Australia Inc.	Delaware

**Subsidiary Name****Place of Incorporation or Organization**

<b>Nickelodeon Australia Management Pty Ltd.</b>	Australia
<b>Nickelodeon Brasil Inc.</b>	Delaware
<b>Nickelodeon Direct Inc.</b>	Delaware
<b>Nickelodeon Global Network Ventures Inc.</b>	Delaware
<b>Nickelodeon Huggings U.K. Limited</b>	United Kingdom
<b>Nickelodeon India Pvt Ltd</b>	India
<b>Nickelodeon International Limited</b>	United Kingdom
<b>Nickelodeon Magazines Inc.</b>	Delaware
<b>Nickelodeon Movies Inc.</b>	Delaware
<b>Nickelodeon Notes Inc.</b>	Delaware
<b>Nickelodeon Online Inc.</b>	Delaware
<b>Nickelodeon U.K. Limited</b>	United Kingdom
<b>Nickelodeon UK Holdings LLC</b>	Delaware
<b>Nickelodeon Virtual Worlds LLC</b>	Delaware
<b>Nicki Film Productions, Inc.</b>	California
<b>Night Falls Productions Inc.</b>	Delaware
<b>NM Classics Inc.</b>	Delaware
<b>Noggin LLC</b>	Delaware
<b>North Shore Productions Inc.</b>	California
<b>Not Before 10am Productions Inc.</b>	Delaware
<b>NP Domains, Inc.</b>	Delaware
<b>NTA Films, Inc.</b>	New York
<b>NTM, LLC</b>	California
<b>NV International, Inc.</b>	Georgia
<b>O Good Songs Company</b>	California
<b>O'Connor Combustor Corporation</b>	California
<b>OHBWAY Investco Inc.</b>	Delaware
<b>OM/TV Productions Inc.</b>	Delaware
<b>On Broadband Networks LLC</b>	Delaware
<b>On Second Thought Productions Inc.</b>	Canada
<b>On-Site Productions Inc.</b>	Delaware
<b>OOO VIMN Holdings Vostok</b>	Russian Federation
<b>OOO VIMN Media Vostok</b>	Russian Federation
<b>Open Door Productions Inc.</b>	Delaware
<b>Orange Ball Networks Subsidiary PRC LLC</b>	Delaware
<b>ORB, LLC</b>	California
<b>Our Home Productions Inc.</b>	Delaware
<b>OurChart.com LLC</b>	Delaware
<b>Outdoor Entertainment, Inc.</b>	Tennessee
<b>Outlet Networks Inc.</b>	Delaware
<b>Override Pictures LLC</b>	Delaware
<b>Paramount British Pictures Limited</b>	United Kingdom
<b>Paramount China B.V.</b>	Netherlands
<b>Paramount Digital Entertainment Inc.</b>	Delaware
<b>Paramount Films of China, Inc.</b>	Delaware
<b>Paramount Films of India, Ltd.</b>	Delaware
<b>Paramount Films of Southeast Asia Inc.</b>	Delaware
<b>Paramount Home Entertainment (Australasia) Pty Limited</b>	Australia

