

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 8, 2005

VIACOM INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-09553 (Commission File Number)	04-2949533 (IRS Employer Identification Number)
---	--	---

1515 Broadway, New York, NY (Address of principal executive offices)	10036 (Zip Code)
---	---------------------

(212) 258-6000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 - Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

Acceleration of Vesting of Stock Option Awards

On March 8, 2005, the Compensation Committee (the "Committee") of the Board of Directors of Viacom Inc. (the "Company") approved the acceleration of the vesting of unvested stock options having an exercise price of \$38 or greater (other than options under the Company's "Fund the Future" program) granted under the Company's 2000 Long-Term Management Incentive Plan, as amended and restated (the "2000 LTMIP"), that are held by current employees, including all executive officers. Also accelerated were a small number of unvested stock options having an exercise price of \$38 or greater granted under the Company's 1997 Long-Term Management Incentive Plan, as amended and restated (the "1997 LTMIP"). Stock option awards granted from 1999 through 2004 with respect to approximately 29 million shares of the Company's Class B Common Stock ("Class B Shares"), including options with respect to approximately 5 million Class B Shares that are held by the executive officers, are subject to this acceleration which is effective as of March 8, 2005. The Committee also imposed a holding period that will require all executive officers to refrain from selling Class B Shares acquired upon the exercise of these options (other than shares needed to cover the exercise price and satisfying withholding taxes) until the date on which the exercise would have been permitted under the option's original vesting terms or, if earlier, the executive officer's last day of employment.

Because these options had exercise prices in excess of the current market value of the Class B Shares based on the closing price of \$34.74 per

share on March 8, 2005 (they were "underwater"), and were not fully achieving their original objectives of incentive compensation and employee retention, the Company expects the acceleration to have a positive effect on employee morale, retention and perception of option value. The acceleration also eliminates future compensation expense the Company would otherwise recognize in its consolidated statement of operations with respect to these options once the Statement of Financial Accounting Standards No. 123 (revised 2004) "Share-Based Payment", issued by the Financial Accounting Standards Board, becomes effective for reporting periods beginning after June 15, 2005. The future expense that is eliminated as a result of the acceleration of the vesting of these options is approximately \$400 million, or \$242 million net of tax (of which approximately \$58 million, or \$35 million net of tax, is attributable to options held by executive officers). This expense will be reflected in pro forma footnote disclosure to the first quarter 2005 financial statements.

The form of agreement for stock options granted for the years 1999 through 2000 under the 1997 LTMIP and the form of certificate and terms and conditions of stock options granted for the years 2001 through 2004 under the 2000 LTMIP, including, in each case, options awarded to the Company's executive officers, and the form of notice to executive officers regarding the acceleration of vesting are attached hereto as exhibits and their terms are incorporated herein by reference. Copies of the 1997 LTMIP and 2000 LTMIP have been filed with the Securities and Exchange Commission as Exhibit B to the Company's Proxy Statement dated June 5, 2000 and Exhibit 10(d) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, respectively, in each case as amended by the Amendment to Viacom Stock Option Plans filed as Exhibit 10(bb) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002.

Compensation Committee Determination Concerning Awards under the Senior Executive Short-Term Incentive Plan

As previously disclosed in the Company's report on Form 8-K dated February 1, 2005, the Committee has established performance criteria and target awards for participants in the Company's Senior Executive Short-Term Incentive Plan, as amended and restated (the "Senior Executive STIP"), for the 2005 fiscal year. The performance criteria relates to the achievement over a one-year performance period ending December 31, 2005 of a specified level of the Company's operating income (determined in accordance with generally accepted accounting principles in the United States) before depreciation, amortization and intercompany eliminations, as set forth in the Senior Executive STIP. Pursuant to Section 2.4 of the Senior Executive STIP, if the Committee certifies that the performance goals for fiscal 2005 have been achieved, the Committee may reduce the amount of any award in its sole discretion to reflect the Committee's assessment of a participant's individual performance or for any other reason.

