CBS CORP
Form DEF 14A
April 10, 2015

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to Section 240.14a-12

CBS Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

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

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

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

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

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

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(3) Filing Party:

(4) Date Filed:

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April 10, 2015

Dear Stockholder:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders of CBS Corporation (the "Annual Meeting"), which will be held at The Museum of Modern Art, The Lewis B. and Dorothy Cullman Education and Research Building, 4 West 54th Street (between 5th and 6th Avenues), New York, New York 10019, at 10:00 a.m., Eastern Daylight Time, on Thursday, May 21, 2015. Holders of CBS Corporation Class A Common Stock are being asked to vote on the matters listed in the attached Notice of 2015 Annual Meeting of Stockholders.

If you hold shares of the Company's Class A Common Stock, please cast your vote promptly to ensure that your shares will be voted at the Annual Meeting. You may vote by telephone or through the Internet by following the instructions on the Notice of Internet Availability of Proxy Materials or in the 2015 Proxy Statement. You may also submit your vote by returning a proxy card or voting instruction card, if you received a printed copy of proxy materials by request. If you attend the Annual Meeting, you may vote your shares in person.

National Amusements, Inc., which as of March 31, 2015 beneficially owned shares of the Company's Class A Common Stock representing approximately 79.6% of the voting power of CBS Corporation's common stock, has advised CBS Corporation that it intends to vote all of its shares of the Company's Class A Common Stock in accordance with the recommendations of the Board of Directors on Items 1 through 4 in the attached Notice. Therefore, approval of matters 1 through 4, in accordance with the Board's recommendations, is assured.

If you wish to attend the Annual Meeting in person, you must be a holder of Company common stock as of the record date (March 31, 2015) and request an admission ticket in advance. Each such holder eligible to attend the Annual Meeting may bring one guest. If you are a record holder of the Company's Class A Common Stock, you can request a ticket when you vote by telephone or through the Internet, or by marking the appropriate box on the proxy card (if you requested a printed copy of proxy materials). If you are a record holder of the Company's Class B Common Stock or you hold shares of the Company's Class A or Class B Common Stock in a brokerage account, you can request a ticket by sending a written request along with proof of ownership, such as your brokerage firm account statement as of the record date (March 31, 2015), to Director, Shareholder Relations, CBS Corporation, 51 West 52nd Street, New York, New York 10019.

Upon arrival at the Annual Meeting, you will be asked to present an admission ticket, and all meeting attendees will be asked to present a current government-issued picture identification (such as a driver's license or passport) to enter the meeting. The Company may implement security procedures as it deems appropriate to ensure the safety of meeting attendees.

If you have elected to receive paper copies of the Company's proxy statements, annual reports and other materials relating to the Annual Meeting and want to elect to receive these documents electronically next year instead of by mail, please go to http://enroll.icsdelivery.com/cbs and follow the instructions to enroll. We highly recommend that you consider electronic delivery of these documents as it helps to lower the Company's costs and reduce the amount of paper mailed to your home.

We appreciate your interest in and support of CBS Corporation and look forward to seeing you at the Annual Meeting.

SUMNER M. REDSTONE	**LESLIE MOONVES**
Executive Chairman and Founder	*President and Chief Executive Officer*

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CBS CORPORATION

NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS AND PROXY STATEMENT

To CBS Corporation Stockholders:

The 2015 Annual Meeting of Stockholders (the "Annual Meeting") of CBS Corporation (the "Company") will be held at The Museum of Modern Art, The Lewis B. and Dorothy Cullman Education and Research Building, 4 West 54th Street (between 5th and 6th Avenues), New York, New York 10019, at 10:00 a.m., Eastern Daylight Time, on Thursday, May 21, 2015. The principal business of the meeting will be the consideration of the following matters:

1. The election of 14 directors;

2. The ratification of the appointment of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm for fiscal year 2015;

3. A proposal to re-approve the material terms of the performance goals in the Company's Senior Executive Short-Term Incentive Plan pursuant to Section 162(m) of the Internal Revenue Code;

4. A proposal to approve amendments to the Company's 2005 RSU Plan for Outside Directors; and

5. Such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The close of business on March 31, 2015 has been fixed as the record date for determining the holders of shares of CBS Corporation Class A Common Stock entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof. For a period of at least 10 days prior to the Annual Meeting, a complete list of stockholders entitled to vote at the Annual Meeting will be open to the examination of any stockholder during ordinary business hours at the Company's corporate headquarters located at 51 West 52nd Street, New York, New York 10019.

By order of the Board of Directors,

ANGELINE C. STRAKA
Secretary

April 10, 2015

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CBS CORPORATION
2015 PROXY STATEMENT

VOTING AND SOLICITATION OF PROXIES

Solicitation of Proxies

A proxy is being solicited by the Board of Directors of CBS Corporation, a Delaware corporation ("CBS Corporation" or the "Company"), for use at the 2015 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Thursday, May 21, 2015 at 10:00 a.m., Eastern Daylight Time. The close of business on March 31, 2015 is the record date for determining the record holders of the Company's Class A Common Stock, par value $0.001 per share, entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof. Holders of the Company's non-voting Class B Common Stock, par value $0.001 per share, are not entitled to vote at the Annual Meeting or any adjournment or postponement thereof.

As of March 31, 2015, the Company had outstanding 37,826,904 shares of its Class A Common Stock, each of such shares being entitled to one vote, and 457,486,042 non-voting shares of its Class B Common Stock (together with the Company's Class A Common Stock, the "Common Stock").

Internet Availability of Proxy Materials

In accordance with Securities and Exchange Commission ("SEC") rules, instead of mailing to stockholders a printed copy of the Company's proxy statement, annual report and other materials relating to the Annual Meeting ("proxy materials"), the Company intends to mail to stockholders a Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability"), which advises that the proxy materials are available on the Internet. The Company intends to commence its distribution of the Notice of Internet Availability on or about April 10, 2015. Stockholders receiving a Notice of Internet Availability by mail will not receive a printed copy of proxy materials, unless they so request. Instead, the Notice of Internet Availability will instruct stockholders as to how they may access and review proxy materials on the Internet. Stockholders who receive a Notice of Internet Availability by mail who would like to receive a printed copy of the Company's proxy materials, including a proxy card or voting instruction card, should follow the instructions for requesting these materials included in the Notice of Internet Availability. Stockholders who currently receive printed copies of proxy materials who would like to receive future copies of these documents electronically instead of by mail should follow the instructions for requesting electronic delivery set forth in the "Other Matters" section in this proxy statement.

Submission of Proxies

Each of the persons named in the proxy card and on the Company's voting website at www.proxyvote.com (the "proxy holders"), individually and with the power to appoint his substitute, has been designated by the Company's Board of Directors to vote the shares represented by proxy at the Annual Meeting. The proxy holders are officers of the Company. They will vote the shares represented by each valid and timely received proxy in accordance with the stockholder's instructions, or if no instructions are specified, the shares represented by the proxy will be voted in accordance with the recommendations of the Board of Directors as described in this proxy statement. If any other matter properly comes before the Annual Meeting, the proxy holders will vote on that matter in their discretion.

Holders of record of the Company's Class A Common Stock may submit a proxy in the following ways:

By Internet: Holders of record may access www.proxyvote.com, with the Notice of Internet Availability in hand (or, if a printed copy of proxy materials was received by request, the proxy card in hand), and follow the instructions. The Internet proxy must be received no later than 11:59 p.m., Eastern Daylight Time, on May 20, 2015.

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By Telephone: Holders of record living in the United States or Canada may use any touch-tone telephone to call 1-800-690-6903, with the Notice of Internet Availability in hand (or, if a printed copy of proxy materials was received by request, the proxy card in hand), and follow the recorded instructions. The telephone proxy must be received no later than 11:59 p.m., Eastern Daylight Time, on May 20, 2015.

By Mail: Holders of record who received a printed copy of proxy materials by request may complete, sign and date the proxy card and return it in the envelope provided, so that it is received prior to the Annual Meeting.

"Beneficial holders" (defined below) will receive voting materials, including instructions on how to vote, directly from the holder of record.

Shares Held in the Company's 401(k) Plan. Voting instructions relating to shares of the Company's Class A Common Stock held in the Company's 401(k) plan must be received no later than 11:59 p.m., Eastern Daylight Time, on May 19, 2015, so that the trustee of the plan (who votes the shares on behalf of plan participants) has adequate time to tabulate the voting instructions. Shares held in the 401(k) plan that are not voted or for which the trustee does not receive timely voting instructions will be voted by the trustee in the same proportion as the shares held in the plan that are timely voted.

Voting Other than by Proxy. While the Company encourages holders of its Class A Common Stock to vote by proxy, holders of the Company's Class A Common Stock (other than shares held in the 401(k) plan) also have the option of voting their shares in person at the Annual Meeting. Some holders of the Company's Class A Common Stock hold their shares in "street name" through a broker or other nominee and are therefore known as "beneficial holders." If shares of Class A Common Stock are held for a beneficial holder in a brokerage, bank or other institutional account, then the beneficial holder must obtain a proxy from that entity and bring it to the Annual Meeting in order to vote the shares at the Annual Meeting.

Revocation of Proxies

A proxy may be revoked before the voting deadline by sending written notice to Angeline C. Straka, Secretary, CBS Corporation, 51 West 52nd Street, New York, NY 10019, or by timely submission (including telephonic or Internet submission) of a proxy bearing a later date than the proxy being revoked to Proxy Services, P.O. Box 9111, Farmingdale, NY 11735-9543. Revocations made by telephone or through the Internet must be received by 11:59 p.m., Eastern Daylight Time, on May 20, 2015. A holder may also revoke a proxy by voting in person at the Annual Meeting.

Shares Held in the Company's 401(k) Plan. Voting instructions relating to shares of the Company's Class A Common Stock held in the Company's 401(k) plan may be revoked prior to 11:59 p.m., Eastern Daylight Time, on May 19, 2015, by sending written notice to Angeline C. Straka, Secretary, CBS Corporation, 51 West 52nd Street, New York, NY 10019, or by timely submission (including telephonic or Internet submission) of voting instructions bearing a later date than the voting instructions being revoked to Proxy Services, P.O. Box 9111, Farmingdale, NY 11735-9543.

Quorum

Under the Company's Amended and Restated Bylaws, the holders of a majority of the aggregate voting power of the Company's Class A Common Stock outstanding on the record date, present in person or represented by proxy at the Annual Meeting, shall constitute a quorum. Abstentions and broker non-votes will be treated as present for purposes of determining the presence of a quorum.

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Matters to Be Considered at the Annual Meeting

The Board of Directors recommends a vote FOR each of the following matters:

1. The election of each of the 14 nominated directors;

2. The ratification of the appointment of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm ("independent auditor") for fiscal year 2015;

3. A proposal to re-approve the material terms of the performance goals in the Company's Senior Executive Short-Term Incentive Plan pursuant to Section 162(m) of the Internal Revenue Code; and

4. A proposal to approve amendments to the Company's 2005 RSU Plan for Outside Directors.

The affirmative vote of the holders of a majority of the aggregate voting power of the Company's Class A Common Stock present in person or represented by proxy at the Annual Meeting ("majority vote") is required to elect each of the 14 nominated directors and to approve Items 2 and 4 set forth above. Pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the affirmative vote of the holders of a majority of the votes cast is required to approve Item 3 set forth above. An abstention with respect to any matter will have the effect of a vote against such matter.