**Subsidiary Name****Place of Incorporation or Organization**

<b>Paramount Home Entertainment (Brazil) Limitada</b>	Brazil
<b>Paramount Home Entertainment (France) S.A.S.</b>	France
<b>Paramount Home Entertainment (Germany) GmbH</b>	Germany
<b>Paramount Home Entertainment (Italy) SRL</b>	Italy
<b>Paramount Home Entertainment (Mexico) S. de R.L. de C.V.</b>	Mexico
<b>Paramount Home Entertainment (Mexico) Services S. de R.L. de C.V.</b>	Mexico
<b>Paramount Home Entertainment (UK)</b>	United Kingdom
<b>Paramount Home Entertainment Distribution Inc.</b>	Delaware
<b>Paramount Home Entertainment Inc.</b>	Delaware
<b>Paramount Home Entertainment International (Holdings) B.V.</b>	Netherlands
<b>Paramount Home Entertainment International B.V.</b>	Netherlands
<b>Paramount Home Entertainment International Limited</b>	United Kingdom
<b>Paramount Images Inc.</b>	Delaware
<b>Paramount International (Netherlands) B.V.</b>	Netherlands
<b>Paramount Japan G.K.</b>	Japan
<b>Paramount LAPT V Inc.</b>	Delaware
<b>Paramount Latin America SRL</b>	Argentina
<b>Paramount Licensing Inc.</b>	Delaware
<b>Paramount Movie and TV Program Planning (Beijing) Co., Ltd.</b>	China
<b>Paramount Network Espana, S.L.U.</b>	Spain
<b>Paramount NMOC LLC</b>	Delaware
<b>Paramount Overseas Productions, Inc.</b>	Delaware
<b>Paramount Pictures Asia Pacific Limited</b>	Taiwan
<b>Paramount Pictures Australia Pty.</b>	Australia
<b>Paramount Pictures Brasil Distribuidora de Filmes Ltda</b>	Brazil
<b>Paramount Pictures Corporation</b>	Delaware
<b>Paramount Pictures Corporation (Canada) Inc.</b>	Canada
<b>Paramount Pictures Entertainment Canada ULC</b>	Canada
<b>Paramount Pictures France Sarl</b>	France
<b>Paramount Pictures Germany GmbH</b>	Germany
<b>Paramount Pictures Hong Kong Limited</b>	Hong Kong
<b>Paramount Pictures International Limited</b>	United Kingdom
<b>Paramount Pictures Louisiana Production Investments II LLC</b>	Louisiana
<b>Paramount Pictures Louisiana Production Investments III LLC</b>	Louisiana
<b>Paramount Pictures Louisiana Production Investments LLC</b>	Louisiana
<b>Paramount Pictures Mexico S. de R.L. de C.V.</b>	Mexico
<b>Paramount Pictures NZ</b>	New Zealand
<b>Paramount Pictures Services UK</b>	United Kingdom
<b>Paramount Pictures UK</b>	United Kingdom
<b>Paramount Poland sp. z.o.o.</b>	Poland
<b>Paramount Production Support Inc.</b>	Delaware
<b>Paramount Productions Service Corporation</b>	Delaware
<b>Paramount Spain S.L.U.</b>	Spain
<b>Paramount Sweden AB</b>	Sweden
<b>Paramount Worldwide Productions Inc.</b>	Delaware
<b>ParaUSD Singapore Pte. Ltd.</b>	Singapore
<b>Park Court Productions, Inc.</b>	Delaware

**Subsidiary Name****Place of Incorporation or Organization**

<b>Part-Time Productions Inc.</b>	Delaware
<b>Paws, Incorporated</b>	Indiana
<b>PC Home Cayman Ltd.</b>	Cayman Islands
<b>PCCGW Company, Inc.</b>	Delaware
<b>PCI Canada Inc.</b>	Delaware
<b>PCI Network Partner II Inc.</b>	Delaware
<b>PCI Network Partner Inc.</b>	Delaware
<b>Peanut Worm Productions Inc.</b>	Delaware
<b>Pen Productions, LLC</b>	California
<b>Peppercorn Productions, Inc.</b>	Tennessee
<b>Permutation Productions Inc.</b>	Delaware
<b>Pet II Productions Inc.</b>	Delaware
<b>Philadelphia Television Station WPSG Inc.</b>	Delaware
<b>Pittsburgh Television Station WPCW Inc.</b>	Delaware
<b>Pluto Inc.</b>	Delaware
<b>Pluto TV Europe GmbH</b>	Germany
<b>PMV Productions, Inc.</b>	Delaware
<b>Pocket Books of Canada, Ltd.</b>	Canada (Federal)
<b>Pop Channel Productions Inc.</b>	Delaware
<b>Pop Culture Productions Inc.</b>	Delaware
<b>Pop Media Group, LLC</b>	Delaware
<b>Pop Media Networks, LLC</b>	Delaware
<b>Pop Media Productions, LLC</b>	Delaware
<b>Pop Media Properties, LLC</b>	Delaware
<b>Pop Media Services, LLC</b>	Delaware
<b>Pop Music, LLC</b>	Delaware
<b>Pop Toons Inc.</b>	Delaware
<b>Porta dos Fundos Produtora e Distribuidora Audiovisual S.A.</b>	Brazil
<b>Possible Productions Inc.</b>	Delaware
<b>Poosum Point Incorporated</b>	Delaware
<b>Pottle Productions, Inc.</b>	California
<b>PPC Film Management GmbH</b>	Germany
<b>PPG Holding 5 B.V.</b>	Netherlands
<b>PPG Holding 95 B.V.</b>	Netherlands
<b>Premiere House, Inc.</b>	Delaware
<b>Preye, Inc.</b>	California
<b>Prime Directive Productions Inc.</b>	Delaware
<b>Project Drew, LLC</b>	California
<b>Prospect Company Ltd.</b>	Cayman Islands
<b>Proxy Music LLC</b>	California
<b>Quemahoning Coal Processing Company</b>	Pennsylvania
<b>R.G.L. Realty Limited</b>	United Kingdom
<b>Radford Studio Center Inc.</b>	California
<b>Raquel Productions Inc.</b>	Delaware
<b>Real TV Music Inc.</b>	Delaware
<b>Recovery Ventures Inc.</b>	Delaware
<b>Red Devs LLC</b>	Delaware
<b>RED MIRROR, LLC</b>	California

