CBS CORP
Form 11-K
June 27, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549-1004

FORM 11-K

(Mark One)
x Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2016 Commission file number 001-09553

OR
o Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934

CBS 401(k) PLAN
(Full title of the plan)

CBS CORPORATION
(Name of issuer of the securities held pursuant to the plan)

51 West 52nd Street
New York, New York 10019
(Address of principal executive office)

CBS 401(k) PLAN

FINANCIAL STATEMENTS, SUPPLEMENTAL SCHEDULES AND EXHIBITS
DECEMBER 31, 2016 AND 2015

INDEX

Report of Independent Registered Public Accounting Firm

To the Administrator of the CBS 401(k) Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the CBS 401(k) Plan (the "Plan") as of December 31, 2016 and December 31, 2015, and the changes in net assets available for benefits for the year ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The supplemental Schedule of Delinquent Participant Contributions for the year ended December 31, 2016 and the Schedule of Assets (Held at End of Year) at December 31, 2016 have been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedules are the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedules reconcile to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedules. In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the Schedule of Delinquent Participant Contributions and the Schedule of Assets (Held at End of Year) are fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ PRICEWATERHOUSECOOPERS LLP
PricewaterhouseCoopers LLP
New York, New York
June 27, 2017

CBS 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(In thousands)

	At December 31,	
	2016	2015
Assets		
Investments, at fair value	$3,092,439	$2,754,115
Synthetic guaranteed investment contracts, at contract value	1,210,310	1,316,222
Receivables:		
Notes receivable from participants	34,384	34,375
Employee contributions	1,047	1,003
Employer contributions	2,670	3,243
Interest and dividends	3,132	3,277
Due from broker for securities sold (Note 1)	50,381	50
Total assets	4,394,363	4,112,285
Liabilities		
Accrued expenses	1,540	1,673
Due to broker for securities purchased	28	335
Total liabilities	1,568	2,008
Net assets available for benefits	$4,392,795	$4,110,277

The accompanying notes are an integral part of these financial statements.

CBS 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(In thousands)

	Year Ended December 31, 2016
Additions to net assets attributed to:	
Investment income:	
Net appreciation in fair value of investments	$ 364,578
Interest	35,170
Dividends	13,101
Interest income on notes receivable from participants	1,459
Contributions:	
Employee	119,680
Employer	40,599
Rollover	14,244
Total additions	588,831
Deductions from net assets attributed to:	
Benefits paid to participants	(300,105)
Plan expenses	(6,208)
Total deductions	(306,313)
Net increase	282,518
Net assets available for benefits, beginning of year	4,110,277
Net assets available for benefits, end of year	$ 4,392,795

The accompanying notes are an integral part of these financial statements.

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
(Tabular dollars in thousands)

NOTE 1 - PLAN DESCRIPTION
The following is a brief description of the CBS 401(k) Plan (the “Plan”) and is provided for general information only. Participants should refer to the Plan document, as amended, for more complete information regarding the Plan.

The Plan, sponsored by CBS Corporation (the “Company” or “CBS Corp.”), is a defined contribution plan offered on a voluntary basis to eligible employees of the Company and each of its subsidiaries that is included for participation.

Eligible full-time newly hired employees may enroll in the Plan immediately or are automatically enrolled following 60 days after hire or rehire and attainment of age 21, unless they elect not to participate. Part-time employees are automatically enrolled in the Plan on the first day of the month following the attainment of age 21 and completion of 1,000 hours of service within a consecutive twelve-month period, unless they already voluntarily enrolled upon meeting the age and service requirements or have elected not to participate. The Plan is subject to the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and is overseen by a retirement committee designated as the “Administrator” of the Plan as defined under ERISA (the “Plan Administrator”) by the Company’s Board of Directors (the “Board”).

