CBS CORP
Form DEF 14A
April 11, 2008

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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 (Amendment No. )

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 §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.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

April 11, 2008

Dear Stockholder:

You are cordially invited to attend the 2008 Annual Meeting of Stockholders of CBS Corporation (the "Annual Meeting"), which will be held at the Equitable Center, 787 Seventh Avenue (at 51st Street), New York, New York 10019 at 10:00 a.m., Eastern Daylight Time, on Thursday, May 22, 2008. Holders of CBS Corporation Class A Common Stock are being asked to vote on the matters listed in the attached Notice of 2008 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 2008 Proxy Statement, or if you requested a paper proxy card, you may submit your vote by mail if you prefer. If you attend the Annual Meeting, you may vote your shares in person.

National Amusements, Inc., which as of March 31, 2008 beneficially owned shares of the Company's Class A Common Stock representing approximately 79.9% 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 favor of each of the matters listed in Items 1 and 2 in the attached notice. Therefore, approval of those matters is assured.

If you plan to attend the Annual Meeting and are a registered holder of the Company's Class A Common Stock, you will need to so indicate when you vote by telephone or through the Internet, or mark the appropriate box on the proxy card, and an admission ticket will be sent to you. If you are a registered 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 and you plan to attend the Annual Meeting, you will need to obtain an admission ticket in advance by sending a written request along with proof of ownership, such as your brokerage firm account statement, to Director, Shareholder Relations, CBS Corporation, 51 West 52nd Street, New York, New York 10019.

If you would like to register to receive the materials relating to the Annual Meeting electronically next year instead of by mail, please go to https://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* |

# CBS CORPORATION

**NOTICE OF 2008 ANNUAL MEETING OF STOCKHOLDERS
AND PROXY STATEMENT**

To CBS Corporation Stockholders:

The 2008 Annual Meeting of Stockholders (the "Annual Meeting") of CBS Corporation (the "Company") will be held at the Equitable Center, 787 Seventh Avenue (at 51st Street), New York, New York 10019 at 10:00 a.m., Eastern Daylight Time, on Thursday, May 22, 2008. 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 2008; and

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

The close of business on March 31, 2008 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 thereof. For a period of at least ten days prior to the Annual Meeting, a complete list of stockholders entitled to vote at the Annual Meeting will be open 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 11, 2008

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# CBS CORPORATION
# 2008 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 2008 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Thursday, May 22, 2008 at 10:00 a.m., Eastern Daylight Time. The close of business on March 31, 2008 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 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 thereof.

As of March 31, 2008, the Company had outstanding 58,579,123 shares of its Class A Common Stock, each of such shares being entitled to one vote, and 622,518,729 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 new rules approved by the Securities and Exchange Commission ("SEC"), instead of mailing a printed copy of the Company's proxy materials to stockholders, the Company may now furnish proxy materials to the Company's stockholders on the Internet by providing a Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability") to stockholders when the materials are available on the Internet. The Company intends to commence its distribution of the Notice of Internet Availability on or about April 12, 2008. Stockholders receiving a Notice of Internet Availability by mail will not receive a printed copy of these 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.

### Submission of Proxies

The persons named in the proxy card (the "proxy holders") have 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 the Company's Class A Common Stock may submit a proxy in the following ways:

By telephone for holders living in the United States or Canada, by using any touch-tone telephone to call 1-800-690-6903 and following the recorded instructions, or through the Internet by accessing www.proxyvote.com and following the instructions. Holders submitting a proxy in either of these two ways should have in hand when they call or access the website, as applicable, the Notice of Internet Availability or the proxy card or voting instruction card (for those holders who have received, by request, a hard copy of the proxy card or voting instruction card). The telephone or Internet proxy must be received no later than 11:59 p.m., Eastern Daylight Time, on May 21, 2008; or

Complete, sign and date the proxy card or voting instruction card (for those holders who have received, by request, a hard copy of these materials) and return it in the envelope provided so that it is received prior to 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 must be received no later than 11:59 p.m., Eastern Daylight Time, on May 20, 2008, 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 respective 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. 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 submission (including telephonic or Internet submission) of a proxy bearing a later date than the proxy being revoked to Broadridge Proxy Services, P.O. Box 9163, Farmingdale, NY 11735. Revocations made by telephone or through the Internet must be received by 11:59 p.m., Eastern Daylight Time, on May 21, 2008. 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 20, 2008 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 Broadridge Proxy Services, P.O. Box 9163, Farmingdale, NY 11735.

**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.

**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; and

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 2008.

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 is required to approve each of the matters set forth above. An abstention with respect to any matter will have the effect of a vote against such matter.

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." Under the rules of the New York Stock Exchange ("NYSE"), the broker or nominee 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 matters listed as Items 1 and 2 above if they do not receive instructions from the beneficial owner of the shares held in street name.