**Subsidiary Name****Place of Incorporation or Organization**

<b>Remote Productions Inc.</b>	Delaware
<b>Republic Distribution LLC</b>	Delaware
<b>Republic Entertainment LLC</b>	Delaware
<b>Republic Pictures Corporation of Canada Ltd.</b>	Canada (Ontario)
<b>Republic Pictures Enterprises LLC</b>	Delaware
<b>Republic Pictures Productions LLC</b>	California
<b>RH Productions Inc.</b>	California
<b>Rosy Haze Productions Pty Limited</b>	Australia
<b>RTV News Inc.</b>	Delaware
<b>RTV News Music Inc.</b>	Delaware
<b>Sacramento Television Stations Inc.</b>	Delaware
<b>Sagia Productions Inc.</b>	Canada (Ontario)
<b>Salton Sea Songs LLC</b>	Delaware
<b>Salvation Productions Inc.</b>	Canada (B.C.)
<b>Sammarnick Insurance Corporation</b>	New York
<b>San Francisco Television Station KBCW Inc.</b>	Virginia
<b>Saucon Valley Iron and Railroad Company, The</b>	Pennsylvania
<b>SBX Acquisition Corp.</b>	Delaware
<b>Scott-Mattson Farms, Inc.</b>	Florida
<b>Screenlife Licensing, LLC</b>	Nevada
<b>Screenlife, LLC</b>	Washington
<b>See Yourself Productions Inc.</b>	Delaware
<b>Servicios Para Empresas de Entretenimiento, S. de R.L. de C.V.</b>	Mexico
<b>SF Films Inc.</b>	Canada (Ontario)
<b>SFI Song Company</b>	Delaware
<b>SFPG LLC</b>	Delaware
<b>SHAUNTENT, LLC</b>	California
<b>Ship House, Inc.</b>	Florida
<b>SHOTunes Music LLC</b>	Delaware
<b>Shovel Buddies, LLC</b>	California
<b>Show Pants LLC</b>	Delaware
<b>Show Works Productions Inc.</b>	Delaware
<b>Showtime Canada ULC</b>	Canada (Alberta)
<b>Showtime Digital Inc.</b>	Delaware
<b>Showtime Distribution B.V.</b>	Netherlands
<b>Showtime Live Entertainment Inc.</b>	Delaware
<b>Showtime Marketing Inc.</b>	Delaware
<b>Showtime Melodies Inc.</b>	Delaware
<b>Showtime Networks Inc.</b>	Delaware
<b>Showtime Networks Inc. (U.K.)</b>	Delaware
<b>Showtime Networks Satellite Programming Company</b>	California
<b>Showtime Online Inc.</b>	Delaware
<b>Showtime Pictures Development Company</b>	Delaware
<b>Showtime Satellite Networks Inc.</b>	Delaware
<b>Showtime Songs Inc.</b>	Delaware
<b>Showtime/Sundance Holding Company Inc.</b>	Delaware
<b>SIFO One Inc.</b>	Delaware
<b>SIFO Two Inc.</b>	Delaware