Under the rules of the New York Stock Exchange ("NYSE"), a broker or other nominee holding shares of the Company's Class A Common Stock on behalf of a beneficial holder may not be permitted to exercise voting discretion with respect to some matters to be acted upon at stockholders' meetings. Therefore, if a beneficial holder does not give the broker or nominee specific voting instructions, the holder's shares may not be voted on those matters and a broker non-vote will occur. Under the rules of the NYSE, brokers or nominees may vote on the matter listed as Item 2 above, but not on the matters listed as Items 1, 3 and 4 above, if they do not receive instructions from the beneficial holder of the shares held in street name. A broker non-vote will have no effect on the voting results for Items 1, 3 and 4 above.

As of March 31, 2015, National Amusements, Inc. ("National Amusements") beneficially owned directly and indirectly through its wholly owned subsidiary, approximately 79.6% of the Company's outstanding Class A Common Stock and approximately 7.9% of the Company's outstanding Class A Common Stock and Class B Common Stock on a combined basis. Sumner M. Redstone, the controlling stockholder of National Amusements, is Executive Chairman and Founder of the Company. National Amusements has advised the Company that it intends to vote all of its shares of the Company's Class A Common Stock in favor of each of Items 1, 2, 3 and 4 above. Such action by National Amusements will be sufficient to constitute a quorum and to approve each of the matters.

Cost of Proxy Solicitation and Inspector of Election

The Company will pay the cost of the solicitation of proxies, including the preparation, printing and mailing of the Notice of Internet Availability and, as applicable, this proxy statement and the related materials. The Company will furnish copies of the Notice of Internet Availability and, if requested, this proxy statement and related materials to banks, brokers, fiduciaries and custodians that hold shares on behalf of beneficial holders so that they may forward the materials to the beneficial holders. IVS Associates, Inc. will serve as the independent inspector of election for the Annual Meeting.

Mailing Address

The Company's mailing address is 51 West 52nd Street, New York, NY 10019.

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CORPORATE GOVERNANCE

CBS Corporation's corporate governance practices are established and monitored by its Board of Directors (the "Board"). The Board, with assistance from its Nominating and Governance Committee, regularly assesses CBS Corporation's governance practices in light of legal requirements and governance best practices. In several areas, CBS Corporation's practices go beyond the requirements of the NYSE corporate governance listing standards (the "NYSE listing standards"). For example, despite being a "controlled company" (*i.e.*, a company of which more than 50% of the voting power is held by an individual or another company), CBS Corporation has a majority of independent directors on its Board and has an independent Compensation Committee and an independent Nominating and Governance Committee, none of which is required for controlled companies under the NYSE listing standards.

CBS Corporation's principal governance documents are as follows:

- Corporate Governance Guidelines
- Board Committee Charters:
  - Audit Committee Charter
  - Compensation Committee Charter
  - Nominating and Governance Committee Charter
- Business Conduct Statement
- Supplemental Code of Ethics for Senior Financial Officers

These documents are available on the Company's public website at www.cbscorporation.com, and copies of these documents may also be requested by writing to Investor Relations, CBS Corporation, 51 West 52nd Street, New York, NY 10019. The Company encourages its stockholders to read these documents, as we believe they illustrate CBS Corporation's commitment to good governance practices. Certain key provisions of these documents are summarized below.

Corporate Governance Guidelines

CBS Corporation's Corporate Governance Guidelines (the "Guidelines") set forth the Company's corporate governance principles and practices on a variety of topics, including the responsibilities, composition and functioning of the Board, director qualifications, and the roles of the Board Committees. The Guidelines are periodically reviewed and updated as needed. The Guidelines provide, among other things, that:

- A majority of the members of the Board must be independent as determined under the NYSE listing standards and the standards set forth in the Guidelines;
- All of the members of the Audit, Compensation, and Nominating and Governance Committees must be independent;
- Separate executive sessions of the non-management directors and independent directors must be held a minimum number of times each year;

The Board, acting on the recommendation of the Nominating and Governance Committee, shall determine whether a director candidate's service on more than three other public company boards of directors is consistent with service on the Board;

Director compensation will be established in light of the policies set forth in the Guidelines;

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- Within three years of joining the Board, directors are expected to own shares of Common Stock having a market value of at least five times the cash annual retainer fee paid to them, in accordance with the Guidelines;

- The Board will hold an annual self-evaluation to assess its effectiveness; and

- The Compensation Committee and the Nominating and Governance Committee will together review periodically succession planning and report to the non-management directors on these reviews.

Board Committee Charters

Each standing Board Committee operates under a written charter that has been adopted by the Board. The Company has three standing Committees: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. The Committee charters set forth the purpose, objectives and responsibilities of the respective Committee and discuss matters such as Committee membership requirements, number of meetings and the setting of meeting agendas. The charters are assessed at least every other year, or more frequently as the applicable Committee may determine, and are updated as needed. More information on the Committees, their respective roles and responsibilities, and their charters can be found under "CBS Corporation's Board of Directors Board Committees."

Business Conduct Statement

The Company's Business Conduct Statement ("BCS") sets forth the Company's standards for ethical conduct that are expected of all directors and employees of the Company. The BCS is available on the Company's website at www.cbscorporation.com and on the Company's intranet sites and also has been distributed to the Company's employees and directors. As part of the Company's compliance and ethics program, directors and full-time employees are required to certify as to their compliance with the BCS and, on an ongoing basis, must disclose any potential conflicts of interest. The Company has also implemented an online BCS training program. The BCS addresses, among other things, topics such as:

- Compliance with laws, rules and regulations, including the Foreign Corrupt Practices Act;

- Conflicts of interest, including the disclosure of potential conflicts to the Company;

- Confidentiality, insider information and trading, and fair disclosure;

- Financial accounting and improper payments;

- The Company's commitment to providing equal employment opportunities and a bias-free and harassment-free workplace environment;

- Fair dealing and relations with competitors, customers and suppliers;

- Health, safety and the environment; and

- Political contributions and payments.

The BCS provides numerous avenues for employees to report violations of the BCS or matters of concern, whether anonymously or with attribution, to the appropriate officers of the Company and/or the Audit Committee. These avenues include a telephone hotline, email contacts or direct communication with the Company's compliance officers. The BCS also provides that the Company will protect anyone who makes a good faith report of a violation of the BCS and that retaliation against an employee who makes a good faith report will not be tolerated.

Waivers of the BCS for the Company's executive officers or directors will be disclosed on the Company's website at www.cbscorporation.com or by Form 8-K filed with the SEC.

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Supplemental Code of Ethics for Senior Financial Officers

The Supplemental Code of Ethics is applicable to the Company's President and Chief Executive Officer, Chief Operating Officer (who also performs the duties of the Chief Financial Officer) and Chief Accounting Officer. The Supplemental Code of Ethics, which is available on the Company's website at www.cbscorporation.com, addresses matters specific to those senior financial positions in the Company, including responsibility for the disclosures made in CBS Corporation's filings with the SEC, reporting obligations with respect to certain matters and a general obligation to promote honest and ethical conduct within the Company. The senior financial officers are also required to comply with the BCS. Amendments to or waivers of the Supplemental Code of Ethics for these officers will be disclosed on the Company's website at www.cbscorporation.com or by Form 8-K filed with the SEC.

CBS CORPORATION'S BOARD OF DIRECTORS

The Company's Board of Directors is currently comprised of 14 members: David R. Andelman, Joseph A. Califano, Jr., William S. Cohen, Gary L. Countryman, Charles K. Gifford, Leonard Goldberg, Bruce S. Gordon, Linda M. Griego, Arnold Kopelson, Leslie Moonves, Doug Morris, Shari Redstone, Sumner M. Redstone and Frederic V. Salerno. All of the current members of the Board were elected at the Company's 2014 Annual Meeting of Stockholders.

During 2014, the Board held 7 meetings and also acted by unanimous written consent. Each incumbent director attended at least 75% of the meetings of the Board and Board Committees on which such director served during 2014. In addition to Board and Committee meetings, directors are expected to attend the Annual Meeting, and all of the directors standing for election in 2014 were present at the Company's 2014 Annual Meeting of Stockholders.

In accordance with the Guidelines and the NYSE listing standards, the non-management directors meet separately, without directors who are Company employees, at least two times each year, and at such other times as they deem appropriate. The independent directors also meet separately, without those directors who are not independent as determined by the Board, at least two times each year, and at such other times as they deem appropriate. The members of the Nominating and Governance Committee preside at meetings of the non-management directors and independent directors on a rotating basis. During 2014, the non-management directors met 6 times, and the independent directors met 6 times.

Director Independence

The Company's Guidelines provide that a majority of the Company's directors must be independent of the Company, as "independence" is defined in the NYSE listing standards and in the Guidelines. The NYSE listing standards set forth five "bright-line" tests that require a finding that a director is not independent if the director fails any of the tests. In addition, the NYSE listing standards provide that a director is not independent unless the Board affirmatively determines that the director has no "material relationship" with the Company. The Guidelines set forth categorical standards to assist the Board in determining what constitutes a "material relationship" with the Company. Generally under these categorical standards, the following relationships are deemed not to be material:

- The types of relationships identified by the NYSE listing standards' "bright-line" tests, if they occurred more than five years ago (the Board will review any such relationship if it occurred more than three but less than five years ago);

- A relationship whereby the director has received, or an immediate family member of the director has received for service as an executive officer, less than $120,000 in direct compensation from the Company during any 12-month period within the last three years; and

- A relationship where the director is an executive officer or employee, or an immediate family member of the director is an executive officer, of the following:

    - a company that made payments to, or received payments from, the Company for property or services in an amount that, in any of the last three fiscal years, is less than 1% of such company's annual consolidated gross revenues;

    - a company which is either indebted to or a creditor of the Company in an amount that is less than 1% of such company's total consolidated assets; and

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

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For relationships that exceed the thresholds described above, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, is made by the directors who are independent. In addition, the Guidelines state that, generally, the types of relationships not addressed by the NYSE listing standards or described in the Guidelines will not cause an otherwise independent director to be considered not independent. However, the Board may determine that a director is not independent for any reason it deems appropriate.

The full text of the Guidelines is available on the Company's website at www.cbscorporation.com.

In February 2015, the Nominating and Governance Committee reviewed the independence of the 14 director nominees standing for election at the Annual Meeting to determine its recommendation regarding which nominees meet the independence standards outlined above. The Board, based on its review and the recommendation of the Nominating and Governance Committee, determined that 9 of the 14 nominees are independent. The independent director nominees are Messrs. Califano, Cohen, Countryman, Gifford, Gordon, Kopelson, Morris and Salerno and Ms. Griego.

During its review, in determining that the director nominees named above are independent, the Board considered the transactions disclosed under "Related Person Transactions," all of which the Board determined were immaterial to, and would not impair, each such director's independence. The Board also considered that the Company and its subsidiaries in the ordinary course of business have, during the past three years, sold products and services to, and/or purchased products and services from, persons and companies and other entities, of which certain directors were executive officers or principals during 2014, and determined that all of these transactions were below the threshold for relationships deemed to be immaterial under the Guidelines.