As of March 31, 2008, National Amusements, Inc. ("National Amusements") beneficially owned through its wholly owned subsidiary, NAIRI, Inc. ("NAIRI"), approximately 79.9% of the Company's outstanding Class A Common Stock and approximately 12.7% 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 the matters listed as Items 1 and 2 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, the proxy statement and related materials to banks, brokers, fiduciaries and custodians that hold shares on behalf of beneficial owners so that they may forward the materials to the beneficial owners. The Company has retained IVS Associates, Inc. to tabulate the votes and 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.

## 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" (which is 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 of Directors 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;

- Within three years of joining the Board, directors are expected to own shares of Common Stock having a market value of at least three times the cash annual retainer fee paid to them (all of the directors are in compliance with this provision or have joined the Board within the past three years);
- The non-management directors play an active role in succession planning; and
- The Board will hold an annual self-evaluation to assess its effectiveness.

**Board Committee Charters**

Each 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 each 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 directors and employees worldwide. 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 delineates that the Company will protect anyone who makes a good faith report of a violation of the BCS and retaliation against an employee who makes a good faith report faith 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.

**Supplemental Code of Ethics for Senior Financial Officers**

The Supplemental Code of Ethics is applicable to the Company's Executive Chairman, President and Chief Executive Officer, 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. Other than the waiver of conflict of interest in connection with the Company's agreement with National Amusements and NAIRI under which they may participate in the Company's $8.0 billion stock purchase program, which former Viacom Inc. ("Former Viacom") announced in October 2004 (see "Related Person Transactions" for more information), no waivers of the BCS or Supplemental Code of Ethics for Senior Financial Officers have been granted. The National Amusements/NAIRI waiver is posted on the Company's website.

**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 2007 Annual Meeting of Stockholders.

During 2007, the Board of Directors held 9 meetings and acted by unanimous written consent 2 times. Each incumbent director attended at least 75% of the meetings of the Board and Committees on which such director served during 2007. In addition to Board and Committee meetings, directors are expected to attend the Annual Meeting, and all of the directors standing for election in 2007 were present at the Company's 2007 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 regularly scheduled sessions a number of times each year equal to at least 50% of the number of regularly scheduled Board meetings, and at such other times as they deem appropriate. The independent directors meet separately, without those directors who are not independent as determined by the Board, at least 2 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 2007, 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 standard's bright-line tests, if they occurred more than five years ago (the Board will review any such relationship if it occurred more than three but less than five years ago);

- A relationship whereby the director has received, or an immediate family member of the director has received, for service as an executive officer, less than $100,000 in direct compensation from the Company during any twelve-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 indebted 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.

For relationships that exceed the thresholds set forth 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 2008, 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. Based on its review, and the recommendations of the Nominating and Governance Committee, the Board determined that 10 of the 14 nominees are independent. The independent director nominees are Messrs. Califano, Cohen, Countryman, Gifford, Goldberg, 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" and the following types of transactions, relationships or arrangements, all of which the Board determined were immaterial to, and would not impair, each such director's independence:

With respect to Mr. Califano, the contributions made by the Company and its subsidiaries in each of the previous three fiscal years to a not-for-profit organization of which Mr. Califano is an executive officer were less than the greater of $500,000 or 1% of that organization's consolidated gross revenues for each such year.

With respect to Mr. Morris, the annual purchases made by the Company and its subsidiaries from the company of which he is an executive officer, including its parent and any subsidiary in a consolidated group with such company, and sales by the Company and its subsidiaries to such consolidated group, were less than 1% of the annual consolidated gross revenues of the consolidated group during each of the previous three fiscal years.

**Board Committees**

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

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

During 2007, the Audit Committee held 7 meetings, the Compensation Committee held 11 meetings and the Nominating and Governance Committee held 16 meetings. Information about the 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 General Counsel, its Vice President of 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 2007, see "Report of the Audit Committee."

***Audit Committee Financial Experts.*** The Board of Directors 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 of the members of the Audit Committee, at least one of the members, Mr. Countryman (Chair), qualifies as an "audit committee financial expert," as that term is defined in the regulations promulgated under the Securities Act of 1933, as amended (the "Securities Act").

***Service on the Audit Committees of Other Public Companies.*** The Company does not restrict the number of other audit committees on which members of its Audit Committee may serve.

Messrs. Countryman (Chair) and Morris do not serve on any other public company audit committee. Mr. Califano and Ms. Griego currently serve on one other public company audit committee, and Mr. Salerno currently serves on five other public company audit committees. The Board has determined that Mr. Salerno's service on these other public company audit committees of such other companies would not impair his ability to serve effectively on the Company's Audit Committee, particularly given his experience as the former chief financial officer of a major public company and the fact that he is retired from full-time employment.