On March 8, 2005, the Committee determined that, in exercising its discretion to reduce the amount of any award (assuming the performance goals for 2005 are achieved), the actual award paid would be based principally on the financial performance of the Company weighted (i) 75% on the achievement of specified levels of operating income (determined in accordance with generally accepted accounting principles in the United States) before depreciation, amortization and intercompany eliminations and (ii) 25% on free cash flow, in each case including any adjustments deemed necessary pursuant to Article III of the Senior Executive STIP. The Committee also determined that it would consider other factors in utilizing this discretion, including, but not limited to, certain strategic non-financial goals such as diversity in the workplace, legal compliance and ethical behavior and may also consider the nature of unusual expenses or contributors to financial results. A copy of the Senior Executive STIP has been filed with the Securities and Exchange Commission as Exhibit C to the Company's Proxy Statement dated April 21, 2003.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit Number	Description of Exhibit
10.1	Form of Agreement for Stock Options granted under the 1997 LTMIP
10.2	Form of Certificate and Terms and Conditions for Stock Options granted under the 2000 LTMIP
10.3	Form of Notice to Executive Officers regarding Acceleration of Vesting of "Underwater" Options

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VIACOM INC.
(Registrant)

By: /s/ MICHAEL D. FRICKLAS

Michael D. Fricklas
Executive Vice President, General Counsel
and Secretary

Date: March 14, 2005

Exhibit Index

Exhibit Number -----	Description of Exhibit -----
10.1	Form of Agreement for Stock Options granted under the 1997 LTMIP
10.2	Form of Certificate and Terms and Conditions for Stock Options granted under the 2000 LTMIP
10.3	Form of Notice to Executive Officers regarding Acceleration of Vesting of "Underwater" Options

Agreement Under the
Viacom Inc.
1997 Long-Term Management Incentive Plan
for [Insert Year of Grant] Stock Option Grant

AGREEMENT, dated as of [Insert Date of Grant], by and between Viacom Inc., a Delaware corporation (the "Company"), and _____ (the "Participant"), with respect to the [Insert Year of Grant] grant of stock options under the Company's 1997 Long-Term Management Incentive Plan, as amended (the "Plan").

This Agreement, together with the Memorandum dated [Insert Date of Memorandum] and the agreements delivered under the Plan in connection with each grant of stock options under the Plan, constitutes the prospectus covering the shares of Class B Common Stock subject to the Plan. The Participant can receive additional copies of his or her Plan agreements and the Memorandum upon request to the Administrator, Long-Term Incentive Plans, Viacom Inc., 1515 Broadway, New York, New York 10036.

WITNESSETH:

WHEREAS, the Participant is now employed by the Company or one of its subsidiaries in a key capacity and the Company desires to reward the Participant, in accordance with the terms hereof, for the Participant's contributions to the financial success of the Company by awarding the Participant stock options to purchase shares of Class B Common Stock;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE I

TERMS OF STOCK OPTIONS

Section 1.1 Grant of Stock Options. Subject to the terms and conditions contained herein and in the Plan, the terms of which are hereby incorporated by reference, the Company hereby awards to the Participant, effective as of [Insert Date of Grant] (the "Date of Grant"), a grant of stock options (the "Stock Options") to purchase _____ shares of Class B Common Stock at an exercise price of \$_____ for each share (the "Exercise Price"). The capitalized terms used in this Agreement which are not otherwise defined herein shall have the meanings assigned to them in Article III hereof. The Stock Options granted hereunder are not intended to be, or qualify as, "Incentive Stock Options" within the meaning of Section 422 of the Code.

Section 1.2 Terms of Stock Options.

(a) Vesting. The Stock Options shall be exercisable only to the extent the Participant is vested therein. The Stock Options shall vest in [Insert Vesting Schedule - generally options vest in four equal installments on the first, second, third and fourth anniversaries of the Date of Grant].