Exempt Party-in-Interest Transactions

The Bank of New York Mellon (the “Trustee”) is the trustee and custodian and Mercer HR Services, LLC is the recordkeeper of the Plan. Certain Plan investments are shares of funds and bonds managed by the Trustee or companies affiliated with the Trustee, or shares and bonds of a company affiliated with CBS Corp., and therefore qualify as party-in-interest transactions. The fair value of these investments was $356 million at December 31, 2016 and $267 million at December 31, 2015 and these investments appreciated by $6 million for the year ended December 31, 2016. In addition, certain Plan investments are shares of CBS Corp. Class A Common Stock and Class B Common Stock (together, “CBS Corp. Common Stock”) and therefore qualify as party-in-interest transactions. The fair value of these investments was $508 million at December 31, 2016 and $420 million at December 31, 2015. For the year ended December 31, 2016, these investments appreciated by $139 million and earned dividends of $5 million. During the year ended December 31, 2016, the Plan sold $48 million of CBS Corp. Common Stock.

Participant Accounts
Each Plan participant’s account is credited with the participant’s contributions, the employer matching contributions, if applicable, and the participant’s share of the interest, dividends, and any realized or unrealized gains or losses of the Plan’s assets, net of certain Plan expenses.

Participants have the option of investing their contributions or existing account balances among various investment options. These investment options include common collective funds, registered investment companies (mutual funds), separately managed accounts, which primarily invest in common stocks, a fixed income fund and the CBS Corp. Class B Common Stock fund.

Within the Plan, the CBS Corp. Class A Common Stock fund and Class B Common Stock fund are part of an Employee Stock Ownership Plan (“ESOP”). As a result, the Plan offers an ESOP dividend election under which Plan participants can elect to reinvest any ESOP dividends paid on vested shares back into the ESOP account in CBS Corp. Class B Common Stock or, for the CBS Corp. Class B Common Stock fund only, to receive the

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

dividends as a cash payout. If a participant does not make an election, the dividends are reinvested in the ESOP account in CBS Corp. Class B Common Stock.

Participants may also elect to open a self-directed brokerage account ("SDA"). Participants may not contribute directly to the SDA, but may transfer balances to the SDA from other investment funds except the fixed income fund. A participant may transfer up to 25% of his or her account balance (net of loans) to the SDA. The initial transfer to the SDA may not be less than $2,500 and there is no minimum for subsequent individual transfers.

Contributions
The Plan permits participants to contribute up to 50% of eligible annual compensation on a traditional before-tax, Roth 401(k) after-tax or combination basis or 15% of eligible annual compensation on a traditional after-tax basis, subject to the Code limitations set forth below. Total combined contributions may not exceed 50% of eligible annual compensation. Roth 401(k) contributions and the related earnings can be withdrawn tax-free if certain requirements are met. The level of employer matching contributions is entirely at the discretion of the Board and is determined annually for all participants in the Plan. For 2016, the Board set the employer's matching contribution at 60% of the first 5% of eligible compensation contributed on a before-tax or Roth 401(k) basis.

Participants may elect to invest their matching contributions in any investment option, including the CBS Corp. Class B Common Stock fund. If no option is elected by the participant, the matching contribution is invested in the Plan's Qualified Default Investment Alternative (QDIA), a common collective fund that is primarily invested in a mix of equities and bonds appropriate for the participant's target retirement year, which is assumed to be at age 65.

Upon date of hire and, effective with the 60th day following the date upon which an employee becomes eligible to participate in the Plan, newly hired employees are deemed to have authorized the Company to make before-tax contributions to the Plan in an amount equal to 5% of the employee's eligible compensation. However, a deemed authorization does not take effect if, during the 60-day period, the employee elects not to participate in the Plan or to participate at a different contribution rate.

The Code limits the amount of annual participant contributions that can be made on a before-tax or Roth 401(k) basis to $18,000 for 2016. Total compensation considered under the Plan, based on Code limits, could not exceed $265,000 for 2016. The Code also limits annual aggregate participant and employer contributions to the lesser of $53,000 or 100% of compensation in 2016. All contributions made to the Plan on an annual basis may be further limited due to certain nondiscrimination requirements prescribed by the Code.

All participants who have attained age 50 before the close of the Plan year (calendar year) are eligible to make catch-up contributions. These contributions are not treated as matchable contributions. Catch-up contributions can be made if the eligible participant makes the maximum $18,000 contribution permitted under the Plan for a plan year. The limit for catch-up contributions is $6,000 in 2016.