**Subsidiary Name****Place of Incorporation or Organization**

<b>Simon &amp; Schuster (Australia) Pty. Limited</b>	Australia
<b>Simon &amp; Schuster (UK) Limited</b>	UK
<b>Simon &amp; Schuster Digital Sales Inc.</b>	Delaware
<b>Simon &amp; Schuster Global Services Inc.</b>	Delaware
<b>Simon &amp; Schuster India LLC</b>	Delaware
<b>Simon &amp; Schuster International Inc.</b>	Delaware
<b>Simon &amp; Schuster of Canada (1976) Ltd.</b>	Canada (Federal)
<b>Simon &amp; Schuster Publishers India Private Limited</b>	India
<b>Simon &amp; Schuster, Inc.</b>	New York
<b>SKG Louisiana L.L.C.</b>	Louisiana
<b>SKG Music L.L.C.</b>	Delaware
<b>SKG Music Nashville Inc.</b>	Delaware
<b>SKG Music Publishing L.L.C.</b>	Delaware
<b>SKG Productions L.L.C.</b>	Louisiana
<b>SKG Studios Canada Inc.</b>	Canada
<b>SN Digital LLC</b>	Delaware
<b>SNI/SI Networks L.L.C</b>	Delaware
<b>SnowGlobe LLC</b>	Delaware
<b>Soapmusic Company</b>	Delaware
<b>Social Project LLC</b>	Delaware
<b>Solar Service Company</b>	Delaware
<b>SongFair Inc.</b>	Delaware
<b>South Park Digital Studios LLC</b>	Delaware
<b>Spelling Daytime Songs Inc.</b>	Delaware
<b>Spelling Daytime Television Inc.</b>	Delaware
<b>Spelling Entertainment Group LLC</b>	Delaware
<b>Spelling Entertainment LLC</b>	Delaware
<b>Spelling Films Inc.</b>	Delaware
<b>Spelling Films Music Inc.</b>	Delaware
<b>Spelling Pictures Inc.</b>	Delaware
<b>Spelling Satellite Networks Inc.</b>	California
<b>Spelling Television (Canada) Inc.</b>	Canada (Ontario)
<b>Spelling Television Inc.</b>	Delaware
<b>Spelling Television Quebec Inc.</b>	Canada (Federal)
<b>Spike Cable Networks Inc.</b>	Delaware
<b>Spike Digital Entertainment LLC</b>	Delaware
<b>SportsLine.com, Inc.</b>	Delaware
<b>Springy Productions Pty. Limited</b>	Australia
<b>St. Francis Ltd.</b>	Cayman Islands
<b>St. Ives Company Ltd.</b>	Cayman Islands
<b>STAND IN, L.L.C.</b>	Louisiana
<b>Starfish Productions Inc.</b>	Florida
<b>Stargate Acquisition Corp. One</b>	Delaware
<b>Stat Crew Software, Inc.</b>	Ohio
<b>Stepdude Productions LLC</b>	Louisiana
<b>Stranglehold Productions, Inc.</b>	California
<b>Streak Productions Inc.</b>	Canada (Ontario)
<b>Stuart Street, LLC</b>	California