**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 must be "outside directors" as defined by Section 162(m) of the Internal Revenue Code of 1986, as amended (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;

- Reviewing and approving the total compensation packages for the Executive Chairman, the Chief Executive Officer, the Company's other executive officers, the operating managers who report directly to the Chief Executive Officer, and other persons among the Company's most highly compensated executives, up to a total of 20 executives (other than "Talent" (as such term is commonly used in the media or entertainment industries)) (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)) and its equity compensation plans.

***Consideration and Determination of Executive Compensation.*** The Compensation Committee reviews all components of senior executives' compensation, including base salary, annual and long-term incentives and severance arrangements. In approving compensation for the senior executives (other than Messrs. Redstone and Moonves), the Committee considers the input and recommendations of the Chief Executive Officer with respect to the senior executives' performances, Mr. Briskman with respect to those senior executives who report directly to him and Mr. Reynolds with respect to those senior executives who report directly to him. With respect to Messrs. Redstone and Moonves, the Committee reviews and approves goals and objectives relevant to their compensation and, together with the Nominating and Governance Committee, annually evaluates the performances of the Executive Chairman and the Chief Executive Officer in light of those goals and objectives. 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 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. In 2006, the Committee delegated to the 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 management incentive program 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. The Committee delegated this authority in order for the Company to have the ability to (i) act in a timely manner in a competitive environment in connection with the hiring of new executives or the compensating of an existing executive being given a significant increase in responsibility and (ii) maintain flexibility to manage compensation in post-termination scenarios when mutually beneficial to the Company and to the executive.

The Compensation 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, Towers Perrin, to advise the Committee in its review of senior executive compensation. Towers Perrin does not perform any administrative or consulting services for the Company. The Compensation Committee has adopted a policy that the Company will not engage Towers Perrin as a provider for services to the Company, other than for services provided to the Compensation Committee. 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 "Compensation Discussion and Analysis."

**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; and
- Reviewing transactions between the Company and related persons.

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 "Director Compensation."

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.

***2008 Director Nomination Process.*** In connection with the 2008 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 directors on Board member qualifications and Board composition. After taking these considerations into account, the Committee determined to recommend to the Board that all of the nominees set forth in this proxy statement be nominated to stand for election at the Annual Meeting.

***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. All 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 www.cbscorporation.com. 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 2007 was, or has ever been, an officer or employee of the Company, and, during fiscal year 2007, 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.

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

The table below sets forth as of February 29, 2008, 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. The information below does not reflect ownership of stock options or restricted share units ("RSUs") if such stock options do not become exercisable or such RSUs do not vest within 60 days from February 29, 2008. 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 29, 2008, there were 58,656,473 shares of the Company's Class A Common Stock outstanding and 622,049,446 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** |
| David R. Andelman | Class A Common | 5,744 | (1) | * |
| | Class B Common | 51,360 | (1)(2) | * |
| Louis J. Briskman | Class A Common | 0 | | * |
| | Class B Common | 292,836 | (2)(3)(4) | * |
| Joseph A. Califano, Jr. | Class A Common | 2,269 | (1) | * |
| | Class B Common | 39,363 | (1)(2)(3) | * |
| William S. Cohen | Class A Common | 5,276 | (1) | * |
| | Class B Common | 39,424 | (1)(2) | * |
| Gary L. Countryman | Class A Common | 1,779 | (1) | * |
| | Class B Common | 16,141 | (1)(2) | * |
| Charles K. Gifford | Class A Common | 0 | | * |
| | Class B Common | 25,893 | (1)(2) | * |
| Leonard Goldberg | Class A Common | 0 | | * |
| | Class B Common | 21,712 | (2)(3) | * |
| Bruce S. Gordon | Class A Common | 0 | | * |
| | Class B Common | 25,351 | (1)(2) | * |
| Susan C. Gordon | Class A Common | 378 | (4) | * |
| | Class B Common | 120,518 | (2)(4) | * |
| Linda M. Griego | Class A Common | 0 | | * |
| | Class B Common | 20,373 | (2)(3) | * |
| Arnold Kopelson | Class A Common | 1,200 | (1) | * |
| | Class B Common | 15,567 | (1)(2) | * |
| Leslie Moonves | Class A Common | 0 | | * |
| | Class B Common | 1,233,330 | (2)(3)(4) | * |
| Doug Morris | Class A Common | 1,123 | (1) | * |
| | Class B Common | 15,488 | (1)(2) | * |