Vesting
Participants in the Plan are immediately vested in their own contributions and earnings thereon. Employer matching contributions vest at 20% per year of service, becoming fully vested after five years of service. If a participant's employment terminates prior to being vested in their employer matching contributions, the non-vested portion of their account is forfeited and may be used to reduce future employer matching contributions and to pay administrative expenses. Forfeitures are recorded at the time vested benefits are distributed or as of the close of the fifth consecutive year of break in service if no distribution was elected. During 2016, the Company utilized forfeitures of $565,000 to

reduce matching contributions and approximately $668,000 to pay administrative

5

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

expenses. As of December 31, 2016 and 2015, the Company had forfeitures of approximately $4,499,000 and $1,192,000, respectively, available to be used as noted above.

Notes Receivable from Participants
Eligible participants may request a loan for up to the lesser of 50% of the participant’s vested account balance or $50,000, reduced by the highest outstanding balance of any Plan loan made to the participant during the twelve-month period ending on the day before the loan is made. The minimum loan available to a participant is $500. The interest rate on participant loans is one percentage point above the annual prime commercial rate (as published in The Wall Street Journal) on the first day of the calendar month in which the loan is approved. Principal and interest is payable through payroll deductions. Only one loan may be outstanding at any time. Participants may elect repayment periods from 12 to 60 months commencing as soon as administratively possible following the distribution of the loan proceeds to the participant. The Plan allows participants to elect a repayment term of up to 300 months for loans used for the acquisition of a principal residence. Repayments of loan principal and interest are allocated in accordance with the participant’s current investment elections.

Loans outstanding at December 31, 2016 carry interest rates ranging from 4.25% to 10%.

Due from Broker for Securities Sold
Effective January 1, 2017, in connection with the Company's planned disposition of CBS Radio Inc. (“CBS Radio”), the Company's radio business, the Company established the CBS Radio 401(k) Plan (see Note 8). The increase to “Due from broker for securities sold” at December 31, 2016 reflects security trades that were initiated, but not yet settled on December 31, 2016, to enable the Plan to transfer the accounts of CBS Radio employees from the Plan to the CBS Radio 401(k) Plan in January 2017.

Distributions and Withdrawals
Earnings on employee contributions (other than after-tax contributions) and employer contributions are not subject to income tax until they are distributed or withdrawn from the Plan.

Participants in the Plan, or their beneficiaries, may receive their vested account balances in a lump sum, in installments over a period of up to 20 years, or in partial distributions of the account balance in the event of retirement, termination of employment, disability or death. For vested account balances invested in the CBS Corp. Class A Common Stock fund and Class B Common Stock fund, participants may elect to receive distributions in cash or whole shares. In general, participants must receive a required minimum distribution upon attainment of age 70 1/2 unless they are still employed.

Participants in the Plan may withdraw part or all of their after-tax and rollover contributions and the vested portion of employer matching contributions. Upon attainment of age 59 1/2, participants may also withdraw all or part of their before-tax or Roth 401(k) contributions and earnings thereon. The Plan limits participants to two of the above withdrawal elections in each Plan year.

A participant may obtain a financial hardship withdrawal of the vested portion of employer matching contributions and employee before-tax or Roth 401(k) contributions provided that the requirements for hardship are met and only to the extent required to relieve such financial hardship. There is no restriction on the number of hardship withdrawals permitted.

When a participant terminates employment with the Company, the full value of employee contributions and earnings thereon plus the value of all vested employer matching contributions and earnings thereon are eligible for distribution and can be rolled over to a tax qualified retirement plan or an Individual Retirement Account ("IRA")

6

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

or remain in the Plan rather than being distributed. If the vested account balance is $1,000 or less and the participant does not make an election to rollover the vested account balance, it will be automatically paid in a single lump sum cash payment, and taxes will be withheld from the distribution.