(b) Option Period. Except as provided in Section 1.2(c) hereof, the period during which the Stock Options may be exercised shall expire on the tenth anniversary of the Date of Grant (the "Expiration Date").

(c) Exercise in the Event of Termination of Employment, Retirement, Death or Permanent Disability.

(i) Termination other than for Cause, Retirement, Death or Permanent Disability. In the event that (A) the Participant ceases to be an employee of the Company or any of its subsidiaries by reason of the voluntary termination by the Participant or the termination by the Company or any of its subsidiaries other than for Cause, the Participant may exercise his or her Outstanding Stock Options to the extent then exercisable until the earlier of six months after the date of such termination (or such longer period, not in excess of the second anniversary of the Date of Grant of such Stock Options, as may be determined by the Committee, in its discretion) or the Expiration Date, (B) the Participant ceases to be an employee of the Company or any of

its subsidiaries by reason of the Participant's Retirement, the Participant may exercise his or her Outstanding Stock Options to the extent then exercisable until the earlier of two years after such date or the Expiration Date, (C) the Participant dies during a period during which his or her Stock Options could have been exercised by him or her, his or her Outstanding Stock Options may be exercised to the extent exercisable at the date of death by the person who acquired the right to exercise such Stock Options by will or the laws of descent and distribution until the earlier of one year after such death (or such longer period as may be determined by the Committee, in its discretion, prior to the expiration of such one-year period) or the Expiration Date, or (D) the Permanent Disability of the Participant occurs, the Participant may exercise his or her Outstanding Stock Options to the extent exercisable upon the onset of such Permanent Disability until the earlier of one year after such date (or such longer period not in excess of two years after such date as may be determined by the Committee, in its discretion) or the Expiration Date. Upon the occurrence of an event described in clauses (A), (B), (C) or (D) of this Section 1.2(c)(i), all rights with respect to Stock Options that are not vested as of such event will be relinquished.

(ii) Termination for Cause. If the Participant's employment with the Company or any of its subsidiaries ends because of a Termination for Cause, all Outstanding Stock Options, whether or not then vested, shall terminate effective as of the date of such termination.

Section 1.3 Exercise of Stock Options.

(a) Whole or Partial Exercise. Subject to the restrictions of Section 1.2(b) hereof, the Participant may exercise all vested Stock Options granted hereunder at one time or in installments of 100 Stock Options (or in the whole number of unexercised Stock Options in which the Participant is vested, if such number is less than 100) by written notice to the Administrator, Long-Term Incentive Plans, Viacom Inc., 1515 Broadway, New

York, New York 10036. Such notice shall (i) state the number of full Stock Options being exercised, (ii) be signed by the person or persons so exercising the Stock Options and, in the event the Stock Options are being exercised (pursuant to Section 1.2(c)(i) hereof) by any person or persons other than the Participant accompanied by proof satisfactory to the Company's counsel of the right of such person or persons to exercise the Stock Options, and (iii) be accompanied by full payment as set forth in Section 1.3(b) hereof.

(b) Payment of Aggregate Option Price. The written notice of exercise described above must be accompanied by full payment of the aggregate Exercise Price which shall be determined by multiplying the number of Stock Options being exercised by the Exercise Price. Such Exercise Price shall be paid in cash (e.g. personal bank check, certified check or official bank check). In addition, in accordance with Section 4.3 hereof, the Participant shall make an arrangement acceptable to the Company to pay to the Company an amount sufficient to satisfy the combined Federal, state and local withholding tax obligations which arise in connection with the exercise of such Stock Options.

(c) Issuance of Share Certificates. Upon satisfaction of the conditions set forth in Section 1.3(b) hereof, the Company shall deliver (or cause to be delivered) a certificate or certificates for the shares of Class B Common Stock issued pursuant to the exercise of the Stock Options to the Participant.