| | | | | |
|---|---|---|---|---|
| Shari Redstone | Class A Common | 2,312 | (1)(5) | * |
| | Class B Common | 17,861 | (1)(2)(3)(5) | * |
| Sumner M. Redstone | Class A Common | 46,829,454 | (6) | 79.8% |
| | Class B Common | 42,632,091 | (2)(4)(6) | 6.8% |
| Fredric G. Reynolds | Class A Common | 0 | | * |
| | Class B Common | 342,866 | (2)(3)(4) | * |
| Frederic V. Salerno | Class A Common | 9,077 | (1) | * |
| | Class B Common | 15,596 | (1) | * |
| Current directors and executive officers as a group, other than the interests of Mr. Redstone (23 persons) | Class A Common | 29,158 | (1)(4) | * |
| | Class B Common | 3,176,499 | (1)(2)(3)(4)(7) | * |
| NAIRI, Inc./National Amusements, Inc. 200 Elm Street Dedham, MA 02026 | Class A Common | 46,829,414 | (8) | 79.8% |
| | Class B Common | 39,809,527 | (8) | 6.4% |
| Mario J. Gabelli (9) Gabelli Asset Management Inc. One Corporate Center Rye, NY 10580-1435 | Class A Common | 4,844,623 | | 8.3% |

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

(1)
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, 5,744 Class A and 5,758 Class B; Califano, 2,269 Class A and 2,282 Class B; Cohen, 5,276 Class A and 5,282 Class B; Countryman, 1,779 Class A and 1,768 Class B; Kopelson, 1,200 Class A and 1,194 Class B; Morris, 1,123 Class A and 1,115 Class B; Shari Redstone, 2,312 Class A and 2,316 Class B; and Salerno, 9,077 Class A and 9,097 Class B (including 7,918 Class A and 7,946 Class B, which amounts were deferred prior to the Separation (as defined in "Related Person Transactions") and are held in an account in Mr. Salerno's name at new Viacom Inc.); and (b) the following shares of the Company's Class B Common Stock underlying vested RSUs on which settlement has been deferred: Andelman, 6,130; Califano, 6,130; Cohen, 6,130; Gifford, 4,067; Bruce Gordon, 1,831; and Shari Redstone, 4,067. 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.

(2)
Includes the following shares of the Company's Class B Common Stock (a) which the indicated executive officer or director had the right to acquire within 60 days from February 29, 2008, through the exercise of stock options: Andelman, 39,472; Briskman, 226,154; Califano, 28,012; Cohen, 28,012; Countryman, 12,734; Gifford, 17,826; Goldberg, 14,431; Bruce Gordon, 21,319; Susan Gordon, 48,391; Griego, 12,734; Kopelson, 12,734; Moonves, 172,710; Morris, 12,734; Shari Redstone, 9,978; Sumner Redstone, 2,109,587; and Reynolds, 153,975; and (b) underlying RSUs which will vest within 60 days from February 29, 2008 held by the indicated executive officer: Briskman, 8,080; Susan Gordon, 4,444; and Reynolds, 14,141.

(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 director or executive officer disclaims beneficial ownership: Califano, 927; Griego, 6,000; Moonves, 1,818; and Reynolds, 982; (b) held in a family partnership: Briskman, 2,784, as to which he disclaims beneficial ownership to the extent that he has no pecuniary interest; and (c) held by trusts, as to which the indicated director has shared voting and investment power: Goldberg, 5,450 and Shari Redstone, 1,500.

(4)
Includes shares held through the CBS 401(k) Plan.

(5)
Ms. Redstone is a stockholder of National Amusements and has a significant indirect beneficial interest in the Company shares owned by National Amusements.

(6)
Except for 40 shares of the Company's Class A Common Stock, 712,763 shares of the Company's Class B Common Stock and 2,109,587 stock options to purchase shares of the Company's Class B Common Stock (also described in footnote (2) above) owned directly by Mr. Redstone, 114 shares of the Company's Class B Common Stock held by Mr. Redstone through the CBS 401(k) Plan, and 100 shares of the Company's Class B Common Stock held by Mr. Redstone's spouse, all shares of the Company's Class A and Class B Common Stock are owned beneficially by National Amusements. Mr. Redstone can be reached at the address set forth on the above table for National Amusements.

(7)
Includes 1,546,098 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 within 60 days from February 29, 2008, 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 such shares. NAIRI is a wholly owned subsidiary of National Amusements.

(9)
The number of shares identified is based on a Schedule 13D dated January 3, 2006 and filed with the SEC by Gamco Investors, Inc. *et al*. on January 13, 2006. The Schedule 13D reported that the Gabelli entities have investment discretion and/or voting power with respect to substantially all of such shares. There have been no filings with respect to these shares since January 2006.

**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 2007 its executive officers, directors and greater than 10% beneficial owners complied with all applicable Section 16(a) filing requirements, except that during March 2007, Leonard Goldberg inadvertently filed late a Form 4 which was due to report an acquisition in March 2007 of the Company's Class B Common Stock by a family trust. Immediately upon becoming aware of the acquisition, the Form 4 was promptly filed.