**Subsidiary Name****Place of Incorporation or Organization**

<b>Study Hall Films Inc.</b>	Delaware
<b>Sunday Best, LLC</b>	Louisiana
<b>Sunset Beach Productions, Inc.</b>	Delaware
<b>Super! Broadcast S.r.l.</b>	Italy
<b>Superstar Productions USA Inc.</b>	Delaware
<b>SURRENDER, LLC</b>	California
<b>Survivor Productions, LLC</b>	Delaware
<b>Swift Justice Productions Inc.</b>	Delaware
<b>T&amp;R Payroll Company</b>	Delaware
<b>Talent Court Productions, Inc.</b>	Delaware
<b>TAM 3, LLC</b>	California
<b>TATB, LLC</b>	California
<b>Taylor Forge Memphis, Inc.</b>	Delaware
<b>TB Productions Inc.</b>	Canada (Ontario)
<b>TDI Worldwide Investments Inc.</b>	Delaware
<b>Television &amp; Telecasters (Properties) Pty Limited</b>	Australia
<b>Televisión Federal S.A.</b>	Argentina
<b>Television Station KTXA Inc.</b>	Virginia
<b>Television Station WTCN LLC</b>	Delaware
<b>Tele-Vu Ltee.</b>	Canada (Federal)
<b>Ten Employee Share Purchase Plans Pty Limited</b>	Australia
<b>Ten Network Holdings Pty Limited</b>	Australia
<b>Ten Online Pty Limited</b>	Australia
<b>Ten Ventures Pty Limited</b>	Australia
<b>Tentpole Productions, LLC</b>	California
<b>TEVEFE COMERCIALIZACIÓN S.A.</b>	Argentina
<b>TG Film, LLC</b>	California
<b>The Box Holland B.V.</b>	Netherlands
<b>The Box Italy LLC</b>	Delaware
<b>The Box Worldwide LLC</b>	Delaware
<b>The CW Television Stations Inc.</b>	Delaware
<b>The Gramps Company Inc.</b>	Delaware
<b>The Late Show Inc.</b>	Delaware
<b>The Love Sickness, LLC</b>	California
<b>The MTVi Group, Inc.</b>	Delaware
<b>The Paramount UK Partnership</b>	United Kingdom
<b>The Ten Group Pty Limited</b>	Australia
<b>Thespians, LLC</b>	California
<b>They Productions Inc.</b>	Delaware
<b>Things of the Wild Songs Inc.</b>	Delaware
<b>Thinner Productions, Inc.</b>	Delaware
<b>Third Century Company</b>	Delaware
<b>Thirteenth Century Corporation</b>	Delaware
<b>Thirtieth Century Corporation</b>	Delaware
<b>Thunder, Inc.</b>	Delaware
<b>Timber Purchase Company</b>	Florida
<b>Timeline Films Inc.</b>	Canada
<b>TMI International B.V.</b>	Netherlands

**Subsidiary Name****Place of Incorporation or Organization**

TNN Classic Sessions, Inc.	Delaware
TNN Productions, Inc.	Delaware
Toe-to-Toe Productions Inc.	Delaware
Torand Payroll Company	Delaware
Torand Productions Inc.	Delaware
Total Warehouse Services Corporation	Delaware
Trans-American Resources, Inc.	Delaware
TSM Services Inc.	Delaware
TSM, LLC	California
Tube Mill, Inc.	Alabama
Tunes by Nickelodeon Inc.	Delaware
Turnip Productions LLC	Delaware
TV Guide Online Holdings LLC	Delaware
TV Scoop Inc.	Delaware
Twofer, LLC	California
UE Site Acquisition LLC	Delaware
Ultra Productions Inc.	Canada (Ontario)
Untitled Productions II LLC	Delaware
Untitled Science LLC	Delaware
UPN (general partnership)	Delaware
UPN Holding Company, Inc.	California
UPN Properties, Inc.	California
Uptown Productions Inc.	Delaware
Ureal Productions Inc.	Delaware
URGE PrePaid Cards Inc.	Virginia
VBC Pilot Productions Inc.	Canada (B.C.)
VDS, LLC	California
VE Development Company	Delaware
VE Drive Inc.	Delaware
VE Television Inc.	Delaware
VGS Management Services Inc.	Delaware
VI Services Corporation	Delaware
Viacom (Deutschland) Beteiligungen GmbH	Germany
Viacom Alto Finance C.V.	Netherlands
Viacom Alto Overseas C.V.	Netherlands
Viacom Animation of Korea Inc.	Delaware
Viacom Asia (Beijing) Advertising and Media Co. Ltd.	China
Viacom Asia Inc.	Delaware
Viacom ATV Inc.	Delaware
Viacom August Songs Inc.	Delaware
Viacom Blue Sky Inc.	Delaware
Viacom Brand Solutions Limited	United Kingdom
Viacom Caledonia LP	United Kingdom
Viacom Camden Lock Inc.	Delaware
Viacom Camden Lock Limited	United Kingdom
Viacom Canadian Productions Holdings Inc.	Canada
Viacom Capital LLC	Delaware
Viacom Digital Studios LLC	Delaware