Board Leadership Structure

The Company's Board of Directors separates its Board chairman and principal executive officer positions. The Company believes that this structure is most appropriate for the Company. The Company's Executive Chairman provides leadership as chairman of the board. He is uniquely suited for this position, given his history with the Company as a principal participant in the establishment of the Company and as a stockholder who has maintained, through National Amusements, a controlling ownership position since that time. The Company's Chief Executive Officer is responsible for the day-to-day supervision, management and control of the business and affairs of the Company and serves as a bridge between management and the Board to support the alignment of the goals of both. In addition, the Board has appointed a Vice Chair whose responsibilities include the duties set forth in the Company's Bylaws. In support of the independent oversight of management, the non-management directors and, separately, the independent directors routinely meet and hold discussions without management present. While the Company does not maintain a written succession plan with respect to the Executive Chairman, in accordance with the Guidelines, the Compensation Committee and the Nominating and Governance Committee, together, periodically review succession planning for the Executive Chairman, and others, and report to the non-management directors on these reviews.

Board Risk Oversight

The Company's Board of Directors has overall responsibility for the oversight of the Company's risk management process. The Board carries out its oversight responsibility directly and through the delegation to its Committees of responsibilities related to the oversight of certain risks, as follows:

- The Audit Committee, as part of its internal audit and independent auditor oversight, is responsible for reviewing the Company's risk assessment and risk management practices and discusses risks as they relate to its review of the Company's financial statements, the evaluation of the effectiveness of internal control over financial reporting, compliance with

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legal and regulatory requirements, and the performance of the internal audit function, among other responsibilities set forth in the Committee's charter.

The Compensation Committee monitors risks associated with the design and administration of the Company's compensation programs, including its performance-based compensation programs, to promote an environment which does not encourage unnecessary and excessive risk-taking by the Company's employees. The Committee also reviews risks related to management resources, including the depth of the Company's senior management. In view of this oversight and based on management's assessment, the Company does not believe that its employee compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

The Nominating and Governance Committee oversees risk as it relates to monitoring developments in law and practice with respect to the Company's corporate governance processes and in reviewing related person transactions. The Committee also is responsible for the periodic review of the following risk management processes at the Company: disaster recovery, crisis management and theft of intellectual property.

Each of these Committees reports regularly to the Board on these risk-related matters, among other items within its purview. On an annual basis, the Board conducts strategy sessions, which include presentations from economic, political and industry experts, among others, on matters affecting the Company, to assist the Board and management in preparing and implementing strategic initiatives, including risk management. In addition, the Board and Committees receive regular reports from management that include matters affecting the Company's risk profile, including, among others, operations reports from the Chief Executive Officer and from division heads, all of which include strategic and operational risks; reports from the Chief Operating Officer and Chief Accounting Officer on credit and liquidity risks and on the integrity of internal controls over financial reporting; reports from the Chief Legal Officer on legal risks and material litigation; and reports on internal audit activities from the Senior Vice President, Internal Audit. The Audit Committee also receives periodic reports from the Company's Chief Compliance Officer on the Company's compliance program and from the Senior Vice President, Internal Audit on the internal audit plan for the upcoming fiscal year, the scope of which is to determine the adequacy and function of the Company's risk management, control and governance processes. Outside of formal meetings, Board members have regular access to executives, including the Chief Executive Officer, the Chief Operating Officer, the Chief Accounting Officer, the Chief Legal Officer and the Chief Administrative Officer and Chief Human Resources Officer. The Committee and management reports, strategy sessions and real-time management access collectively provide the Board with integrated insight on the Company's management of its risks.

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Board Committees

The following chart sets forth the current membership of each standing Board Committee. The Board reviews and determines the membership of the Committees at least annually.

Committee	Members
Audit Committee	Gary L. Countryman, Chair Linda M. Griego Frederic V. Salerno
Compensation Committee	Charles K. Gifford, Chair William S. Cohen Bruce S. Gordon Doug Morris
Nominating and Governance Committee	Joseph A. Califano, Jr., Chair Gary L. Countryman Charles K. Gifford

During 2014, the Audit Committee held 5 meetings, the Compensation Committee held 9 meetings and the Nominating and Governance Committee held 6 meetings. Information about these Committees, including their respective roles and responsibilities and charters, is set forth below.

Audit Committee

The Audit Committee Charter provides that the Audit Committee will be comprised of at least three members and that all of the members on the Committee must be independent directors. Also, the Committee must have at least one "audit committee financial expert" (as described below) and all Committee members must be financially literate. The Committee holds at least five regular meetings each year, and it regularly meets separately at these meetings with the independent auditor, the Company's Chief Legal Officer, its Senior Vice President, Internal Audit and other members of the Company's senior management. The Committee is responsible for the following, among other things:

- The appointment, retention, termination, compensation and oversight of the Company's independent auditor, including reviewing with the independent auditor the scope of the audit plan and audit fees;
- Reviewing the Company's financial statements and related disclosures, including with respect to internal control over financial reporting;
- Oversight of the Company's internal audit function; and
- Oversight of the Company's compliance with legal and regulatory requirements.

For additional information on the Committee's role and its oversight of the independent auditor during 2014, see "Report of the Audit Committee."

Audit Committee Financial Experts. The Board has determined that all of the members of the Audit Committee are "financially literate," as that term is interpreted by the Board in its business judgment. In addition, the Board has determined that two members of the Audit Committee, including Mr. Countryman (Chair), qualify as "audit committee financial experts," as that term is defined in the regulations promulgated under the Securities Act of 1933, as amended (the "Securities Act").

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Compensation Committee

The Compensation Committee Charter provides that the Compensation Committee will be comprised of at least three members, except that the Committee is deemed to be properly constituted with at least two members in the event of a vacancy until the Board fills the vacancy. The Charter also provides that all of the members on the Committee must be independent directors and that the Committee shall also satisfy the relevant requirements established pursuant to regulations promulgated under Section 162(m) of the Code. The Committee holds at least four regular meetings each year and is responsible for the following, among other things:

- Adopting and periodically reviewing the Company's compensation philosophy, strategy and principles regarding the design and administration of the Company's compensation programs;

- Reviewing and approving the total compensation packages for the Executive Chairman, the President and Chief Executive Officer, the Company's other executive officers, and other senior executives identified by the Committee after consultation with the Company's Chief Executive Officer and Senior Executive Vice President, Chief Administrative Officer and Chief Human Resources Officer (excluding "Talent," as such term is currently used in the media or entertainment industries) (collectively, the "senior executives"); and

- Overseeing the administration of the Company's incentive compensation plans (including the bonus plan for executives subject to Section 162(m) of the Code) and its equity-based compensation plans.

Consideration and Determination of Executive Compensation. The Compensation Committee reviews all components of the senior executives' compensation, including base salary, annual and long-term incentives and severance arrangements. In approving compensation for the senior executives (other than the Executive Chairman and the Chief Executive Officer), the Committee considers the input and recommendations of the Chief Executive Officer with respect to the senior executives' performances, the Chief Operating Officer with respect to those senior executives who report directly to him and the Chief Legal Officer with respect to those senior executives who report directly to him. With respect to the Executive Chairman and Chief Executive Officer, the Committee, together with the Nominating and Governance Committee, annually evaluates the performances of the Executive Chairman and the Chief Executive Officer. The results of these evaluations are then reported to the non-management directors. The Compensation Committee sets compensation for the Executive Chairman and the Chief Executive Officer taking these evaluations into account. The Committee then reports to the Board on the process for setting compensation for the Executive Chairman and Chief Executive Officer.

The Company's processes and procedures for the consideration of executive compensation and the role of the Company's executive officers in determining or recommending the amount or form of executive compensation are more fully described in the "Compensation Discussion and Analysis" section below. Director compensation is approved by the Board, based on recommendations from the Nominating and Governance Committee, as more fully described in the "Nominating and Governance Committee" section below.

The Compensation Committee has the power to delegate its authority and duties to subcommittees or individuals as it deems appropriate and in accordance with applicable laws and regulations. The Committee has delegated to the President and Chief Executive Officer limited authority (with respect to executives who are not senior executives) to grant long-term incentive awards under the Company's long-term incentive plan to such executives in connection with their hiring, promotion or contract renewal and to modify the terms of outstanding equity grants in certain post-termination scenarios, as discussed in the "Compensation Discussion and Analysis" section below.

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The Committee is empowered to retain compensation consultants having special competence to assist the Committee in evaluating executive officer and employee compensation. The Committee has the sole authority to retain and terminate such consultants and to review and approve such consultants' fees and other retention terms. The Committee retains an independent compensation consulting firm, currently Exequity LLP, to advise the Committee in its review of senior executive compensation. The Compensation Committee adopted a policy in 2008 providing that the independent compensation consulting firm will not be considered as a provider of services to the Company, other than for services provided to the Compensation Committee. Accordingly, other than these services provided to the Committee, Exequity does not perform any administrative or consulting services for the Company. In furtherance of the Committee's review of senior executive compensation, the independent consultant examines the compensation practices at companies with which the Company competes for senior executive talent, including those companies engaged in similar business activities and other publicly traded U.S. companies, and provides other analysis, as more fully described in the "Compensation Discussion and Analysis" section below. The Committee has assessed the independence of Exequity and determined that Exequity's work for the Committee does not raise any conflict of interest.

Nominating and Governance Committee

The Nominating and Governance Committee's Charter provides that the Nominating and Governance Committee will be comprised of at least three members, except that the Committee is deemed to be properly constituted with at least two members in the event of a vacancy until the Board fills the vacancy. The Charter also provides that all of the members on the Committee must be independent directors. The Committee holds at least three regular meetings each year and is responsible for the following, among other things:

- Identifying and recommending to the Board nominees for election to the Board and reviewing the composition of the Board as part of this process;

- Overseeing all aspects of the Company's corporate governance initiatives, including regular assessments of its principal governance documents;

- Establishing criteria for the annual self-evaluations of the Board and its Committees;

- Making recommendations to the Board on director compensation matters;

- Monitoring developments in the law and practice of corporate governance;

- Developing and recommending items for Board meeting agendas;

- Reviewing transactions between the Company and related persons; and

- Reviewing the following risk management processes at the Company: disaster recovery, crisis management and theft of intellectual property.

The members of the Nominating and Governance Committee also chair the executive sessions of non-management and independent directors on a rotating basis.

Consideration and Determination of Director Compensation. The Committee annually reviews and recommends for the Board's consideration the form and amount of compensation for Outside Directors. "Outside Directors" are directors of the Company who are not employees of the Company or any of its subsidiaries. Only Outside Directors are eligible to receive compensation for serving on the Board, as more fully described in the "Director Compensation" section below. In connection with its 2015 review and recommendation, the Committee received advice from the independent compensation consulting firm retained by the Compensation Committee regarding market practice for director compensation.

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In accordance with the Guidelines and its Charter, the Committee is guided by three principles in its review of Outside Director compensation and benefits: Outside Directors should be fairly compensated for the services they provide to the Company, taking into account, among other things, the size and complexity of the Company's business and compensation and benefits paid to directors of comparable companies; Outside Directors' interests should be aligned with the interests of stockholders; and Outside Directors' compensation should be easy for stockholders to understand.

The recommendations of the Committee with respect to director compensation are subject to approval by the Board.

2015 Director Nomination Process; Board Diversity. In connection with the 2015 director nomination process, the Committee reviewed the current composition of the Board in light of the considerations set forth in its Charter and the Company's Guidelines. The Committee also considered input received from other directors on Board member qualifications, Board composition and any special circumstances that the Committee considers important in its determination. After taking these considerations into account, the Committee determined to recommend to the Board that each of the current members of the Board be nominated to stand for election at the 2015 Annual Meeting.