ARTICLE II

EFFECT OF CERTAIN CORPORATE CHANGES

In the event of a merger, consolidation, stock split, dividend, distribution, combination, reclassification or recapitalization that changes the character or amount of the Class B Common Stock, the Committee shall make such adjustments to the number of shares of Class B Common Stock subject to the Stock Options or the exercise price of the Stock Options, in each case, as it deems appropriate. Such determinations shall be conclusive and binding for all purposes.

ARTICLE III

DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

(a) "Board" shall mean the Board of Directors of the Company.

(b) "Class B Common Stock" shall mean shares of Class B Common Stock, par value \$0.01 per share, of the Company.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended, including any successor law thereto.

(d) "Committee" shall mean the Senior Executive Compensation Committee of the Board (or such other Committee as may be appointed by the Board) except that (i) the number of directors on the Committee shall not be less than two and (ii) each member of

the Committee shall be a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act.

(e) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, including any successor law thereto.

(f) "Fair Market Value" of a share of Class B Common Stock on a given date shall be the closing price of a share of Class B Common Stock on the New York Stock Exchange or such other national securities exchange as may be designated by the Committee or, in the event that the Class B Common Stock is not listed for trading on a national securities exchange but is quoted on an automated quotation system, the average closing bid price per share of the Class B Common Stock on such automated quotation system or, in the event that the Class B Common Stock is not quoted on any such system, the average of the closing bid prices per share of the Class B Common Stock as furnished by a professional marketmaker making a market in the Class B Common Stock designated by the Committee.

(g) "Outstanding Stock Option" shall mean a Stock Option granted to the Participant which has not yet been exercised and which has not yet expired in accordance with its terms.

(h) "Permanent Disability" shall have the same meaning as such term or a similar term has in the long-term disability policy maintained by the Company or a subsidiary thereof for the Participant and in effect on the date of the onset of the Participant's Permanent Disability.

(i) "Retirement" shall mean the resignation or termination of employment after attainment of an age and years of service required for payment of an immediate pension pursuant to the terms of any qualified retirement plan maintained by the Company or a subsidiary in which the Participant participates; provided, however, that no resignation or termination prior to a Participant's 60th birthday shall be deemed a retirement unless the Committee so determines in its sole discretion.

(j) "Termination for Cause" shall mean a termination of employment with the Company or any of its subsidiaries which, as determined by the Committee, is by reason of (i) "cause" as such term or a similar term is defined in any employment agreement applicable to the Participant, or (ii) if there is no such employment agreement or if such employment agreement contains no such term, (x) dishonesty, conviction of a felony, or willful unauthorized disclosure of confidential information, (y) failure, neglect of or refusal by the Participant to substantially perform the duties of the Participant's employment, or (z) any other act or omission which is materially injurious to the financial condition or business reputation of the Company or any subsidiary thereof.

(k) To "vest" a Stock Option held by the Participant shall mean to render such Stock Option exercisable, subject to the terms of the Plan, except where the Participant's employment ends because of a Termination for Cause.

ARTICLE IV

MISCELLANEOUS

Section 4.1 No Rights to Continued Employment. Neither this Agreement, the Plan nor any action taken in accordance with such documents shall be construed as giving the Participant any right to be retained by the Company or any of its subsidiaries.

Section 4.2 Restriction on Transfer. The rights of the Participant with respect to the Stock Options shall not be transferable by the Participant except (i) by will or the laws of descent and distribution or (ii) subject to the prior approval of the Committee, for transfers to members of the Participant's immediate family or trusts whose beneficiaries are members of the Participant's immediate family, in each case subject to the condition that the Committee shall be satisfied that such transfer is being made for estate and/or tax planning purposes without consideration being received therefor and subject to such other conditions as the Committee may impose.

Section 4.3 Tax Withholding. As a condition to the exercise of the Stock Options, the Participant shall make a payment (or an arrangement acceptable to the Company for the withholding of such payment) sufficient to satisfy the combined Federal, state and local withholding tax obligations which arise in connection with the exercise of such Stock Options.