Plan Expenses
The fees for investment of Plan assets are charged to the Plan’s investment funds. Certain administrative expenses such as fees for accounting, investment consulting and employee communications may be paid by the Plan using forfeitures or may be paid by the Company. Recordkeeping and trustee fees are paid from participant accounts. For 2016, approximately $387,000 was paid to the Trustee, a party-in-interest, and its affiliates for services provided during the year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Basis of Accounting
The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

In accordance with Financial Accounting Standards Board (“FASB”) guidance, contract value was determined to be the relevant measurement for the portion of net assets available for benefits attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis with respect to the fully benefit-responsive investment contracts.

Investment Valuation
Short-term money market investments are carried at amortized cost which approximates fair value due to the short-term maturity of these investments. Investments in common stock are reported at fair value based on quoted market prices on national security exchanges. Investments in registered investment companies are reported at fair value based on quoted market prices in active markets. The fair value of investments in separately managed accounts is determined by the Trustee based upon the fair value of the underlying securities. The fair values of investments in common collective funds are determined using the net asset value per share (“NAV”) provided by the administrator of the fund. The NAV is determined by each fund’s trustee based upon the fair value of the underlying assets owned by the fund, less liabilities, divided by the number of outstanding units. The common collective funds have daily redemptions and one day trading terms. The common collective funds have no unfunded commitments at December 31, 2016. The fair value of fixed income, asset-backed and mortgage-backed securities is determined by independent pricing sources based on quoted market prices, when available, or using valuation models which incorporate certain other observable inputs including recent trading activity for comparable securities and broker quoted prices. Cash and cash equivalents are valued at cost plus accrued interest, which approximates fair value.

As part of their investment strategy, the managers of the fixed income fund, which invests in synthetic guaranteed investment contracts, may use derivative financial instruments for various purposes, including managing exposure to sector risk or movements in interest rates, extending the duration of the life of the investment portfolio and as a substitute for cash securities. The derivative instruments typically used are interest rate futures and swaps. Interest rate swaps are recorded at fair value and marked-to-market through the duration of the contract term with an offsetting increase to unrealized appreciation (depreciation). Futures are marked-to-market and settled daily. The daily receipt or payment is recognized as unrealized appreciation (depreciation) until the contract is closed at which time the total fair value of the futures contract is recognized as a realized gain (loss).

7

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

The Plan invests in fully benefit-responsive synthetic guaranteed investment contracts through a fixed income fund. The contract value of these contracts represents the aggregate amount of deposits thereto, plus interest at the contract rate, less withdrawals.

Security Transactions and Income Recognition
Purchases and sales of securities are recorded on the trade date. The average cost basis is used to determine gains or losses on security dispositions. Interest income is accrued as earned and dividend income is recorded on the ex-dividend date.

Net appreciation or depreciation in the fair value of investments, included in the Statement of Changes in Net Assets Available for Benefits, consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments presented at fair value.

Notes Receivable from Participants
Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits
Benefit payments are recorded when paid.

Use of Estimates
The preparation of financial statements in conformity with GAAP requires the Plan to make estimates and assumptions, such as those regarding the fair value of investments, that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Recent Pronouncements
Employee Benefit Plan Master Trust Reporting
In February 2017, the FASB issued guidance on the reporting requirements for employee benefit plans that hold an interest in a master trust. Under this guidance, an employee benefit plan that has an interest in a master trust will be required to present that interest and any change in the value of that interest in separate line items on the statement of net assets available for benefits and on the statement of changes in net assets available for benefits, respectively. Employee benefit plans will also have to disclose the other assets and liabilities of the master trust, as well as the dollar amount of its interest in these balances, and the dollar amount of its interest in the investments of the master trust by general type. This guidance, which is effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted, is not expected to have an impact on the Plan's financial statements as the Plan does not have an interest in a master trust.
NOTE 3 - RISKS AND UNCERTAINTIES
The Plan provides for various investment options. Investment securities are exposed to various risks such as interest rate, market and credit risk. Market values of investments could decline for several reasons including changes in prevailing market and interest rates, increases in defaults, and credit rating downgrades. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of such securities, it is at least reasonably possible that changes in investment values in the near term could materially

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the related Statement of Changes in Net Assets Available for Benefits.