As part of its review, the Committee considers diversity, among other factors. The Committee considers diversity to be a broadly defined concept which takes into account professional experience, gender and ethnicity, among other characteristics. As a result of considering diversity as part of its nomination process, multiple industries are represented on the Board, including the entertainment and media, communications, banking, legal, insurance and management consulting industries, among others. Additionally, distinguished contributors to governmental and not-for-profit organizations also serve on the Board. Multiple professions are represented among the directors, including current and past experience as principal executive and principal financial officers, attorneys, high-level government officials, entrepreneurs and television, film and record producers, among others. The Committee assesses the effectiveness of its consideration of diversity as part of its annual nomination process, when it reviews the composition of the Board as a whole.

Stockholder Recommendations for Director. The Committee will consider candidates for director recommended by the stockholders of the Company. All recommendations by stockholders for potential director candidates, which shall include written materials with respect to the potential candidate, should be sent to Angeline C. Straka, Secretary, CBS Corporation, 51 West 52nd Street, New York, NY 10019. The Company's Guidelines and Nominating and Governance Committee Charter set forth certain criteria for director qualifications and Board composition that stockholders should consider when making a recommendation. These criteria include an expectation that directors have substantial accomplishments in their professional backgrounds, are able to make independent, analytical inquiries, and exhibit practical wisdom and mature judgment. Directors of CBS Corporation should also possess the highest personal and professional ethics, integrity and values and be committed to promoting the long-term interests of CBS Corporation's stockholders. Director candidates recommended by stockholders who meet the director qualifications, which are described more fully in the Company's Guidelines and Nominating and Governance Committee Charter, will be considered by the Chair of the Committee, who will present the information on the candidate to the entire Committee. Director candidates recommended by stockholders will be considered by the Committee in the same manner as any other candidate.

Communications with Directors

Stockholders and other parties interested in contacting CBS Corporation's non-management directors may send an email to nonmanagementdirectors@cbs.com or write to Non-Management Directors, CBS Corporation, 51 West 52nd Street, 35th Floor, New York, NY 10019. The non-management directors' contact information is also available on CBS Corporation's website at

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www.cbscorporation.com. The non-management directors have approved the process for handling communications received in this manner.

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

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee during fiscal year 2014 was, or has ever been, an officer or employee of the Company, and, during fiscal year 2014, no executive officer of the Company served on the board and/or compensation committee of any company that employed as an executive officer any member of the Company's Board and/or Compensation Committee.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The table below sets forth as of February 28, 2015, unless otherwise indicated, information concerning the beneficial ownership of the Company's Class A and Class B Common Stock by (i) each current director and director nominee, (ii) each named executive officer and (iii) the current directors and executive officers of the Company as a group. Each person has sole voting and investment power over the shares reported, except as noted. Also set forth below is information concerning the beneficial ownership by each person, or group of affiliated persons, who is known by the Company to beneficially own 5% or more of the Company's Class A Common Stock. As of February 28, 2015 there were 37,826,904 shares of the Company's Class A Common Stock outstanding and 460,468,429 shares of the Company's Class B Common Stock outstanding.

Beneficial Ownership of Equity Securities

Name	**Title of Security**	**Number of Shares**		**Percent of Class**
Anthony G. Ambrosio	Class A Common	0		*
	Class B Common	528,674	(1)(2)(3)	*
David R. Andelman	Class A Common	24,524	(4)	*
	Class B Common	107,084	(1)(4)	*
Joseph A. Califano, Jr.	Class A Common	3,014	(4)	*
	Class B Common	88,416	(1)(3)(4)	*
William S. Cohen	Class A Common	28,598	(4)	*
	Class B Common	82,326	(1)(4)	*
Gary L. Countryman	Class A Common	6,432	(4)	*
	Class B Common	85,601	(1)(4)	*
Charles K. Gifford	Class A Common	0		*
	Class B Common	98,142	(1)(3)(4)	*
Leonard Goldberg	Class A Common	0		*
	Class B Common	53,198	(1)(3)	*
Bruce S. Gordon	Class A Common	0		*
	Class B Common	64,292	(1)(4)	*
Linda M. Griego	Class A Common	0		*
	Class B Common	50,302	(1)(3)(4)	*
Joseph R. Ianniello	Class A Common	0		*
	Class B Common	707,922	(1)(2)(3)	*
Arnold Kopelson	Class A Common	3,523	(4)	*
	Class B Common	82,800	(1)(4)	*
Leslie Moonves	Class A Common	0		*
	Class B Common	6,766,664	(1)(2)(3)	1.5%
Doug Morris	Class A Common	20,807	(4)	*
	Class B Common	65,109	(4)	*
Shari Redstone	Class A Common	11,445	(4)(5)	*
	Class B Common	97,894	(1)(3)(4)(5)	*
Sumner M. Redstone	Class A Common	30,110,939	(6)	79.6%
	Class B Common	9,731,557	(1)(6)	2.1%
Frederic V. Salerno	Class A Common		(4)	*

	24,833		
Class B Common	70,835	(1)(4)	*

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Name	Title of Security	Beneficial Ownership of Equity Securities Number of Shares		Percent of Class
Lawrence P. Tu	Class A Common	0		*
	Class B Common	31,161	(1)(2)	*
Current directors and executive officers	Class A Common	123,176	(4)	*
as a group, other than the interests of Mr. Redstone (20 persons)	Class B Common	9,513,327	(1)(2)(3)(4)(7)	2.0%
National Amusements	Class A Common	30,110,899	(8)	79.6%
846 University Avenue Norwood, MA 02062	Class B Common	9,430,250	(8)	2.0%
Mario J. Gabelli *et al.* (9) GAMCO Investors, Inc. One Corporate Center Rye, NY 10580-1435	Class A Common	4,411,381		11.7%
GRUSS Capital Management, L.P. *et al.* (10) GRUSS Capital Management, L.P. 510 Madison Avenue, 16th Floor New York, NY 10022	Class A Common	2,100,166		5.6%

* Represents less than 1% of the outstanding shares of the class.

(1) Includes the following shares of the Company's Class B Common Stock (a) which the indicated named executive officer or director had the right to acquire on or within 60 days from February 28, 2015, through the exercise of stock options: Ambrosio, 346,241; Andelman, 30,558; Califano, 30,558; Cohen, 1,698; Countryman, 33,106; Gifford, 43,292; Goldberg, 1,698; Gordon, 15,279; Griego, 15,279; Ianniello, 486,530; Kopelson, 33,106; Moonves, 4,727,441; Shari Redstone, 30,558; Sumner Redstone, 98,814; Salerno, 1,698; and Tu, 19,199; and (b) underlying restricted share units ("RSUs") which will vest within 60 days from February 28, 2015 held by the indicated executive officer: Tu, 72.

(2) Includes shares held through the CBS 401(k) Plan.

(3) Includes the following number of shares of the Company's Class B Common Stock (a) owned by family members but as to which, except in the case of Ms. Griego, the indicated person disclaims beneficial ownership: Califano, 927; Griego, 6,000; Ianniello, 2,320; and Moonves, 4,636; (b) held by trusts, as to which the indicated director has shared voting and investment power: Goldberg, 5,000; Moonves, 238,163; and Shari Redstone, 1,500; (c) held in family trusts, as to which the indicated person has sole voting and investment power: Ambrosio, 103,499; and Moonves: 455,595; and (d) held in family trusts, as to which the indicated person's family member has voting and investment power: Ambrosio, 24,001; and Gifford, 1,500.

(4) Includes (a) the following Company Class A Common Stock phantom units and Class B Common Stock phantom units credited pursuant to the Company's deferred compensation plans for Outside Directors: Andelman, 24,524 Class A and 24,639 Class B; Califano, 3,014 Class A and 3,032 Class B; Cohen, 28,598 Class A and 28,741 Class B; Countryman, 6,432 Class A and 6,435 Class B; Kopelson, 3,523 Class A and 3,520 Class B; Morris, 20,807 Class A and 20,908 Class B; Shari Redstone, 11,445 Class A and 11,492 Class B; and Salerno, 24,833 Class A and 24,936 Class B (including 7,918 Class A and 7,946 Class B, which amounts were deferred prior to December 31, 2005 (the completion date of the separation (the "Separation") of former Viacom Inc. ("Former Viacom") into two publicly traded companies, CBS Corporation and new Viacom Inc. ("Viacom")), and are held in an account in Mr. Salerno's name at Viacom); and (b) the following shares of the Company's Class B Common Stock underlying vested RSUs for which settlement has been deferred: Andelman, 51,887; Califano, 51,887; Cohen, 51,887; Countryman, 44,201; Gifford, 49,350; Gordon, 46,518; Griego, 25,916; Kopelson, 3,773; Morris, 44,201; Shari Redstone, 31,573; and Salerno, 37,221. Pursuant to the governing plans, the phantom common stock units are payable in cash and the RSUs are payable in shares of the Company's Class B Common Stock following termination of service as a director.

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(5)

Ms. Redstone is a stockholder of National Amusements and has a significant indirect beneficial interest in the Company shares owned by National Amusements and its wholly owned subsidiary.

(6)

Includes 30,110,899 shares of the Company's Class A Common Stock and 9,430,250 shares of the Company's Class B Common Stock that are owned by National Amusements and its wholly owned subsidiary. Mr. Redstone is the beneficial owner of the controlling interest in National Amusements and, accordingly, beneficially owns all such shares. Based on information received from National Amusements, some of the shares of the Company's Class A and Class B Common Stock owned by its wholly owned subsidiary are pledged to its lenders. National Amusements holds more than 50% of the Company's Class A Common Stock directly, and these shares are not pledged.

(7)

Includes 6,139,609 shares of the Company's Class B Common Stock which the current directors and executive officers as a group, other than Mr. Redstone, had the right to acquire on or within 60 days from February 28, 2015, through the exercise of stock options or through the vesting of RSUs.

(8)

Mr. Redstone is the beneficial owner of the controlling interest in National Amusements and, accordingly, beneficially owns all the Company's shares held by National Amusements and its wholly owned subsidiary. Based on information received from National Amusements, some of the shares of the Company's Class A and Class B Common Stock owned by its wholly owned subsidiary are pledged to its lenders. National Amusements holds more than 50% of the Company's Class A Common Stock directly, and these shares are not pledged.

(9)

The number of shares identified is based on a Schedule 13D dated February 25, 2011 and filed with the SEC by Gamco Investors, Inc. *et al*. on March 15, 2011. The Schedule 13D reported that the Gabelli entities have investment discretion and/or voting power with respect to substantially all of such shares.

(10)

The number of shares identified is based on a Schedule 13G/A dated December 31, 2014 and filed with the SEC by GRUSS Capital Management, L.P. *et al*. on February 10, 2015. The Schedule 13G/A reported that the GRUSS entities have investment discretion and/or voting power with respect to substantially all of such shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's executive officers and directors, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the SEC and the NYSE and to furnish the Company with copies of all Section 16(a) forms they file. Based upon the Company's compliance program, a review of the forms furnished to the Company and written representations, the Company believes that during 2014 its executive officers, directors and greater than 10% beneficial owners complied with all applicable Section 16(a) filing requirements.