**Subsidiary Name****Place of Incorporation or Organization**

<b>Viacom Domains Limited</b>	Canada
<b>Viacom Finance B.V.</b>	Netherlands
<b>Viacom Galaxy Tunes Inc.</b>	Delaware
<b>Viacom Genesis Music Inc.</b>	Delaware
<b>Viacom Global Limited</b>	United Kingdom
<b>Viacom Global Services Inc.</b>	Delaware
<b>Viacom Hearty Ha!Ha! LLC</b>	Delaware
<b>Viacom Holdings Germany LLC</b>	Delaware
<b>Viacom Holdings Italia S.r.l.</b>	Italy
<b>Viacom Interactive Limited</b>	United Kingdom
<b>Viacom International Administration Inc.</b>	Delaware
<b>Viacom International Film Finance Holdings Limited</b>	Jersey
<b>Viacom International Film Finance Limited</b>	Jersey
<b>Viacom International Hungary Kft.</b>	Hungary
<b>Viacom International Inc.</b>	Delaware
<b>Viacom International Inc. Political Action Committee Corporation</b>	New York
<b>Viacom International Media Networks (Malaysia) Sdn. Bhd.</b>	Malaysia
<b>Viacom International Media Networks Africa (Pty) Limited</b>	South Africa
<b>Viacom International Media Networks España, S.L.</b>	Spain
<b>Viacom International Media Networks Italia S.r.l.</b>	Italy
<b>Viacom International Media Networks Middle East FZ-LLC</b>	United Arab Emirates
<b>Viacom International Media Networks Nigeria Limited</b>	Nigeria
<b>Viacom International Media Networks U.K. Limited</b>	United Kingdom
<b>Viacom International Services Inc.</b>	Delaware
<b>Viacom International Studios Inc.</b>	Delaware
<b>Viacom Limited</b>	New Zealand
<b>Viacom Limited</b>	United Kingdom
<b>Viacom Media Argentina S.A.</b>	Argentina
<b>Viacom Music Touring Inc.</b>	Delaware
<b>Viacom Netherlands Coöperatief U.A.</b>	Netherlands
<b>Viacom Netherlands Management LLC</b>	Delaware
<b>Viacom Networks Brasil Programacao Televisiva E Publicidade Ltda.</b>	Brazil
<b>Viacom Networks Europe Inc.</b>	Delaware
<b>Viacom Networks Italia Limited</b>	United Kingdom
<b>Viacom Networks Japan G.K</b>	Japan
<b>Viacom Networks Japan K.K.</b>	Japan
<b>Viacom Notes Inc.</b>	Delaware
<b>Viacom Origins Inc.</b>	Delaware
<b>Viacom Overseas Holdings C.V.</b>	Netherlands
<b>Viacom Realty Corporation</b>	Delaware
<b>Viacom RMP International LLC</b>	Delaware
<b>Viacom RMP LLC</b>	Delaware
<b>Viacom SG Inc.</b>	Delaware
<b>Viacom Songs Inc.</b>	Delaware
<b>Viacom Special Events LLC</b>	Delaware
<b>Viacom Sterling Finance C.V.</b>	Netherlands
<b>Viacom Subsidiary Management Corp.</b>	Delaware