## 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.**

The separation of former Viacom Inc. ("Former Viacom") into two publicly traded companies, CBS Corporation and new Viacom Inc. ("Viacom"), was completed on December 31, 2005 (the "Separation"). 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. For purposes of governing certain ongoing relationships between the Company and Viacom after the Separation, the Company and Viacom entered into various agreements, including a separation agreement, tax matters agreement and transition services agreement. In accordance with the terms of the separation agreement, since December 2005 Viacom made payments to the Company with respect to a special dividend in the total amount of $5.74 billion, $170 million of which was paid by Viacom to the Company in January 2007.

During 2007, the Company, through its normal course of business, was involved in transactions with companies owned by Viacom. The Company, through its Television segment, licenses its television products to Viacom, primarily MTV Networks and Black Entertainment Television. In addition, the Company recognizes advertising revenues for media spending placed by various subsidiaries of Viacom, primarily Paramount Pictures. Paramount Pictures also distributes certain of the Company's television products in the home entertainment market. Simon & Schuster, a subsidiary of the Company, is also involved in certain nonmaterial transactions with Viacom. The Company's total revenues from these transactions were $292.0 million for the year ended December 31, 2007. In addition, the Company, through Showtime Networks and CBS Television, during 2007, paid license fees to Viacom, primarily Paramount Pictures, for motion picture programming. The Company also places advertisements with various subsidiaries of Viacom. The total amounts from these transactions were $172.4 million for the year ended December 31, 2007. As of December 31, 2007, Viacom owed the Company approximately $322.1 million, and the Company owed Viacom approximately $103.3 million in connection with the Company's various normal course of business transactions with Viacom.

During July 2007, the Company purchased 869,145 shares of the Company's Class A Common Stock and Class B Common Stock from the Viacom 401(k) Plan for $29.8 million, and Viacom purchased 2,823,178 shares of Viacom class A and class B common stock from the 401(k) plans sponsored by the Company for $120.0 million.

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**

On October 28, 2004, Former Viacom entered into an agreement (the "NAIRI Agreement") with National Amusements and NAIRI pursuant to which Former Viacom agreed to buy, and National Amusements and NAIRI agreed to sell, a number of shares of Class B Common Stock each month such that the ownership percentage of Class A Common Stock and Class B Common Stock (considered as a single class) held by National Amusements and/or NAIRI would not increase as a result of purchases by the Company of its shares under its $8.0 billion stock purchase program announced in October 2004. In 2007, the Company did not make any purchases under this program, and the Company has made no purchases under this program in 2008 to date. A copy of the NAIRI Agreement was filed with the SEC as Exhibit 10(a) to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2004.

Mr. Redstone is the beneficial owner of approximately 88% of the common stock of Midway Games Inc. ("Midway") as of February 7, 2007, according to a Schedule 13D filed with the SEC on February 7, 2007, of which approximately 75% is held by National Amusements and one of its subsidiaries. Midway places advertisements from time to time with various subsidiaries of the Company, which amounted to approximately $266,400 in 2007. The Company believes that the terms of these transactions were no more or less favorable to its subsidiaries than they would have obtained from unrelated parties. The Company may continue to enter into these transactions with Midway in the future.

The National Center on Alcohol and Substance Abuse at Columbia University ("CASA"), of which Mr. Califano is Chairman and President, sponsors an annual "Family Day" event, the purpose of which is to encourage families to eat dinner together. In 2007, certain divisions of the Company and its subsidiaries supported the cause by airing public service announcements (PSAs) that promote Family Day. It is anticipated that divisions of the Company and its subsidiaries will from time to time promote Family Day. In addition, in 2007, the Company made a contribution of $50,000 to CASA in connection with its $250,000 commitment in 2005 to CASA, payable in equal installments over five years, which commenced in 2006.

Julie Chen, the wife of Mr. Moonves, is an anchor on CBS Networks' *The Early Show* and the host of the CBS Network show *Big Brother*. Ms. Chen's compensation is comparable to talent in similar positions at the CBS Network, and the Company believes it is comparable to entertainment talent in such positions generally.

Amy Salerno, a 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 8 years. She is not an executive officer of the Company or of Showtime. Her compensation was increased from the $131,000 reported in the 2007 proxy statement to reflect a promotion granted in November 2006 and a merit increase for 2007, resulting in compensation consistent with other employees at her level.

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. In 2007, the Company paid GAMCO approximately $274,120 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 4,844,623 shares of the Company's Class A Common Stock, according to a Schedule 13D filed with the SEC on January 13, 2006 by such entities, the most recent filing available, which, as of February 29, 2008, represents approximately 8.3% of the outstanding shares of the class.