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RELATED PERSON TRANSACTIONS

Review, Approval or Ratification of Transactions with Related Persons

The Board of Directors adopted a written policy whereby the Nominating and Governance Committee reviews and approves, ratifies or takes other actions it deems appropriate with respect to a related person transaction that, under the rules of the SEC, is required to be disclosed in the Company's proxy statement. In its review, the Committee considers the related person's interest in the transaction; the material terms of the transaction, including the dollar amount involved; the importance of the transaction to the related person and the Company; whether the transaction would impair the judgment of the related person; and any other information the Committee deems appropriate.

Any member of the Committee who is a related person with respect to a transaction under review may not participate in the review or vote respecting the transaction; however, that person may be counted in determining the presence of a quorum at a meeting of the Committee that considers the transaction.

Under the policy, the Company's legal staff is primarily responsible for determining whether a related person has a direct or indirect material interest in a transaction with the Company that is required to be disclosed. The determination will be made after a review of information obtained from the related person and information available from the Company's records. The staff is responsible for establishing and maintaining policies and procedures to obtain relevant information to allow it to make the determination.

Agreements Related to Viacom Inc.

National Amusements, the Company's controlling stockholder, is also the controlling stockholder of Viacom. Mr. Sumner M. Redstone, the controlling stockholder, chairman of the board of directors and chief executive officer of National Amusements, serves as the Executive Chairman of the Board of Directors for both the Company and Viacom.

During 2014, the Company, as part of its normal course of business, entered into transactions with Viacom and its subsidiaries. The Company licenses its television content, leases production facilities and sells advertising spots to various subsidiaries of Viacom. Viacom also distributes certain of the Company's television programs in the home entertainment market. The Company's total revenues from these transactions were $183 million for the year ended December 31, 2014. In addition, the Company places advertisements with and leases production facilities from various subsidiaries of Viacom. The total amounts from these transactions were $19 million for the year ended December 31, 2014. As of December 31, 2014, Viacom owed the Company approximately $183 million, and the Company owed Viacom approximately $1.5 million in connection with the Company's various normal course of business transactions with Viacom.

The Company believes that the terms of all such transactions were no more or less favorable to the Company and its businesses than they would have obtained from unrelated parties. The Company expects for the foreseeable future to continue to have transactions with Viacom.

Other Related Person Transactions

The National Center on Addiction and Substance Abuse at Columbia University ("CASA-Columbia") sponsors an annual "Family Day" event, the purpose of which is to encourage families to eat dinner together. During 2014, Mr. Califano served as Founder and Chairman Emeritus of CASA-Columbia. In 2014, certain divisions of the Company and its subsidiaries supported the "Family Day" event by airing public service announcements (PSAs). It is anticipated that divisions of the Company and its subsidiaries will from time to time continue to promote Family Day. In addition, in 2014, the Company made contributions totaling $50,000 to CASA-Columbia.

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Pursuant to an agreement between a subsidiary of the Company and Panda Productions, a television and film production company owned 50% by Mr. Goldberg, he serves as an Executive Producer of CBS Network's television series*, Blue Bloods*. In connection with this agreement, during 2014, the Company paid to Panda Productions fees per episode for Mr. Goldberg's executive producer services, which are consistent with fees paid to other executive producers at Mr. Goldberg's level. The Company in 2014 also advanced to Panda Productions, consistent with industry practice, a certain portion of contingent compensation based upon its negotiated participation in net revenues received by the Company in connection with the *Blue Bloods* series, and the Company may in the future pay additional such compensation to Panda Productions. The Company believes that the terms of the agreement with Panda Productions are no more or less favorable to the Company than it could have obtained from unrelated parties.

Jennifer Bresnan, the wife of Mr. Ianniello since 2012, was an employee in the alternative programming department of the CBS Network from 2007 through February 2014. She received compensation in 2014 in an amount consistent with the compensation paid to other employees at her level.

Julie Chen, the wife of Mr. Moonves, is a host of the CBS Network show *The Talk* and the host of the CBS Network show *Big Brother*. Ms. Chen's compensation is comparable to on-air talent in similar positions at the CBS Network, and the Company believes it is comparable to on-air talent in such positions generally.

Amy Salerno, daughter of Mr. Salerno, is an employee in the Business Development department of Showtime Networks Inc., a subsidiary of the Company. Ms. Salerno has been an employee of Showtime Networks for approximately fifteen years. She is not an executive officer of the Company or of Showtime. Ms. Salerno received compensation in 2014 in an amount consistent with the compensation paid to other employees at her level.

Pursuant to the terms of an agreement between Simon & Schuster, a subsidiary of the Company, and Gil Schwartz, the Company's Senior Executive Vice President and Chief Communications Officer, Mr. Schwartz is entitled to receive an advance on royalties in connection with his grant to Simon & Schuster of the exclusive rights to publish a new book to be authored by him, payable over time subject to certain milestones. The formula for determining royalties payable under Mr. Schwartz' agreement is consistent with such formulas for determining royalties payable to other authors at his level. The Company believes that the terms of the agreement with Mr. Schwartz are no more or less favorable to the Company than it could have obtained from unrelated parties.

In November 1995, the Company entered into an agreement with Gabelli Asset Management Company ("GAMCO") pursuant to which GAMCO manages certain assets for qualified U.S. pension plans sponsored by the Company. For 2014, the Company paid GAMCO approximately $223,000 for such investment management services. The Company believes that the terms of the agreement with GAMCO are no more or less favorable to the Company than it could have obtained from unrelated parties. Entities that are affiliated with GAMCO collectively own 4,411,381 shares of the Company's Class A Common Stock, according to a Schedule 13D filed with the SEC on March 15, 2011 by such entities (the latest filing available), which shares, as of February 28, 2015, represented approximately 11.7% of the outstanding shares of the class.

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ITEM 1 ELECTION OF DIRECTORS

The election of 14 directors is proposed by the Board of Directors, each director to hold office, in accordance with the Company's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, until the next annual meeting or until his or her successor is duly elected and qualified. The Company's Board proposes for election: David R. Andelman, Joseph A. Califano, Jr., William S. Cohen, Gary L. Countryman, Charles K. Gifford, Leonard Goldberg, Bruce S. Gordon, Linda M. Griego, Arnold Kopelson, Leslie Moonves, Doug Morris, Shari Redstone, Sumner M. Redstone and Frederic V. Salerno. All of the nominees are current members of the Company's Board who were elected at the Company's 2014 Annual Meeting of Stockholders.

In accordance with the Board's recommendation, the proxy holders will vote the shares of the Company's Class A Common Stock covered by the respective proxies for the election of each of the 14 director nominees set forth below, unless the stockholder gives instructions to the contrary. If, for any reason, any of the director nominees become unavailable for election, the proxy holders may exercise discretion to vote for substitute nominees proposed by the Board. Each of the director nominees has indicated that he or she will be able to serve if elected and has agreed to do so.

Information about each director nominee is set forth below:

David R. Andelman Director since 2000

Mr. Andelman (age 75) is a senior partner associated with the law firm of Lourie & Cutler, P.C. in Boston, Massachusetts since 1964. Mr. Andelman also serves as a director and treasurer of Lourie & Cutler. He is also a director of National Amusements. He has held no other public company directorships during the past five years.

Mr. Andelman is an accomplished attorney, practicing law for over 50 years with a focus in tax, estate and business planning. His legal acumen positions him as an invaluable advisor in the Company's deliberations. Mr. Andelman also provides institutional knowledge of the Company and continuity on the Company's Board, having served on the Board for 15 years.

Joseph A. Califano, Jr. Director since 2003

Mr. Califano (age 83) is Founder and Chairman Emeritus of the Board of The National Center on Addiction and Substance Abuse at Columbia University ("CASA-Columbia"). Prior to becoming Founder and Chairman Emeritus, effective February 1, 2012, Mr. Califano served as Founder and Chairman of CASA-Columbia, commencing in 1992, and also served as its President from 1992 through May 1, 2009. Mr. Califano has served as Adjunct Professor of Public Health at Columbia University's Medical School and School of Public Health since 1992 and is a member of the Institute of Medicine of the National Academy of Sciences. He was senior partner of the Washington, D.C. office of the law firm Dewey Ballantine from 1983 to 1992.
Mr. Califano served as the United States Secretary of Health, Education, and Welfare from 1977 to 1979, and he served as President Lyndon B. Johnson's Assistant for Domestic Affairs from 1965 to 1969. He is the author of 13 books. During the past five years, he was also a director of Willis Group Holdings PLC (2004-2013).

As the Founder and Chairman Emeritus and former senior executive of a nonprofit organization at a major university, Mr. Califano brings to the Board a distinctive ability to advise on public policy issues that may affect the Company and its reputation. In addition, his prior service at the highest levels of the federal government for more than 15 years and as an accomplished attorney in private practice in Washington, D.C. and New York provides the Board with insight on matters related to the federal government's regulation of the Company's businesses. From this experience plus his past and present directorship experience, which includes experience on audit, financial and executive committees, Mr. Califano provides meaningful leadership in these areas and with respect to the implementation of sound corporate governance practices.

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William S. Cohen Director since 2003

Mr. Cohen (age 74) has been Chairman and Chief Executive Officer of The Cohen Group, a business consulting firm, since January 2001. Prior to founding The Cohen Group, Mr. Cohen served as the United States Secretary of Defense from January 1997 to 2001. He also served as a United States Senator from 1979 to 1997, and as a member of the United States House of Representatives from 1973 to 1979. During the past five years, he was also a director of RLJ Acquisition, Inc. (2011-2012).

Mr. Cohen currently serves as the principal executive officer of a privately held global consulting group that provides global business consulting services and advice on tactical and strategic opportunities in multiple global markets. This experience, coupled with his prior 28 years of service at the highest levels of the federal government, makes Mr. Cohen an invaluable, skilled advisor to the Board on global economic and political conditions and on the development of international strategies.

Gary L. Countryman Director since 2007

Mr. Countryman (age 75) has been Chairman Emeritus of the Liberty Mutual Group since 2000. He served as Chairman of Liberty Mutual Group from 1986 to 2000 and as Chief Executive Officer from 1986 to 1998.
Mr. Countryman is also Vice Chairman of the Dana-Farber Cancer Institute. During the past five years, he was also a director of Liberty Mutual Group (1986-2012) and NSTAR (1999-2012).

Mr. Countryman's 40-year career in the insurance industry provides the Board with financial expertise and an understanding of the management of risk from an insurance perspective. His leadership in transforming Liberty Mutual from a domestic to an international financial services group and overseeing a complex, highly regulated group of insurance companies is relevant to the Board's oversight of the Company's global businesses and complex regulations. Mr. Countryman is an experienced director, whose breadth of experience includes experience on executive personnel, executive, investment and nominating committees.

Charles K. Gifford Director since 2006

Mr. Gifford (age 72) has been Chairman Emeritus of Bank of America Corporation since February 2005. He was Chairman and Chief Executive Officer of BankBoston prior to its 1999 merger with Fleet Financial Group and became President and Chief Operating Officer of the combined companies. Mr. Gifford became Chief Executive Officer of FleetBoston Financial in 2001 and Chairman in 2002. Mr. Gifford is also a director of Bank of America Corporation and Eversource Energy (formerly known as Northeast Utilities). During the past five years, he was also a director of NSTAR (1999-2012).