Section 4.4 Stockholder Rights. The grant of Stock Options under this Agreement shall not entitle the Participant or any permitted transferee to any rights of a holder of shares of common stock of the Company, other than when and until share certificates are delivered to the Participant upon exercise of a Stock Option.

Section 4.5 No Restriction on Right of Company to Effect Corporate Changes. This Agreement shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalization, reorganization or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Class B Common Stock or the rights thereof or which are convertible into or exchangeable for Class B Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

Section 4.6 Amendment. Other than as provided in Article II hereof, this Agreement may not be modified, amended or waived in any manner except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

Section 4.7 Stockholder Approval. The grant of Stock Options under this Agreement is subject to the approval of the stockholders of the Company, at the next annual or special meeting of stockholders, to the extent that the number of shares of Class B Common Stock subject to the Plan is insufficient to cover the number of shares of Class B Common Stock subject to Stock Options awarded under this Agreement.

Section 4.8 Notices. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party in a notice mailed or delivered to the other party as herein provided. If no such address has been specified by the Participant, such notices or communications shall be sent to the Participant's address as specified in the records of the Company.

Section 4.9 Headings. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement.

Section 4.10 Receipt of Copy of Plan. By executing this Agreement, the Participant acknowledges receipt of a copy of the Plan.

Section 4.11 Governing Law. This Agreement and all rights hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

VIACOM INC.

By:

Senior Vice President,
Human Resources and
Administration

Participant

2000 Long-Term Management Incentive Plan
Stock Option Certificate

NAME: _____

NUMBER OF SHARES COVERED: _____

EXERCISE PRICE: \$_____

DATE OF GRANT: _____

VIACOM INC.

This certifies that Viacom Inc. (the "Company") granted to the employee named above (the "Participant") on the above date ("Date of Grant") non-qualified stock options (the "Stock Options") to purchase the number of shares shown above of the Class B Common Stock, par value \$0.01 per share, of the Company ("Class B Common Stock"), for a purchase price per share equal to the Exercise Price shown above, under the Company's 2000 Long-Term Management Incentive Plan, as amended from time to time (the "Plan"), all on the terms and conditions attached hereto as part hereof (the "Terms and Conditions").

[Insert Name and Title of
Executive signing Certificate]

TERMS AND CONDITIONS

Viacom Inc.
2000 Long-Term Management Incentive Plan
Stock Option Certificate

The Stock Option Certificate attached hereto and the Terms and Conditions for the stock option grant contained herein (the "Certificate"), together with the Memorandum dated [Insert Date of Memorandum] and the certificates and/or agreements delivered under the Plan in connection with each grant of stock options under the Plan, constitutes the prospectus covering the shares of Class B Common Stock subject to the Plan.

ARTICLE I

TERMS OF STOCK OPTIONS

Section 1.1 Grant of Stock Options. The Stock Options have been awarded to the Participant subject to the terms and conditions contained in the Certificate and in the Plan, the terms of which are hereby incorporated by reference. A copy of the Plan will be provided upon request to the Administrator, Long-Term Incentive Plans. The Plan has been filed with the Securities and Exchange Commission. The capitalized terms used in the Certificate that are not otherwise defined in the Certificate shall have the meanings assigned to them in Article III hereof. The Stock Options are not intended to be, or qualify as, "Incentive Stock Options" within the meaning of section 422 of the Code.

Section 1.2 Terms of Stock Options.

(a) Vesting. The Stock Options shall be exercisable only to the extent the Participant is vested therein. The Stock Options shall vest [Insert Vesting Schedule - generally Stock Options vest in four equal installments on the first, second, third and fourth anniversaries of the Date of Grant].

(b) Option Period. Except as provided in Section 1.2(c) hereof, the period during which the Stock Options may be exercised shall expire on the tenth anniversary of the Date of Grant (the "Expiration Date").

(c) Exercise in the Event of Termination of Employment, Retirement, Permanent Disability or Death.