**Subsidiary Name****Place of Incorporation or Organization**

<b>Viacom Telecommunications LLC</b>	Delaware
<b>Viacom Theater Inc.</b>	Delaware
<b>Viacom TN Inc.</b>	Delaware
<b>Viacom Treasury (UK) Limited</b>	United Kingdom
<b>Viacom Tunes Inc.</b>	Delaware
<b>Viacom TV Investco Inc.</b>	Delaware
<b>Viacom Ventures B.V.</b>	Netherlands
<b>Viacom Ventures Inc.</b>	Delaware
<b>ViacomCBS Integration Holdings LLC</b>	Delaware
<b>VidCon International LLC</b>	Montana
<b>VidCon LLC</b>	Delaware
<b>VIMN Advertising and Brand Solutions S.r.l.</b>	Italy
<b>VIMN Argentina Limited</b>	United Kingdom
<b>VIMN Australia Pty Limited</b>	Australia
<b>VIMN Belgium Bvba</b>	Belgium
<b>VIMN Brasil Participações Ltda.</b>	Brazil
<b>VIMN CP Services (UK) Limited</b>	United Kingdom
<b>VIMN CP Services, ULC</b>	Canada
<b>VIMN CP Serviços (Brasil) Ltda.</b>	Brazil
<b>VIMN Finance Holding (UK) Ltd</b>	United Kingdom
<b>VIMN Finance Jersey Limited</b>	Jersey
<b>VIMN Germany GmbH</b>	Germany
<b>VIMN Netherlands B.V.</b>	Netherlands
<b>VIMN Netherlands Holding B.V.</b>	Netherlands
<b>VIMN Nordic AB</b>	Sweden
<b>VIMN Poland sp. z o.o.</b>	Poland
<b>VIMN Polska B.V.</b>	Netherlands
<b>VIMN Russia C.V.</b>	Netherlands
<b>VIMN Singapore Pte. Ltd.</b>	Singapore
<b>VIMN Switzerland AG</b>	Switzerland
<b>Viper Productions Inc.</b>	Canada (B.C.)
<b>VISI Services Inc.</b>	Delaware
<b>Visions Productions, Inc.</b>	New York
<b>VIVA Media GmbH</b>	Germany
<b>VJK Inc.</b>	Delaware
<b>VMN Digital Inc.</b>	Delaware
<b>VMN Noord LLC</b>	Delaware
<b>VNM Inc.</b>	Delaware
<b>VP Direct Inc.</b>	Delaware
<b>VP Programs Inc.</b>	California
<b>VPix Inc.</b>	Delaware
<b>VSC Compositions LLC</b>	New York
<b>VSC Music LLC</b>	New York
<b>Waste Resource Energy, Inc.</b>	Delaware
<b>WBCE Corp.</b>	New York
<b>WCC FSC I, Inc.</b>	Delaware
<b>WCC Project Corp.</b>	Delaware
<b>Westgate Pictures Inc.</b>	Delaware

**Subsidiary Name****Place of Incorporation or Organization**

Westinghouse Aircraft Leasing Inc.	Delaware
Westinghouse Asia Pacific Limited	Hong Kong
Westinghouse Asset Management Inc.	Delaware
Westinghouse Canada Holdings L.L.C.	Delaware
Westinghouse CBS Holding Company, Inc.	Delaware
Westinghouse Electric (Ningbo) Company, Ltd.	China
Westinghouse Electric Corporation	Delaware
Westinghouse Environmental Management Company of Ohio, Inc.	Delaware
Westinghouse Hanford Company	Delaware
Westinghouse Holdings Corporation	Delaware
Westinghouse Idaho Nuclear Company, Inc.	Delaware
Westinghouse International Holding UK Limited	United Kingdom
Westinghouse Investment Corporation	Delaware
Westinghouse Licensing Corporation	Pennsylvania
Westinghouse Reinvestment Company, L.L.C.	Delaware
Westinghouse World Investment Corporation	Delaware
White Mountain Productions Limited	United Kingdom
WhoSay, Inc.	Delaware
Wildness, LLC	California
Wilshire Court Productions LLC	Delaware
Wilshire Entertainment Inc.	Delaware
Wilshire/Hauser Company	Delaware
Woburn Insurance Ltd.	Bermuda
Wordsmith, LLC	California
World Sports Enterprises	Tennessee
World Volleyball League, Inc.	New York
Worldvision Enterprises (France) SARL	France
Worldvision Enterprises (United Kingdom) Ltd.	New York
Worldvision Enterprises de Venezuela	Venezuela
Worldvision Enterprises Latino-Americana, S.A.	Panama
Worldvision Enterprises LLC	New York
Worldvision Enterprises of Canada, Limited	New York
Worldvision Filmes do Brasil, Ltda.	Brazil
Worldvision Home Video LLC	New York
Worldwide Productions, Inc.	Delaware
WPIC Corporation	Delaware
WT Animal Music Inc.	Delaware
WT Productions Inc.	Delaware
Wuthering Heights, CA Productions Inc.	Delaware
WVI Films B.V.	Netherlands
Yellams	Cayman Islands
Yellowstone Finance LLC	Delaware
York Resource Energy Systems, Inc.	Delaware
Young Reader's Press, Inc.	Delaware
YP Productions Inc.	Canada (Ontario)
Zarina 99 Vermögensverwaltungs GmbH	Germany
ZDE, LLC	California
Zoo Films LLC	Delaware

**Subsidiary Name**

**Place of Incorporation or  
Organization**

Zukor LLC

Delaware

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-221338) and on Forms S-8 (No. 333-55346, No. 333-82422, No. 333-164441, No. 333-192673, No. 333-198455, No. 333-204282, No. 333-234238, No. 333-235366, No. 333-235365 and No. 333-235364) of ViacomCBS Inc. of our report dated February 20, 2020 relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PRICEWATERHOUSECOOPERS LLP

New York, New York

February 20, 2020

VIACOMCBS INC.