Mr. Gifford, through an accomplished career overseeing large complex financial institutions in the banking industry, brings important business and financial expertise to the Board in its deliberations on complex transactions and other financial matters. In addition, his breadth of director experience, which includes his service on executive, executive personnel, credit, governance and nominating, compensation and audit committees, as well as his previous service as the lead trustee of NSTAR, provides valuable contributions to the Board in implementing good corporate governance.

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Leonard Goldberg Director since 2007

Mr. Goldberg (age 81) has been President of Mandy Films, Inc. and Panda Productions, Inc., both independent television and film production companies, since 1984. He is currently Executive Producer of the hit CBS television series, *Blue Bloods*. He was President of Twentieth Century Fox from 1987 to 1989. In addition, from 1972 to 1984, he partnered with producer Aaron Spelling to launch various television series and made-for-television movies. Prior to that, Mr. Goldberg served as Vice President of Production at Screen Gems (now Columbia Pictures Television) from 1969 to 1972. During the years 1961 to 1969, he served in various positions with the ABC Network, advancing to Head of Programming. He has held no other public company directorships during the past five years.

With over 50 years of executive and creative experience in the television and film industries, Mr. Goldberg brings a deep understanding of the Company's core television and film businesses. He is well-positioned to advise directly on the strategic direction of the Company's Entertainment segment, including with respect to providing insight into the management of the Company's executive and creative talent.

Bruce S. Gordon Director since 2006

Mr. Gordon (age 69) served as President and Chief Executive Officer of the National Association for the Advancement of Colored People ("NAACP") from August 2005 to March 2007. In December 2003, Mr. Gordon retired from Verizon Communications where he had served as President, Retail Markets Group since June 2000. Prior to that, Mr. Gordon served as Group President, Enterprise Business with Bell Atlantic Corporation (Verizon's predecessor) since December 1998. He served as Group President, Consumer and Small Business Services of Bell Atlantic from 1993 to August 1997, and as Group President, Retail, from August 1997 to December 1998.
Mr. Gordon is also a director of Northrop Grumman Corporation and The ADT Corporation. During the past five years, he was also a director of Tyco International Ltd. (2003-2012).

Having completed a 35-year career as a top executive in the telecommunications industry in 2003, Mr. Gordon became the first business executive to head the NAACP from 2005 to 2007. In addition to bringing significant leadership experience to the Board from his previous executive officer positions, the combination of proven business acumen and experience in public service makes Mr. Gordon a valuable advisor on business practices, including those with social policy implications. For example, he has been an instrumental advisor in the Company's re-affirmation of its diversity commitment programs. Also, Mr. Gordon's current service on two other boards, including service on nominating and governance, compensation and policy committees and as a non-Executive Chairman of a public company, gives him a deep understanding of public company governance.

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Linda M. Griego Director since 2007

Ms. Griego (age 67) 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 David and Lucile Packard Foundation, the Martin Luther King, Jr. Community Health Foundation, and the Community Development Technologies Center. Ms. Griego has served as a director of publicly traded and private corporations, including presently serving as director of AECOM Technology Corporation and the American Funds (4 funds). During the past five years, she was also a director of Southwest Water Company (2001-2010).

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 current service on other audit, compensation and organization, and nominating and governance committees, with demonstrated expertise in the application of sound corporate governance principles.

Arnold Kopelson Director since 2007

Mr. Kopelson (age 80) has been Co-Chairman and Co-President of Kopelson Entertainment, through which he produces films and television programs and finances the acquisition and development of screenplays, since 1979. Prior to that, he practiced entertainment and banking law, specializing in motion picture financing. He has been honored with a Best Picture Academy Award, a Golden Globe, and an Independent Spirit Award, and his films have generated 17 Academy Award nominations. Mr. Kopelson has served on the Executive Committee of the Producers Branch of the Academy of Motion Picture Arts and Sciences and currently serves on the Board of Mentors of the Peter Stark Producing Program at University of Southern California. He has held no other public company directorships during the past five years.

As an Academy Award-winning producer, Mr. Kopelson brings to the Board a significant depth of knowledge of the entertainment industry. This encompasses over 35 years of executive and creative experience in film production and financing, as well as his prior experience in practicing entertainment and banking law. With his film industry experience and affiliations, Mr. Kopelson is a skilled advisor on the strategic direction of the Company's Entertainment segment and provides insight into the management of the Company's executive and creative talent.

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Leslie Moonves Director since 2006

Mr. Moonves (age 65) has been President and Chief Executive Officer of the Company since January 2006. Previously, Mr. Moonves served as Co-President and Co-Chief Operating Officer of Former Viacom from June 2004 through December 2005. Prior to that, he served as Chairman and Chief Executive Officer of CBS Broadcasting since 2003 and as its President and Chief Executive Officer since 1998. Mr. Moonves joined former CBS Corporation in 1995 as President, CBS Entertainment. Prior to that, Mr. Moonves was President of Warner Bros. Television since July 1993. During the past five years, he was also a director of CBS Outdoor Americas Inc. (currently known as Outfront Media Inc.) (2013-2014) and KB Home (2004-2012).

As the Company's President and Chief Executive Officer, Mr. Moonves provides a critical link to management's perspective in Board discussions regarding the businesses and strategic direction of the Company. With his experience in all aspects of the Company's global businesses, having served in executive positions with the Company for the past 20 years, coupled with his service on the Board since the Separation, he provides the Board with unique institutional knowledge of the Company. Mr. Moonves is widely recognized as one of the most influential leaders in the entertainment industry. He is also an experienced director, with his service on the boards of multiple industry associations, and his prior service on other public company boards.

Doug Morris Director since 2007

Mr. Morris (age 76) has been the Chief Executive Officer of Sony Music Entertainment ("Sony") since July 2011. Previously, he served as Chairman of Universal Music Group ("UMG") from November 1995 through early March 2011, as its Chairman and Chief Executive Officer from November 1995 to July 2010, and as its Chairman and Co-Chief Executive Officer for the remainder of 2010. In July 1995, he formed a joint venture with Universal Music Group for a full-service record label. Prior to that, Mr. Morris served as President and Chief Operating Officer of Warner Music U.S. commencing in 1994 and was soon after appointed Chairman. He served as President of Atlantic Records and Co-Chief Executive Officer of the Atlantic Recording Group from 1980 to 1994. Mr. Morris began his career as a songwriter, producer, and the founder of his own record label, which was acquired by Atlantic Records in 1978. During the past five years, he was also a director of Activision Blizzard, Inc. (2008-2011).

Mr. Morris brings to the Board significant leadership experience from his executive positions at industry-leading international music companies, including his position at Sony and his prior positions at UMG. As both Sony and UMG are involved in the development, manufacturing, marketing, sales and distribution of recorded music through a network of subsidiaries, joint ventures and licensees in multiple countries around the world, Mr. Morris brings his direct experience overseeing a business structure focused on content creation and distribution to advise on the strategic direction of the Company's businesses with a global footprint.

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Shari Redstone[1] Director since 1994

Ms. Redstone (age 60) is a media executive with a wide-ranging background in numerous aspects of the entertainment industry and related ventures. She is Vice Chair of the Board of Directors of Viacom and Vice Chair of the Board of Directors of the Company.

Since 2000, she has been President of National Amusements, one of the top 10 movie exhibitors in the United States. Ms. Redstone has expanded the company's international footprint and its exploration of new technologies.

Ms. Redstone is also Co-founder and Managing Partner of Advancit Capital, an investment firm launched in 2011, which focuses on early stage investments in media, entertainment and technology. In addition, she is Co-Chairman of MovieTickets.com, Inc. and is a member of the Board of Directors and Executive Committee for the National Association of Theatre Owners (NATO). Ms. Redstone is also a founder and managing partner of Legacy Ventures.

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 National Amusements.

With a deep commitment to the community, Ms. Redstone is actively involved in a variety of charitable, civic and educational organizations. She is currently a member of the Board of Directors at Combined Jewish Philanthropies and the John F. Kennedy Library Foundation. Ms. Redstone sits on the Board of Trustees at Dana-Farber Cancer Institute. She served on the Board of Directors of CASA-Columbia from 2003-2012. Ms. Redstone joined the Board and Executive Committee of "Our Time, " a mass-membership organization that stands for the economic interests and political inclusion of young Americans aged 18-30. She is also on the Local Advisory Board and Executive Committee for BUILD, a non-profit organization which uses entrepreneurship to propel low income youth through high school and into college.

Ms. Redstone brings to the Board, and to her position as its Vice Chair, extensive industry and executive expertise, as well as legal acumen from her prior experience as a practicing attorney. That broad experience and entertainment industry knowledge directly assist the Board in overseeing the management of the Company. Ms. Redstone also brings to the Board's deliberations a direct knowledge of global growth strategies for the Company's businesses. She is an experienced director through her service on the boards of multiple industry associations, other public companies and charitable organizations. Ms. Redstone also provides institutional knowledge of the Company and continuity on the Company's Board, having served as a Board member for 21 years.

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[1] Ms. Redstone is Sumner Redstone's daughter. There are no other director nominees related to any other director or executive officer by blood, marriage or adoption.

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Sumner M. Redstone[1] Director since 1986

Mr. Redstone (age 91) is the Company's Founder and has been Executive Chairman of the Board since January 2006. He was Chairman of the Board of Former Viacom from 1987 through 2005 and served as Chief Executive Officer of Former Viacom from 1996 through 2005. Mr. Redstone has also served as Chairman of the Board of National Amusements since 1986 and Chief Executive Officer of National Amusements since 1967. He served as President of National Amusements from 1967 through 1999. Mr. Redstone served as the first Chairman of the Board of the National Association of Theatre Owners (NATO) and is currently a member of its Executive Committee. Mr. Redstone has been a frequent lecturer at universities, including Harvard Law School, Boston University Law School and Brandeis University. Mr. Redstone graduated from Harvard University in 1944 and received a LL.B. from Harvard University School of Law in 1947. Upon graduation, Mr. Redstone served as Law Secretary with the United States Court of Appeals and then as a Special Assistant to the United States Attorney General. Mr. Redstone served in the Military Intelligence Division during World War II. While a student at Harvard, he was selected to join a special intelligence group whose mission was to break Japan's high-level military and diplomatic codes. Mr. Redstone received, among other honors, two commendations from the Military Intelligence Division in recognition of his service, contribution and devotion to duty. He is also a recipient of the Army Commendation Award. Mr. Redstone is also Chairman of the Board of National Amusements and serves as Executive Chairman of the board of directors and Founder of Viacom. He has held no other public company directorships during the past five years.

Mr. Redstone, with over 60 years as a renowned leader in the entertainment industry, has played a significant role in the entertainment and communications industries, through his ownership and executive positions at National Amusements, Viacom and this Company and his multiple leadership positions held at various industry associations. This industry and business experience, as well as his leadership experience in multiple entertainment and media company acquisitions and reorganizations, brings direct expertise to the Board's oversight of this Company's corporate and business strategies. His years of experience as a leader in multiple civic and community affairs and as a practicing attorney add to his position as an important advisor in this Company's deliberations. Mr. Redstone is also unsurpassed in his institutional knowledge of this Company and service on this Company's Board, having served on the Board for 29 years, and is thus uniquely qualified to be the Board's Chairman.

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[1] Ms. Redstone is Sumner Redstone's daughter. There are no other director nominees related to any other director or executive officer by blood, marriage or adoption.