NOTE 4 - INVESTMENTS AT CONTRACT VALUE
The Plan invests in synthetic guaranteed investment contracts, which provide for the repayment of principal plus a specified rate of interest through benefit-responsive wrapper contracts. A wrapper contract is issued by a third party insurance company, financial institution or bank, and is held in combination with fixed income securities to form a synthetic guaranteed investment contract. The interest crediting rate on synthetic guaranteed investment contracts reflects the yield of the associated fixed income investments, plus the amortization of realized and unrealized gains and losses on those investments, typically over the duration of the investments. Interest crediting rates are reset on a monthly or quarterly basis, and the wrapper contracts provide that adjustments to the interest crediting rate cannot result in a future interest crediting rate that is less than zero. Certain factors can influence the future interest crediting rates including, the level of market interest rates, the amount and timing of participant contributions and withdrawals, and the returns generated by the fixed income investments that are associated with the synthetic guaranteed investment contract.

In certain circumstances, the amounts withdrawn from the investment contracts will be paid at fair value rather than contract value due to employer initiated events. These events include, but are not limited to, Plan termination, a material adverse change to the provisions of the Plan, an employer election to withdraw from the contract to switch to a different investment provider, an employer's bankruptcy, full or partial termination of the Plan, layoffs, plant closings, corporate spin-offs, mergers, divestitures or other workforce restructurings, or if the terms of a successor plan do not meet the contract issuer's underwriting criteria for issuance of a replacement contract with identical terms. No employer initiated events have occurred or are expected to occur that would cause premature liquidation of a contract at fair value.

The contract issuer is permitted to terminate the fully benefit-responsive investment contracts with the Plan and settle at an amount different from contract value in certain events, including loss of the Plan's qualified status, an uncured material breach of responsibility, or material adverse changes to the provisions of the Plan.

At December 31, 2016 and 2015, the contract value of the Plan's synthetic guaranteed investment contracts was $1.21 billion and $1.32 billion, respectively.

NOTE 5 - FAIR VALUE MEASUREMENTS
The following tables set forth the Plan's financial assets measured at fair value on a recurring basis at December 31, 2016 and 2015. See Note 2 for the valuation methodology used to measure the fair value of these investments. There have been no changes to the methodologies used to measure the fair value of each asset from December 31, 2015 to December 31, 2016. These assets have been categorized according to the three-level fair value hierarchy established by the FASB, which prioritizes the inputs used in measuring fair value. Level 1 is based on quoted prices for the asset in active markets. Level 2 is based on inputs that are observable other than quoted market prices in Level 1, such as quoted prices for the asset in inactive markets or quoted prices for similar assets. Level 3 is based on unobservable inputs reflecting the Plan's own assumptions about the assumptions that market participants would use in pricing the asset. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

At December 31, 2016	Level 1	Level 2	Level 3	Total
Money market funds [(a)]	$—	$99,025	$ —	$99,025
Self-directed accounts [(b)]	29,964	4,154	—	34,118
Separately managed accounts:				
Wellington Growth Portfolio [(c)]	139,453	678	—	140,131
Dodge & Cox Value Equity Fund [(c)]	141,760	9,202	—	150,962
CBS Corp. Common Stock	507,948	—	—	507,948
Registered investment companies [(d)]	219,542	—	—	219,542
Total assets in fair value hierarchy	$1,038,667	$113,059	$ —	$1,151,726
Common collective funds measured at net asset value				1,940,713
Investments, at fair value				$3,092,439

At December 31, 2015	Level 1	Level 2	Level 3	Total
Money market funds [(a)]	$—	$29,890	$ —	$29,890
Self-directed accounts [(b)]	28,386	4,346	—	32,732
Separately managed accounts:				
Wellington Growth Portfolio [(c)]	186,733	798	—	187,531
Dodge & Cox Value Equity Fund [(c)]	143,539	3,275	—	146,814
CBS Corp. Common Stock	420,355	—	—	420,355
Registered investment companies [(d)]	169,361	—	—	169,361
Total assets in fair value hierarchy	$948,374	$38,309	$ —	$986,683
Common collective funds measured at net asset value				1,767,432
Investments, at fair value				$2,754,115

(a) Primarily invested in U.S. government securities and U.S. government agency securities.