POWER OF ATTORNEY

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign:           /s/ Candace K. Beinecke          

Print Name: Candace K. Beinecke



**VIACOMCBS INC.**

**POWER OF ATTORNEY**

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign:     /s/ Barbara M. Byrne    

Print Name: Barbara M. Byrne

**VIACOMCBS INC.**

**POWER OF ATTORNEY**

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign:     /s/ Brian Goldner    

Print Name: Brian Goldner

**VIACOMCBS INC.**

**POWER OF ATTORNEY**

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign: /s/ Linda Griego

Print Name: Linda Griego

**VIACOMCBS INC.**

**POWER OF ATTORNEY**

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign:     /s/ Robert N. Klieger    

Print Name: Robert N. Klieger

**VIACOMCBS INC.**

**POWER OF ATTORNEY**

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign:     /s/ Judith McHale      
Print Name: Judith McHale

**VIACOMCBS INC.**

**POWER OF ATTORNEY**

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign:     /s/ Ronald L. Nelson    

Print Name: Ronald L. Nelson

**VIACOMCBS INC.**

**POWER OF ATTORNEY**

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign:     /s/ Charles E. Phillips, Jr.      
Print Name: Charles E. Phillips, Jr.

**VIACOMCBS INC.**

**POWER OF ATTORNEY**

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign: /s/ Shari Redstone  
Print Name: Shari Redstone



**VIACOMCBS INC.**

**POWER OF ATTORNEY**

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign: /s/ Susan Schuman  
Print Name: Susan Schuman

**VIACOMCBS INC.**

**POWER OF ATTORNEY**

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign: /s/ Nicole Seligman \_\_\_\_\_  
Print Name: Nicole Seligman

**VIACOMCBS INC.**

**POWER OF ATTORNEY**

**KNOW ALL PERSONS BY THESE PRESENTS**, that the undersigned director of VIACOMCBS INC., a Delaware corporation (the “Company”), hereby constitutes and appoints Christa A. D’Alimonte to be her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for her and in her name, place and stead, in any and all capacities, to sign or cause to be signed electronically (1) the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and any amendments thereto, (2) the Company’s Registration Statement on Form S-3 (the “Form S-3”), and any amendments thereto (including post-effective amendments), and (3) any and all instruments and documents filed as part of or in connection with the Form S-3 or any amendment(s) thereto, registering, in each case, for offer and sale the securities of the Company specified in the Form S-3 and any and all documents relating to such securities, in each case to be filed with the Securities and Exchange Commission (the “Commission”) and/or any national securities exchange under the Securities Exchange Act of 1934, as amended; granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or her substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 12<sup>th</sup> day of February, 2020.

Sign: /s/ Frederick O. Terrell  
\_\_\_\_\_  
Print Name: Frederick O. Terrell

## CERTIFICATION

I, Robert M. Bakish, certify that:

1. I have reviewed this annual report on Form 10-K of ViacomCBS Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

/s/ Robert M. Bakish

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Robert M. Bakish

President and Chief Executive Officer

## CERTIFICATION

I, Christina Spade, certify that:

1. I have reviewed this annual report on Form 10-K of ViacomCBS Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

/s/ Christina Spade

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Christina Spade

Executive Vice President, Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350,  
as adopted pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of ViacomCBS Inc. (the "Company") on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission (the "Report"), I, Robert M. Bakish, President and Chief Executive Officer of the Company, certify that to my knowledge:

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

/s/ Robert M. Bakish

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Robert M. Bakish

February 20, 2020

**Certification Pursuant to 18 U.S.C. Section 1350,  
as adopted pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of ViacomCBS Inc. (the "Company") on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission (the "Report"), I, Christina Spade, Executive Vice President, Chief Financial Officer of the Company, certify that to my knowledge:

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

/s/ Christina Spade

Christina Spade

February 20, 2020