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Frederic V. Salerno Director since 2007

Mr. Salerno (age 71) is a retired Vice Chairman and Chief Financial Officer of Verizon Communications Inc., a position he held from June 2000 to October 2002. Prior to that, Mr. Salerno served as Vice Chairman and Chief Financial Officer of Bell Atlantic Corporation (Verizon's predecessor) from August 1997. Prior to the merger of Bell Atlantic and NYNEX Corporation ("NYNEX"), Mr. Salerno served as Vice Chairman, Finance and Business Development of NYNEX from 1994 to 1997. Mr. Salerno was Vice Chairman of the Board of NYNEX and President of the NYNEX Worldwide Services Group from 1991 to 1994. Prior to the Separation, Mr. Salerno served as a director of Former Viacom from 1994 through 2005. Mr. Salerno is also a director of Akamai Technologies, Inc. ("Akamai"), FCB Financial Holdings, Inc., IntercontinentalExchange, Inc. ("ICE"), and Viacom. During the past five years, he was also a director of National Fuel Gas Company (2008-2013) and Popular Inc. (2003-2011).

Mr. Salerno, through his prior principal financial officer and other executive positions held during his 37-year career in the telecommunications industry, provides the Board with a depth of business acumen and financial expertise important in analyzing complex financial transactions and overseeing financial and accounting matters for a large public company, including with respect to service on the Company's Audit Committee. Mr. Salerno is an experienced director bringing a broad and deep understanding of public company governance from his past and current service on other public company boards and various committees, including his service as lead independent director at Akamai and ICE. He provides valuable institutional knowledge of the Company and continuity on the Company's Board, having served a total of 19 years on the Board.

RECOMMENDATION OF THE BOARD OF DIRECTORS

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

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DIRECTOR COMPENSATION

Outside Director Compensation During 2014

The following table sets forth information concerning the compensation of the Company's Outside Directors for 2014.

Name	Fees Earned or Paid in Cash ($) (1)	Stock Awards ($) (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (3)	All Other Compensation ($) (4)	Total ($)
Andelman, David R.	100,000	200,012	0	7,500	307,512
Califano, Jr., Joseph A.	138,000	200,012	0	7,500	345,512
Cohen, William S.	118,000	200,012	0	7,500	325,512
Countryman, Gary L.	144,000	200,012	0	7,500	351,512
Gifford, Charles K.	150,000	200,012	0	7,500	357,512
Goldberg, Leonard	100,000	200,012		4,000	304,012
Gordon, Bruce S.	118,000	200,012		7,500	325,512
Griego, Linda M.	110,000	200,012		7,500	317,512
Kopelson, Arnold	100,000	200,012	0	7,500	307,512
Morris, Doug	118,000	200,012	0	0	318,012
Redstone, Shari	100,000	200,012	0	7,500	307,512
Salerno, Frederic V.	110,000	200,012	0	7,500	317,512

(1) Reflects cash amounts earned in 2014 for the annual board retainer, committee chair retainers and meeting fees for standing and ad hoc board committee meetings. These amounts include cash deferred by Messrs. Andelman, Cohen and Morris and Ms. Redstone under the CBS Corporation Deferred Compensation Plan for Outside Directors.

(2) These amounts reflect the grant date fair value determined in accordance with FASB ASC Topic 718 of the annual grant of restricted share units to each Outside Director under the amended and restated CBS Corporation 2005 RSU Plan for Outside Directors. For a discussion of the assumptions made in calculating the grant date fair value amounts for 2014, see "RSUs and PSUs" in Note 12 to the audited 2014 consolidated financial statements on pages II-60 II-61 in the Company's Form 10-K for the fiscal year ended December 31, 2014. The aggregate number of unvested restricted share units outstanding as of the fiscal year ended December 31, 2014 for each Outside Director was 3,079. The aggregate number of option awards outstanding (from prior year grants, all of which are fully vested) as of the fiscal year ended December 31, 2014 for each Outside Director was as follows: Andelman and Califano, 30,558; Cohen, Goldberg and Salerno, 1,698; Countryman and Kopelson, 33,106; Gifford, 43,292; Gordon and Griego, 15,279; Morris, 0; and Redstone, 35,444.

(3) Interest accrues on cash in deferred accounts under the CBS Corporation Deferred Compensation Plan for Outside Directors at the prime rate in effect at Citibank, N.A. at the beginning of each calendar quarter. For 2014, the prime rate did not represent a preferential rate for purposes of this table as the prime rate was not more than 120% higher than the applicable Federal Reserve Board's long-term interest rate. Messrs. Goldberg and Gordon and Ms. Griego do not have any deferred cash amounts.

(4) Amounts reflect the aggregate value of all matching contributions made by the Company on behalf of the director for 2014 under the CBS Corporation Matching Gifts Program for Directors. Under the program, the Company matches donations made by a director to

eligible tax-exempt organizations at the rate of one dollar for each dollar donated up to $7,500 for each fiscal year.

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Description of Director Compensation

Directors of the Company who are not employees of the Company or any of its subsidiaries are "Outside Directors" as defined in the director plans described below. Outside Directors receive compensation for their service on the Board and are eligible to participate in these director plans. Messrs. Andelman, Califano, Cohen, Countryman, Gifford, Goldberg, Gordon, Kopelson, Morris and Salerno and Mses. Griego and Redstone are currently deemed Outside Directors. Messrs. Redstone and Moonves are not compensated for serving on the Board and are not eligible to participate in any director plans, other than the Matching Gifts Program for Directors.

Cash Compensation

The Company pays the following cash compensation to Outside Directors:

- A $100,000 annual Board retainer, payable in equal installments quarterly in advance;
- A $20,000 annual Committee Chair retainer for the chair of each of the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee, payable in equal installments quarterly in advance; and
- A per meeting attendance fee of $2,000 to committee members for each meeting of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee.

Deferred Compensation Plan

The Company maintains deferred compensation plans for Outside Directors (the "Director Deferred Compensation Plans"). Under the Director Deferred Compensation Plans, Outside Directors may elect to defer their Board and committee chair retainers and committee meeting fees. Deferred amounts are credited during a calendar quarter to an interest-bearing income account or a stock unit account in accordance with the director's prior election. Amounts credited to an income account bear interest at the prime rate in effect at the beginning of each calendar quarter. Amounts credited to a stock unit account are deemed invested in phantom units for shares of the Company's Class A Common Stock and Class B Common Stock on the first day of the calendar quarter following the quarter in which the amounts are credited, with the number of shares calculated based on the closing market prices on that first day. Until the amounts credited to the stock unit account are converted into phantom units, these credited amounts bear interest at the prime rate in effect at the beginning of the relevant calendar quarter.

Upon a director's leaving the Board, the amounts deferred under the Director Deferred Compensation Plans are paid in cash in a lump sum or in three or five annual installments, based on the director's prior election, with the lump sum or initial annual installment becoming payable on the later of six months after the director leaves the Board (90 days after the director leaves the Board in the case of amounts deferred before January 1, 2005) or January 15th of the following year. The value of a stock unit account is determined by reference to the average of the respective closing market prices of the Company's Class A Common Stock and Class B Common Stock on the NYSE on each trading date during the four-week period ending five business days prior to the initial payment date. Amounts paid in installments accrue interest until the final installment is paid.

Equity Compensation

The Company maintains the amended and restated CBS Corporation 2005 RSU Plan for Outside Directors (the "Director RSU Plan") and the amended and restated CBS Corporation 2000 Stock Option Plan for Outside Directors (the "Director Option Plan").

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Outside Directors receive the following awards under the Director RSU Plan:

- an annual grant of RSUs (each February 15) with a value of $200,000 based on the closing price of the Company's Class B Common Stock on the NYSE on the date of grant, which RSUs vest one year from the date of grant; and

- Prorated RSU grants for Outside Directors who join the Board following the date of the annual RSU grant, but during the calendar year of the grant. Prorated grants will be made five business days following the date an Outside Director joins the Board, and will be determined by multiplying the number of months remaining in the calendar year from the date the Outside Director joins the Board (counting the month of joining as a full month), by the value of the annual RSU grant for that calendar year divided by 12, then divided by the closing price of the Company's Class B Common Stock on the NYSE on the date of grant. Prorated RSU grants vest on the first anniversary of the date of grant of the annual RSU grant that was awarded during the calendar year in which the Outside Director received such prorated RSU grant.

RSUs are payable to Outside Directors in shares of the Company's Class B Common Stock upon vesting unless the Outside Director elects to defer the settlement to a future date. Outside Directors are entitled to receive dividend equivalents on the RSUs in the event the Company pays a regular cash dividend on its Class B Common Stock. Dividend equivalents will accrue on the RSUs (including RSUs for which settlement has been deferred) in accordance with the Director RSU Plan until the RSUs are settled.

The Director RSU Plan and the Director Option Plan are both set to expire by their terms on the date of the Annual Meeting. The Company is presenting for stockholder approval at the Annual Meeting an amendment to the Director RSU Plan which would, if approved, extend the termination date of the plan to the Company's 2025 Annual Meeting of Stockholders, permit grants of other equity-based awards (in addition to RSUs) and rename the plan as the "CBS Corporation 2015 Equity Plan for Outside Directors." See "Item 4 Proposal to Approve an Amended and Restated CBS Corporation 2005 RSU Plan for Outside Directors" for further information.

Matching Gifts Program for Directors

All directors are eligible to participate in the Company's Matching Gifts Program for Directors. Under the program, the Company matches donations made by a director to eligible tax-exempt organizations at the rate of one dollar for each dollar donated up to $7,500 for each fiscal year. The purpose of the program is to recognize the interest of the Company and its directors in supporting eligible organizations.

Other

Expenses: Directors are reimbursed for expenses incurred in attending Board, committee and stockholder meetings (including travel and lodging) in accordance with the Company's normal travel policies.

Director Attendance at Certain Other Events: CBS Corporation believes it is in its best interest for directors to participate in certain Company events and other events to meet with management, customers, talent and others important to the Company's business. The Board has established a policy on director attendance at these events. Under the policy, tickets to events that are designated as having a business purpose are allocated to directors. In addition, the Company reimburses directors for travel and related expenses in accordance with the Company's normal travel policies.

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ITEM 2 RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed PricewaterhouseCoopers LLP ("PwC") as the Company's independent registered public accounting firm for the year ending December 31, 2015, subject to stockholder ratification. The Audit Committee has reviewed PwC's independence from the Company as described in the "Report of the Audit Committee." In appointing PwC as the Company's independent registered public accounting firm for the year ending December 31, 2015, and in recommending that the Company's stockholders ratify the appointment, the Audit Committee has considered whether the non-audit services provided by PwC were compatible with maintaining PwC's independence from the Company and has determined that such services do not impair PwC's independence.

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

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors recommends a vote "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm for fiscal year 2015.

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REPORT OF THE AUDIT COMMITTEE

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

The Audit Committee Charter states that the purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Company and the audit of the consolidated financial statements of the Company. The Audit Committee also assists the Board of Directors' oversight of:

- The quality and integrity of the Company's consolidated financial statements and related disclosures;
- Evaluation of the effectiveness of the Company's internal control over financial reporting and risk management;
- The Company's compliance with legal and regulatory requirements;
- The independent auditor's qualifications and independence; and
- The performance of the Company's internal audit function and independent auditor.