## 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 of Directors 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 of Directors who were elected at the Company's 2007 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, including the director's business experience, tenure on the Company's Board and service on the boards of directors of other publicly traded companies and investment companies.

| | |
|---|---|
| **David R. Andelman** | |
| Age 68<br>Director since 2000 | Mr. Andelman is an attorney 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. |
| **Joseph A. Califano, Jr**. | |
| Age 76<br>Director since 2003 | Mr. Califano is Chairman of the Board and President of The National Center on Addiction and Substance Abuse at Columbia University, a position he has held since 1992. 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 11 books. Mr. Califano is also a director of Midway Games Inc. and Willis Group Holdings Limited. |
| **William S. Cohen** | |
| Age 67<br>Director since 2003 | Mr. Cohen 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. |

**Gary L. Countryman**
Age 68
Director since 2007

Mr. Countryman 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 Chairman of the Dana Farber Cancer Institute and President of the United Ways of New England. Mr. Countryman is also a director of Bank of America Corporation, the Liberty Mutual Group and NSTAR.

**Charles K. Gifford**
Age 65
Director since 2006

Mr. Gifford 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 NSTAR.

**Leonard Goldberg**
Age 74
Director since 2007

Mr. Goldberg has been President of Mandy Films, Inc. and Panda Productions, Inc., both television and film production companies, since 1984. 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.

**Bruce S. Gordon**
Age 62
Director since 2006

Mr. Gordon served as President and Chief Executive Officer of the National Association for the Advancement of Colored People (NAACP) from June 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 Tyco International Ltd.

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|---|---|
| **Linda M. Griego**<br>Age 60<br>Director since 2007 | Ms. Griego has served, since 1986, as President and Chief Executive Officer of Griego Enterprises, Inc., a business management company. She oversees the operations of Engine Co. No. 28, a prominent restaurant in downtown Los Angeles that Ms. Griego 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 non-profit organizations, including current service on the boards of the Robert Wood Johnson Foundation, the Packard Foundation and the Public Policy Institute of California.<br>Ms. Griego has served as a director of publicly traded and private corporations, including presently serving as director of City National Corporation, Southwest Water Company and AECOM Technology Corporation. |
| **Arnold Kopelson**<br>Age 73<br>Director since 2007 | Mr. Kopelson has been Co-Chairman and President of Kopelson Entertainment, through which he produces films 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 serves on the Executive Committee of the Producers Branch of the Academy of Motion Picture Arts and Sciences and is a member of the Advisory Board of the Rand Corporation Center for Middle East Public Policy. |
| **Leslie Moonves**<br>Age 58<br>Director since 2006 | Mr. Moonves 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. Mr. Moonves is also a director of KB Home. |

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|---|---|
| **Doug Morris**<br>Age 69<br>Director since 2007 | Mr. Morris has been the Chairman and Chief Executive Officer of Universal Music Group since November 1995. 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. |
| **Shari Redstone**[1]<br>Age 53<br>Director since 1994 | Ms. Redstone has been Vice Chair of the Board of the Company since June 2005, and President of National Amusements since January 2000. Prior to that, Ms. Redstone served as Executive Vice President of National Amusements since 1994. Ms. Redstone practiced law from 1978 to 1993, with her practice including corporate law, estate planning and criminal law. Ms. Redstone is a member of the Board of Directors and Executive Committee for the National Association of Theatre Owners, Co-Chairman and Co-President of MovieTickets.com, Inc., and Chairman and Chief Executive Officer of CineBridge Ventures, Inc. Ms. Redstone is a board member of several charitable organizations, including the Board of Trustees at Dana Farber Cancer Institute, the Board of Directors at Combined Jewish Philanthropies and the Board of Directors of the John F. Kennedy Library Foundation. Ms. Redstone is also a director of National Amusements, Midway Games Inc. (Chair) and Viacom (Vice Chair). |

| | |
|---|---|
| **Sumner M. Redstone**[1]<br>Age 84<br>Director since 1986 | Mr. Redstone 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 and is currently a member of its Executive Committee. Mr. Redstone has lectured at a variety of universities, including Harvard Law School and Brandeis University, and in 1982 joined the faculty of the Boston University School of Law. 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. |
| **Frederic V. Salerno**<br>Age 64<br>Director since 2007 | Mr. Salerno 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, 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., The Bear Stearns Companies Inc., IntercontinentalExchange, Inc., Popular Inc. and Viacom. |

1 Ms. Redstone is Sumner Redstone's daughter. None of the other director nominees is related to any other director or executive officer by blood, marriage or adoption.