(i) Exercise in the Event of Termination of Employment other than for Cause, Retirement, Permanent Disability or Death. In the event of a termination of the Participant's employment other than for Cause or the Participant's Retirement, Permanent Disability or death, the Participant's Outstanding Stock Options can be exercised in accordance with the following provisions:

(A) if the Participant ceases to be an employee of the Company or any of its Subsidiaries by reason of the voluntary termination by the Participant or the termination by the Company or any of its Subsidiaries other than for Cause, his or her Outstanding Stock Options may be exercised to the extent then exercisable until the earlier of six months after the date of such termination (or such longer period as may be determined by the Committee, in its discretion) or the Expiration Date;

(B) if the Participant ceases to be an employee of the Company or any of its Subsidiaries by reason of the Participant's Retirement, the Participant may exercise his or her Outstanding Stock Options to the extent exercisable on the date of Retirement until the earlier of the third anniversary of such date (or such longer period as may be determined by the Committee, in its discretion) or the Expiration Date;

(C) if the Permanent Disability of the Participant occurs, his or her Outstanding Stock Options may be exercised to the extent exercisable upon the date of the onset of such Permanent Disability until the earlier of the third anniversary of such date (or such longer period as may be determined by the Committee, in its discretion) or the Expiration Date; and

(D) if a Participant dies during a period during which his or her Stock Options could have been exercised by him or her, his or her Outstanding Stock Options may be exercised to the extent exercisable at the date of death by the person who acquired the right to exercise such Stock Options by will or the laws of descent and distribution or permitted transfer until the earlier of the second anniversary of the date of death (or such longer period as may be determined by the Committee, in its discretion) or the Expiration Date.

Upon the occurrence of an event described in clauses (A), (B), (C) or (D) of this Section 1.2(c)(i), all rights with respect to Stock Options that are not vested as of such event will be relinquished. A "termination of employment" occurs, for purposes of the Plan, when a Participant no longer works for the Company or any of its Subsidiaries. For the avoidance of doubt, the employment of a Participant who works for a Subsidiary shall terminate, for Plan purposes, on the date on which the Participant's employing company ceases to be a Subsidiary.

(ii) Termination for Cause. If the Participant's employment with the Company or any of its Subsidiaries ends due to a Termination for Cause then, unless the Committee in its discretion determines otherwise, all Outstanding Stock Options, whether or not then vested, shall terminate effective as of the date of such termination.

(iii) Exercise Periods following Termination of Employment, Retirement, Permanent Disability or Death. For the purposes of determining the dates on which Stock Options may be exercised following a termination of employment or Retirement, Permanent Disability or death, the day following the date of termination of employment or Retirement, Permanent Disability or death shall be the first day of the exercise period and the Stock Options may be exercised up to and including the last business day falling within the exercise period. Thus, if the last day of the exercise period is not a business day, then the last date the Stock Options may be exercised is the last business day preceding the end of the exercise period.

Section 1.3 Exercise of Stock Options.

(a) Whole or Partial Exercise. Subject to the restrictions of Section 1.2(b) hereof, the Participant may exercise all vested Outstanding Stock Options granted hereunder at one time or in installments of 100 Stock Options (or in the whole number of unexercised Stock Options in which the Participant is vested, if such number is less than 100) by notice to the Administrator, Long-Term Incentive Plans, Viacom Inc., 1515 Broadway, New York, New York 10036, or to such agent(s) for the Company ("Agent") as the Company may from time to time specify, in such manner and at such address as may be specified from time to time by the Company. Such notice shall (i) state the number of full Stock Options being exercised, and (ii) be signed (or otherwise authorized in a manner acceptable to the Company) by the person or persons so exercising the Stock Options and, in the event the Stock Options are being exercised (pursuant to Section 1.2(c)(i) hereof) by any person or persons other than the Participant accompanied by proof satisfactory to the Company's counsel of the right of such person or persons to exercise the Stock Options. Information concerning any Agent and its address may be obtained by contacting the Administrator, Long-Term Incentive Plans.