Under the Audit Committee Charter, the Audit Committee's authorities and duties include, among other things:

- Direct responsibility for the appointment, retention, termination, compensation and oversight of the work of the independent auditor, which reports directly to the Audit Committee, and the sole authority to pre-approve all services provided by the independent auditor;
- Reviewing and discussing the Company's annual audited financial statements, quarterly financial statements and earnings releases with the Company's management and its independent auditor;
- Reviewing the organization, responsibilities, audit plan and results of the internal audit function;
- Reviewing with management, the internal auditor and the independent auditor the effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures;
- Reviewing with management material legal matters and the effectiveness of the Company's procedures to ensure compliance with legal and regulatory requirements; and
- Overseeing the Company's compliance program and obtaining periodic reports from the Chief Compliance Officer.

The Audit Committee also discusses certain matters with the independent auditor on a regular basis, including the Company's critical accounting policies, certain communications between the independent auditor and management, and the qualifications of the independent auditor.

The full text of the Audit Committee Charter is available on CBS Corporation's website at www.cbscorporation.com. The Audit Committee assesses the adequacy of its Charter at least every other year, or more frequently as the Committee may determine.

The Company's management is responsible for the preparation of the Company's consolidated financial statements, the financial reporting processes and maintaining effective internal control over financial reporting. The independent auditor is responsible for performing an audit of the consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight

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Board ("PCAOB") and expressing an opinion on the conformity of the audited consolidated financial statements to U.S. generally accepted accounting principles. The independent auditor also expresses an opinion on the effectiveness of the Company's internal control over financial reporting. The Audit Committee monitors and oversees these processes.

As part of its oversight role, the Audit Committee has reviewed and discussed with management and the Company's independent auditor, PricewaterhouseCoopers LLP ("PwC"), the Company's audited consolidated financial statements for the year ended December 31, 2014, the Company's disclosures under "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the Company's 2014 Annual Report on Form 10-K and matters relating to the effectiveness of the Company's internal control over financial reporting as of December 31, 2014.

The Audit Committee has also discussed with PwC all required communications, including the matters required to be discussed pursuant to PCAOB Auditing Standard No. 16 (Communications with Audit Committees). In addition, the Audit Committee has received the written disclosures and the letter from PwC required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence and has discussed with PwC the firm's independence from the Company.

Based on the Audit Committee's review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

Members of the Audit Committee

Gary L. Countryman, Chair
Linda M. Griego
Frederic V. Salerno

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FEES FOR SERVICES PROVIDED BY THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The following table sets forth fees for professional services rendered by PwC to the Company and its subsidiaries for each of the years ended December 31, 2014 and 2013.

	2014	2013
Audit Fees(1)	$ 9,220,000	$ 10,905,000
Audit-Related Fees(2)	1,311,000	265,000
Tax Fees(3)	2,858,000	4,495,000
All Other Fees(4)	13,000	12,000
Total	$ 13,402,000	$ 15,677,000

(1) Audit fees of $1,400,000 for 2014 are attributable to filings made with the Securities and Exchange Commission in connection with the initial public offering, and final split-off, of CBS Outdoor Americas Inc. ("Outdoor Americas"), and audit fees of $2,590,000 for 2013 are attributable to the audit of the financial statements of Outdoor Americas, in connection with its initial public offering.

(2) Audit-related fees (i) for 2014 principally related to the preparation of carve-out financial statements, domestic and foreign employee benefit plan audits and due diligence services, and (ii) for 2013 principally related to domestic and foreign employee benefit plan audits and attestation services required by contract.

(3) Tax fees (i) for 2014 principally related to transfer pricing studies, tax compliance, tax consulting, and, with respect to $1,213,000 of the 2014 tax fees, assistance and advice in connection with the conversion of the Outdoor Americas operations into a real estate investment trust, and (ii) for 2013 principally related to transfer pricing studies, tax compliance, and, with respect to $3,250,000 of the 2013 tax fees, assistance and advice in connection with the conversion of the Outdoor Americas operations into a real estate investment trust and in connection with restructuring the operations of the outdoor advertising business in Europe.

(4) All other fees for 2014 and 2013 principally related to license fees for the use of PwC reference materials and publications and access to various online tools.

Audit Committee Pre-Approval of Services Provided by PwC

All audit and non-audit services provided to the Company by PwC for 2014 were pre-approved by either the full Audit Committee or the Chair of the Audit Committee, except for certain audit-related services provided and approved pursuant to Rule 2-01(c)(7)(i)(C) of Regulation S-X, the fees for which amounted to less than one percent of the total fees for 2014. Under the Audit Committee's pre-approval policies and procedures in effect during 2014, the Chair of the Audit Committee was authorized to pre-approve the engagement of PwC to provide certain specified audit and non-audit services, and the engagement of any accounting firm to provide certain specified audit services, up to a maximum amount of $200,000 per engagement, with the total amount of such authorizations outstanding that have not been reported to the Audit Committee not to exceed an aggregate of $1,000,000. The Audit Committee receives regular reports on the engagements approved by the Chair pursuant to this delegation. For 2015, the Audit Committee adopted the same pre-approval policies and procedures that were in effect for 2014, which permit the Chair to pre-approve the specified audit and non-audit services up to a maximum amount of $200,000 per engagement, with the total amount of such authorizations outstanding that have not been reported to the Audit Committee not to exceed an aggregate of $1,000,000.

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COMPENSATION DISCUSSION AND ANALYSIS

Fiscal Year 2014 Executive Summary

Under the leadership of Mr. Moonves and the senior management team, during 2014 the Company continued to execute on its long-term strategy, including focusing on and growing its core content businesses, emphasizing new revenue streams, markets and growth opportunities, and executing on strategic acquisitions and dispositions, which included the split-off of CBS Outdoor Americas Inc. ("Outdoor Americas") into a separate publicly-traded company. Despite the 2014 fiscal year being marked by a challenging advertising market and an evolving distribution landscape, the Company continued to execute on its strategic long-term plan, and as a result the Company entered the 2015 fiscal year stronger and better positioned to deliver long-term value for shareholders.

Company Performance

CBS Corporation continued to execute on the following key strategic objectives during 2014: optimizing the Company's portfolio of assets, capitalizing on the demand for its top-tier content, diversifying its revenue streams through new distribution channels and markets, and expanding the Company's presence globally. As described below, the Company better positioned itself for long-term success through its achievements.

Amidst a challenging advertising market, the Company focused on strengthening its financial position and returning value to stockholders:

- The Company increased retransmission and station affiliation revenues by 27% over the prior year, and positioned itself for future success by finalizing:
  - four key multi-year retransmission compensation arrangements,
  - five key multi-year station affiliation arrangements, and
  - eight significant Video-On-Demand (VOD) agreements, which disable "fast forward" capability thereby providing for opportunities for increased ad sales and higher monetization of the Company's content;
- In 2014, the Company restructured its debt portfolio to lower its weighted average interest rate and extend its overall maturity profile; and
- The Company continued to focus on its commitment to return value to shareholders by:
  - Increasing its dividend per share by 25% in 2014,
  - Growing adjusted net earnings from continuing operations per diluted share, up 6% from 2013 to $2.96 in 2014, representing the fifth consecutive fiscal year of increase in this metric (See Annex A, "Reconciliation of Non-GAAP Measures"),
  - Repurchasing 105 million shares of its Class B common stock during 2014 (inclusive of the Outdoor Americas divestiture), which resulted in the approximate 15% reduction in outstanding shares during the year, and

Adding approximately $3 billion to the amount authorized to repurchase shares under the Company's share repurchase program, reloading the amount available to purchase shares under the program to $6 billion.

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The CBS Television Network ("Network") maintained its lead in certain Nielsen Media Research ratings categories as a result of the Company's continued focus on producing high-quality content:

The Network closed out the 2013/2014 television season as the #1 network in viewers for the 11th time in 12 years, winning the season convincingly by an average of 1.5 million viewers (based on Live+7 ratings, which reflect viewing via Digital-Video-Recording (DVR) and VOD within seven days of a broadcast's premiere ("Live+7")).

In the summer, the Network launched another game-changing new summer program ("Extant") that was the most-watched new summer series premiere in the U.S. and helped the Network finish the summer as the #1 network in viewers and households for the second year in a row (based on Live+7 ratings).

As a result of its hit shows in the prior 2013/2014 television season, the Network was able to secure a large scale renewal of 21 series for the 2014/2015 season.

From the commencement of the 2014/2015 television season through the end of 2014 (*i.e.,* through Week 14 of the 2014/2015 season), the Network ranked #1 in viewers and households, and led its nearest broadcast network competitor by an average of two million viewers per night in primetime (based on Live+7 ratings). Other key successes from the commencement of the 2014/2015 season through the end of 2014 include:

Among viewers, in primetime (based on Live+7 ratings), the Network had:

The #1 Scripted Series,

The top three Scripted Series,

The #1 New Program,

The top four New Programs,

The #1 Drama,

The top two Dramas,

The #1 New Drama,

The top three New Dramas,

The #1 Comedy,

The #1 News Program,

The #1 Program on four nights (more than all other broadcast networks combined),

The #1 Scripted Series on six nights (more than all other broadcast networks combined),

Four of the top five, seven of the top 10, 12 of the top 20 and 17 of the top 30 regularly-scheduled programs (in each case more than all other broadcast networks combined), and

The Network had more time-period winning programs in terms of viewers than all other broadcast networks combined.

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Senior management continued to evaluate the Company's portfolio of businesses and opportunities to divest non-strategic assets and acquire strategic assets, and increased the percentage of the Company's revenues derived from non-advertising sources through execution of its content monetization strategy and international expansion, including by:

- Completing the Company's strategic initiative to convert the Outdoor Americas business into a real estate investment trust (REIT) and a separate public company, through a two-step process that consisted of an initial public offering followed by an oversubscribed exchange offer to sell the Company's remaining interest in Outdoor Americas, which the Company completed on an accelerated time frame;

- Securing eight new VOD agreements, which increase the number of households with access to CBS Television Network VOD to over 53 million under a Nielsen C3 rated, "fast-forward" disabled model for VOD advertising credit, resulting in increased ad sales and higher monetization of the Company's content;

- Launching dynamic ad insertion as part of the Comcast and Time Warner Cable VOD agreements, allowing for increased ad sales opportunities for both the CBS Television Network and CBS Interactive;

- Expanding the Company's domestic streaming arrangements strategically to maximize value through:

  - An expanded content licensing agreement with Hulu Plus, which nearly doubled the number of episodes available to its subscribers,

  - Exclusive subscription VOD (SVOD) agreements with Hulu Plus for CBS dramas "Elementary" and "Blue Bloods,"

  - An exclusive SVOD deal with Netflix for the upcoming summer 2015 drama "Zoo,"

  - A further expansion of our content licensing agreement with Amazon for classic TV and hit series from CBS and Showtime, and

  - An exclusive content licensing agreement with Amazon to bring new summer drama "Extant" to subscribers of Amazon's Prime Instant Video service four days after the initial broadcast on CBS;

- Further enhancing the Company's global footprint and brand awareness through:

  - Agreements to license "NCIS: New Orleans" and "CSI: Cyber" in international syndication to over 200 overseas markets,

  - An agreement with Amazon to license "Extant" to subscribers of Amazon's Prime Instant Video service in the United Kingdom,