### RECOMMENDATION OF THE BOARD OF DIRECTORS

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

## DIRECTOR COMPENSATION

### Outside Director Compensation During 2007

The following table sets forth information concerning the compensation of the Company's Outside Directors for 2007.

| Name (a) | Fees Earned or Paid in Cash ($) (b) (1) | Stock Awards ($) (c) (2) | Option Awards ($) (d) (3) | Change in Pension Value and Non-qualified Deferred Compensation Earnings (e) (4) | All Other Compensation ($) (f) | Total ($) (g) |
|---|---|---|---|---|---|---|
| Andelman, David R. | $ 78,000 | $ 55,014 | $ 40,162 | $ 110 | $ 0 | $ 173,286 |
| Califano, Jr., Joseph A. | 142,000 | 55,014 | 40,162 | 5,902 | 0 | 243,078 |
| Cohen, William S. | 96,000 | 55,014 | 40,162 | 182 | 0 | 191,358 |
| Countryman, Gary L. | 89,250 | 30,558 | 52,652 | 112 | 0 | 172,572 |
| Gifford, Charles K. | 160,650 | 55,014 | 22,150 | 6,483 | 0 | 244,297 |
| Goldberg, Leonard | 87,050 | 50,430 | 79,503 | N/A | 0 | 216,983 |
| Gordon, Bruce S. | 104,000 | 55,014 | 22,150 | N/A | 0 | 181,164 |
| Griego, Linda M. | 65,900 | 30,558 | 52,652 | N/A | 0 | 149,110 |
| Kopelson, Arnold | 57,900 | 30,558 | 52,652 | 48 | 0 | 141,158 |
| Morris, Doug | 67,900 | 30,558 | 52,652 | 84 | 0 | 151,194 |
| Redstone, Shari | 78,000 | 55,014 | 21,675 | 24 | 0 | 154,713 |
| Salerno, Frederic V. | 54,450 | 24,454 | 50,756 | 62 | 0 | 129,722 |

(1) Reflects cash amounts earned in 2007 for the annual board retainer, committee chair retainers, and meeting fees for board and committee meetings. These amounts include cash deferred by Messrs. Andelman, Califano, Cohen, Countryman, Gifford, Kopelson, Morris and Salerno under the CBS Corporation Deferred Compensation Plan for Outside Directors.

(2) Amounts reflect the Company's 2007 compensation expense, calculated in accordance with SFAS No. 123 (revised 2004) "Share-Based Payment" ("SFAS 123R"), associated with stock-based awards ("RSUs") granted in 2007 and in prior years. However, in accordance with SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions, which would otherwise be taken into account under SFAS 123R. Except for estimated forfeitures, these amounts reflect the Company's accounting expense for these awards and may not correspond to the actual value recognized by the director. Differences in the amounts shown among Board members largely reflect differences in length of service. See "RSUs, PSUs and Restricted Shares" in Note 11 to the audited 2007 consolidated financial statements on pages II-61 II-62 in the Company's Form 10-K for the fiscal year ended December 31, 2007 for a discussion of the assumptions made in calculating these amounts.

The fair value on the date of grant of stock awards granted during 2007, and the outstanding stock awards held by each of the Outside Directors named in the table as of the end of fiscal year 2007, are as follows:

| Name | Fair Value of Prorated RSU Grants in 2007 (a) | Fair Value of Annual RSU Grants in 2007 (b) | Aggregate Number of Unvested RSUs Outstanding at FYE 2007 |
|---|---|---|---|
| Andelman, David R. | N/A | $ 55,015 | 1,765 |
| Califano, Jr., Joseph A. | N/A | 55,015 | 1,765 |
| Cohen, William S. | N/A | 55,015 | 1,765 |
| Countryman, Gary L. | $ 45,838 | N/A | 1,622 |
| Gifford, Charles K. | N/A | 55,015 | 1,765 |
| Goldberg, Leonard | N/A | 55,015 | 1,765 |
| Gordon, Bruce S. | N/A | 55,015 | 1,765 |
| Griego, Linda M. | 45,838 | N/A | 1,622 |
| Kopelson, Arnold | 45,838 | N/A | 1,622 |
| Morris, Doug | 45,838 | N/A | 1,622 |
| Redstone, Shari | N/A | 55,015 | 1,765 |
| Salerno, Frederic V. | 36,681 | N/A | 1,298 |

(a) Amounts reflect the fair value on the date of grant, in accordance with SFAS 123R, of the indicated number of RSUs granted on November 1, 2007 to Outside Directors who were elected during fiscal 2007, but after the January 31, 2007 annual RSU grant.

(b) Amounts reflect the fair value on the date of grant, January 31, 2007, of 1,765 RSUs, in accordance with SFAS 123R.

(3) Amounts reflect the Company's 2007 compensation expense, calculated in accordance with SFAS 123R, associated with stock option awards made in 2007 and in prior years. However, in accordance with SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions, which would otherwise be taken into account under SFAS 123R. Except for estimated forfeitures, these amounts reflect the Company's accounting expense for these awards and may not correspond to the actual value recognized by the Outside Director. Differences in the amounts shown among Outside Directors largely reflect differences in length of service. See "Stock Options and Equivalents" in Note 11 to the audited 2007 consolidated financial statements on pages II-62 II-65 in the Company's Form 10-K for the fiscal year ended December 31, 2007 for a discussion of the assumptions made in calculating these amounts.