(b) Primarily invested in common stock and registered investment companies. Assets categorized as Level 2 reflect investments in money market funds.

(c) Primarily invested in large capitalization equities. Assets categorized as Level 2 reflect investments in money market funds.

(d) Primarily invested in small capitalization equities.

NOTE 6 - INCOME TAX STATUS

The Internal Revenue Service ("IRS") issued a favorable determination letter dated January 13, 2015, indicating that the Plan document satisfied the requirements of Section 401(a) of the Code and that the trust thereunder is exempt from federal income taxes under the provisions of Section 501(a) of the Code. The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable provisions of the Code. In addition, the Plan Administrator has concluded that as of December 31, 2016, there are no uncertain tax positions taken or expected to be taken that require recognition of an asset or liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2012.

NOTE 7 - TERMINATION PRIORITIES

Although the Company anticipates that the Plan will continue indefinitely, it reserves the right, by action of its Board, to amend or terminate the Plan provided that such action does not retroactively reduce earned participant benefits. In the event of termination of the Plan, participants become fully vested. Upon termination, the Plan provides that the net assets of the Plan would be distributed to participants based on their respective account balances.

CBS 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)
(Tabular dollars in thousands)

NOTE 8 - SUBSEQUENT EVENT
Effective January 1, 2017, in connection with the Company's planned disposition of CBS Radio, the Company established the CBS Radio 401(k) Plan. In January 2017, net assets of approximately $539 million attributable to CBS Radio participants in the CBS 401(k) Plan were transferred to the CBS Radio 401(k) Plan. These participants' accounts were invested into funds in the CBS Radio 401(k) Plan that are similar in nature to the CBS 401(k) Plans funds.
NOTE 9 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500
The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	At December 31,	
	2016	2015
Net assets available for benefits per the financial statements	$4,392,795	$4,110,277
Amounts allocated to withdrawing participants	(414)	(387)
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	24,974	36,923
Net assets available for benefits per the Form 5500	$4,417,355	$4,146,813

The following is a reconciliation of the net increase in net assets available for benefits as reflected in the financial statements to the Form 5500:

	Year Ended December 31, 2016
Net increase in net assets available for benefits per the financial statements	$ 282,518
Less: Amounts allocated to withdrawing participants at December 31, 2016	(414)
Add: Amounts allocated to withdrawing participants at December 31, 2015	387
Add: Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2016	24,974
Less: Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2015	(36,923)
Net increase in net assets available for benefits per the Form 5500	$ 270,542

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, 2016, but were not paid as of that date.

SCHEDULE H, line 4a

CBS 401(k) PLAN
SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
For the year ended December 31, 2016
(Dollars in thousands)

Participant Contributions Transferred late to Plan	Check Here If Late Participant Loan Repayments Are Included x	Total That Constitute Nonexempt Prohibited Transactions: Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
$ —		$ —	$ 106	$ —	$ —

S - 1

SCHEDULE H, line 4i

CBS 401(k) PLAN
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2016
(Dollars in thousands)

	Identity of issue, borrower, lessor or similar party	Maturity and Interest Rates	Cost [6]	Current Value
	Self-Directed Accounts [1]			$34,118
	Corporate Common Stock			
*	CBS Corporation Class A Common Stock			916
*	CBS Corporation Class B Common Stock			507,032
	Total Corporate Common Stock			507,948
	Mutual Funds			
	DFA U.S. Small Cap Fund			142,282
	Vanguard Total International Stock Index Fund			77,260
*	Dreyfus Government Cash Management Fund			99,025
	Total Mutual Funds			318,567
	Common Collective Funds			
	BlackRock S&P 500 Index Fund			745,199
*	BNY Mellon Aggregate Bond Index Fund			217,492
	BlackRock Extended Equity Market Fund			153,136
	BlackRock LifePath 2040 Fund			136,924
	BlackRock LifePath 2050 Fund			130,019
	BlackRock LifePath 2020 Fund			115,704
	BlackRock LifePath 2045 Fund			91,482
	Invesco International Growth Fund			87,249
	BlackRock LifePath Retirement Fund			63,974
	BlackRock LifePath 2035 Fund			56,953
	BlackRock LifePath 2030 Fund			56,357
	BlackRock LifePath 2025 Fund			52,484
	BlackRock LifePath 2055 Fund			33,740
	Total Common Collective Funds			1,940,713
	Separately Managed Accounts [2]			
[3]	Wellington Growth Portfolio			140,131
[3]	Dodge & Cox Value Equity Fund			150,962
	Total Separately Managed Accounts			291,093
	Synthetic Guaranteed Investment Contracts [4] [5]			
	Transamerica Premier Life Insurance Company	evergreen and variable %		438,222
	MDA01263TR			
	Prudential Insurance Company of America	evergreen and variable %		310,434