(b) Payment of Aggregate Option Price. Full payment of the aggregate Exercise Price which shall be determined by multiplying the number of Stock Options being exercised by the Exercise Price shall be made on or before the settlement date for the shares of Class B Common Stock issued pursuant to the exercise of the Stock Options. Such Exercise Price shall be paid in cash (e.g. personal bank check, certified check or official bank check). In addition, in accordance with Section 4.3 hereof, the Participant shall make an arrangement acceptable to the Company to pay to the Company an amount sufficient to satisfy the combined federal, state and local withholding tax obligations which arise in connection with the exercise of such Stock Options.

(c) Issuance of Share Certificates. Upon satisfaction of the conditions set forth in Section 1.3(b) hereof, the Company shall deliver (or cause to be delivered) a certificate or certificates for the shares of Class B Common Stock issued pursuant to the exercise of the Stock Options to the Participant.

(d) Outstanding Stock Options. The number of shares of Class B Common Stock subject to the Stock Options that is set forth on the Stock Option Certificate attached hereto or provided simultaneously online may not reflect the number of Outstanding Stock Options due to Stock Option exercises or adjustments pursuant to Article II.

ARTICLE II

EFFECT OF CERTAIN CORPORATE CHANGES

In the event of a merger, consolidation, stock split, dividend, distribution, combination, reclassification or recapitalization that changes the character or amount of the Class B Common Stock or any other changes in the corporate structure, equity securities or capital structure of the Company, the Committee shall make such adjustments to the number of shares of Class B Common Stock subject to the Stock Options or the exercise price of the Stock Options, in each case, as it deems appropriate. The Board may, in its sole discretion, also make such other adjustments as it deems appropriate in order to preserve the benefits or potential benefits intended to be made available hereunder. Such determinations shall be conclusive and binding for all purposes.

ARTICLE III

DEFINITIONS

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

(a) "Board" shall mean the Board of Directors of the Company.

(b) "Code" shall mean the Internal Revenue Code of 1986, as amended, including any successor law thereto.

(c) "Committee" shall mean the Compensation Committee of the Board (or such other Committee(s) as may be appointed or designated by the Board to administer the Plan.)

(d) "Fair Market Value" of a share of Class B Common Stock on a given date shall be the 4:00 p.m. (New York time) closing price on such date on the New York Stock Exchange or other principal stock exchange on which the Class B Common Stock is then listed, as reported by The Wall Street Journal (Northeast edition) or any other authoritative source selected by the Company.

(e) "Outstanding Stock Option" shall mean a Stock Option granted to the Participant which has not yet been exercised and which has not yet expired or been terminated in accordance with its terms.

(f) "Permanent Disability" shall have the same meaning as such term or a similar term has in the long-term disability policy maintained by the Company or a Subsidiary thereof for the Participant and in effect on the date of the onset of the Participant's Permanent Disability.

(g) "Retirement" shall mean the resignation or termination of employment after attainment of an age and years of service required for payment of an immediate pension pursuant to the terms of any qualified defined benefit retirement plan maintained by the Company or a Subsidiary in which the Participant participates; provided, however, that no resignation or termination prior to a Participant's 60th birthday shall be deemed a retirement unless the Committee so determines in its sole discretion; and provided, further, that the resignation or termination of employment other than a Termination for Cause after attainment of age 60 shall be deemed a retirement if the Participant does not participate in a qualified defined benefit retirement plan maintained by the Company or a Subsidiary.

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

(i) "Termination for Cause" shall mean a termination of employment with the Company or any of its Subsidiaries which, as determined by the Committee, is by reason of (i) "cause" as such term or a similar term is defined in any employment agreement applicable to the Participant, or (ii) if there is no such employment agreement or if such employment agreement contains no such term, the Participant's: (A) dishonesty; (B) conviction of embezzlement, fraud or other conduct which would constitute a felony; (C) willful unauthorized disclosure of confidential information; (D) failure, neglect of or refusal

to substantially perform the duties of the Participant's employment; or (E) any other act or omission which is a material breach of the Company's policies regarding employment practices or the applicable federal, state and local laws prohibiting discrimination or which is materially injurious to the financial condition or business reputation of the Company or any Subsidiary thereof.