The fair value on the date of grant of the option awards granted during 2007, calculated using the Black-Scholes option-pricing model, and the outstanding option awards held by each of the Outside Directors named in the table as of the end of fiscal year 2007, are as follows:

| Name | Fair Value of Initial Option Grants in 2007 (a) | Fair Value of Annual Option Grants in 2007 (b) | Aggregate Number of Option Awards Outstanding at FYE 2007 |
|---|---|---|---|
| Andelman, David R. | N/A | $ 31,933 | 44,566 |
| Califano, Jr., Joseph A. | N/A | 31,933 | 33,106 |
| Cohen, William S. | N/A | 31,933 | 33,106 |
| Countryman, Gary L. | $ 68,636 | N/A | 12,734 |
| Gifford, Charles K. | N/A | 31,933 | 22,920 |
| Goldberg, Leonard | 76,086 | 31,933 | 17,827 |
| Gordon, Bruce S. | N/A | 31,933 | 26,413 |
| Griego, Linda M. | 68,636 | N/A | 12,734 |
| Kopelson, Arnold | 68,636 | N/A | 12,734 |
| Morris, Doug | 68,636 | N/A | 12,734 |
| Redstone, Shari | N/A | 31,933 | 15,072 |
| Salerno, Frederic V. | 83,077 | N/A | 12,734 |

(a) Amounts reflect the fair value, in accordance with SFAS 123R, of options to purchase 12,734 shares of the Company's Class B Common Stock granted to newly elected Outside Directors on the following dates: Goldberg, January 31, 2007; Countryman, Griego, Kopelson and Morris, March 27, 2007; and Salerno, May 23, 2007.

(b) Amounts reflect the fair value, in accordance with SFAS 123R, of options to purchase 5,093 shares of the Company's Class B Common Stock granted pursuant to annual grants awarded to Outside Directors on January 31, 2007.

(4) Interest accrues on amounts deferred 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. The prime rate generally represents an interest rate that is more than 120% higher than the applicable Federal Reserve Board's long-term interest rate and therefore is deemed to be preferential for purposes of this table. Accordingly, we have indicated above the difference in the amount of interest accrued for each Outside Director in 2007 compared to the interest that would have been accrued at 120% of the applicable Federal Reserve Board's long-term interest rate.

**Description of Outside 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.

***Cash Compensation***

The Company pays the following cash compensation to Outside Directors:

A $60,000 annual retainer, payable in equal installments quarterly in advance;

A per meeting attendance fee of $2,000 for each Board meeting;

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; and

A $20,000 annual 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.

***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 retainer and 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 on 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").

*Stock Awards*

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

An annual grant of RSUs on January 31st of each year equal to $75,000 in value 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. Such grants are made five business days following the date such Outside Director joins the Board. The number of RSUs underlying each grant will be determined by dividing (i) the product of $6,250 ($75,000 divided by 12) and 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* (ii) 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 of the RSUs 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.

*Option Awards*

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

- An initial grant of 12,734 stock options to purchase shares of the Company's Class B Common Stock on the date the director joins the Board as, or otherwise becomes, an Outside Director, which options will vest one year from the date of grant; and

- An annual grant of 5,093 stock options to purchase shares of the Company's Class B Common Stock on January 31st of each year, which options will vest in three equal annual installments, on the first, second and third anniversaries of the date of grant.

The exercise price for the stock option grants made under the Director Option Plan is the closing price of the Company's Class B Common Stock on the NYSE on the date of grant, or if such day is not a business day, on the business day immediately preceding the date of grant.

***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 expenses in accordance with the Company's normal travel policies.

## 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, 2008, 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, 2008, 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 2008.

## 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 Securities Exchange Act of 1934, as amended (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; and
- Reviewing with management material legal matters and the effectiveness of the Company's procedures to ensure compliance with legal and regulatory requirements.

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 Board 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, 2007, the Company's disclosures under "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the Company's 2007 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, 2007.

The Audit Committee has also discussed with PwC all required communications, including the matters required to be discussed pursuant to Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended by Statement on Auditing Standards No. 90 (Audit Committee Communications). In addition, the Audit Committee has received the written disclosures and the letter from PwC required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) 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, 2007.

***Members of the Audit Committee***

Gary L. Countryman, Chair
Joseph A. Califano, Jr.
Linda M. Griego
Doug Morris
Frederic V. Salerno

**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, 2007 and 2006.

| | 2007 | 2006 |
|---|---|---|
| Audit Fees | $ 8,934,000 | $ 7,914,000 |
| Audit-Related Fees(1) | 534,000 | 326,000 |
| Tax Fees(2) | 509,000 | 230,000 |
| All Other Fees(3) | 27,000 | 4,000 |
| Total | | |