(j) To "vest" a Stock Option held by the Participant shall mean to render such Stock Option exercisable, subject to the terms of the Plan.

ARTICLE IV

MISCELLANEOUS

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

Section 4.2 Restriction on Transfer. The rights of the Participant with respect to the Stock Options shall not be transferable by the Participant except (i) by will or the laws of descent and distribution or (ii) subject to the prior approval of the Committee, for transfers to members of the Participant's immediate family or trusts whose beneficiaries are members of the Participant's immediate family, in each case subject to the condition that the Committee shall be satisfied that such transfer is being made for estate and/or tax planning purposes without consideration being received therefor and subject to such other conditions as the Committee may impose.

Section 4.3 Tax Withholding. As a condition to the exercise of the Stock Options, the Participant shall make a payment in cash equal to the amount of any federal, state, local or other taxes owed as a result of such exercise.

Section 4.4 Stockholder Rights. The grant of Stock Options under the Certificate shall not entitle the Participant or any permitted transferee to any rights of a holder of shares of Class B Common Stock, other than when and until share certificates are delivered to the Participant upon exercise of a Stock Option.

Section 4.5 No Restriction on Right of Company to Effect Corporate Changes. The Certificate shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Class B Common Stock or the rights thereof or which are convertible into or exchangeable for Class B Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

Section 4.6 Interpretation. In the event of a conflict or ambiguity between the provisions of the Certificate and the provisions of any employment agreement applicable to the Participant with respect to the Stock Options, the provisions of such employment agreement shall be deemed controlling to the extent such provisions are consistent with the provisions of the Plan and are more favorable to the Participant than the provisions of the Certificate.

Section 4.7 Breach of Covenants. In the event that the Committee makes a good faith determination that the Participant committed a material breach of the restrictive covenants relating to non-competition, no solicitation of employees, confidential information or proprietary property in any employment or other agreement applicable to the Participant during the one year period after termination of the Participant's employment with the Company or a Subsidiary, the Participant will be required to return any "gain" (as defined below) realized on the Stock Options during the one year period prior to such breach or at any time after such breach occurs. In addition, if the Committee makes such determination, the Participant's Outstanding Stock Options will be terminated. The "gain" on the Stock Options shall mean the difference between the Fair Market Value and the exercise price of the Stock Options on date of exercise.

Section 4.8 Headings. The headings of articles and sections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Certificate.

Section 4.9 Governing Law. The Certificate and all rights hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

March 14, 2005

[Insert Name and Address]

Re: Acceleration of "Underwater" Stock Options

Dear [insert first name],

I am pleased to advise that, on March 8, 2005, the Compensation Committee of Viacom's Board of Directors accelerated the vesting of a major portion of your unvested stock options granted under the Company's Long-Term Management Incentive Plans (LTMIP).

The Committee felt it appropriate to require the Company's Section 16 officers to hold the shares acquired upon the exercise of these options until their original vesting date or, if earlier, the executive's last day of employment, other than shares needed to cover the exercise price and satisfy withholding taxes.

This acceleration does not apply to stock options granted since the Company's new LTMIP was adopted on May 19, 2004 or granted under the Company's "Fund the Future" program or stock options with an exercise price of less than \$38.

Smith Barney (SB) has not yet updated its website to reflect this acceleration but will do so shortly. Also, please be reminded that it is Company policy that Section 16 officers are not permitted to exercise Viacom stock options through the Company's program with SB. You must execute these transactions through a broker selected by you.

Of course, you should feel free to call me if you have any questions.

Sincerely,

William A. Roskin