	GA-62413		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd. GS-CBSEG14-2	evergreen and variable %	275,105
	State Street Bank and Trust Company No. 108002	evergreen and variable %	119,684
	The Bank of Tokyo-Mitsubishi UFJ, Ltd. GS-CBSMM14-1	evergreen and variable %	91,839
	Total Synthetic Guaranteed Investment Contracts		1,235,284
*	Notes receivable from participants	Maturity dates through 2041 and interest rates ranging from 4.25% to 10.00%	34,384
	Total investments, at fair value and notes receivable from participants		$4,362,107

* Identified as a party-in-interest to the Plan.
(1) Includes $1 million of investments identified as party-in-interest transactions to the Plan.
(2) Includes $14 million of investments identified as party-in-interest transactions to the Plan.
(3) Refer to Attachment A for listing of assets relating to these accounts.
(4) Includes $25 million of investments identified as party-in-interest transactions to the Plan.
(5) Refer to Attachment B for listing of assets relating to these contracts.
(6) There are no non-participant directed investments.

S - 2

Attachment A
(In thousands)

	Identity of Issuer	Description	Cost	Current Value
	ABIOMED INC	COMMON STOCK		$ 767
	ADOBE SYSTEMS INC	COMMON STOCK		2,185
	ALIBABA GROUP HOLDING LTD	COMMON STOCK		1,386
	ALLERGAN PLC	COMMON STOCK		2,510
	ALLIANCE DATA SYSTEMS CORP	COMMON STOCK		2,196
	ALPHABET INC-CL C	COMMON STOCK		7,327
	AMAZON.COM INC	COMMON STOCK		5,348
	AMERICAN TOWER CORP	COMMON STOCK		2,161
	AMETEK INC	COMMON STOCK		1,897
	APPLE INC	COMMON STOCK		4,650
	AUTODESK INC	COMMON STOCK		1,601
	AUTOZONE INC	COMMON STOCK		1,610
	BRISTOL-MYERS SQUIBB CO	COMMON STOCK		4,212
	CDW CORP/DE	COMMON STOCK		2,311
	CELGENE CORP	COMMON STOCK		656
	CERNER CORP	COMMON STOCK		917
	CONSTELLATION BRANDS INC	COMMON STOCK		1,749
	DR HORTON INC	COMMON STOCK		1,219
*	DREYFUS GOVT CAS MGMT INST 289	MUTUAL FUND		678
	EDWARDS LIFESCIENCES CORP	COMMON STOCK		2,470
	EQUIFAX INC	COMMON STOCK		2,004
	ESTEE LAUDER COS INC/THE	COMMON STOCK		2,109
	FACEBOOK INC	COMMON STOCK		5,154
	FASTENAL CO	COMMON STOCK		1,720
	FLEETCOR TECHNOLOGIES INC	COMMON STOCK		1,923
	FORTUNE BRANDS HOME & SECURITY	COMMON STOCK		1,346
	GLOBAL PAYMENTS INC	COMMON STOCK		1,792
	HILTON WORLDWIDE HOLDINGS INC	COMMON STOCK		1,401
	HOME DEPOT INC/THE	COMMON STOCK		5,068
	IHS MARKIT LTD	COMMON STOCK		1,756
	ILLUMINA INC	COMMON STOCK		1,424
	INTERCONTINENTAL EXCHANGE INC	COMMON STOCK		1,914
	JB HUNT TRANSPORT SERVICES INC	COMMON STOCK		1,132
	KANSAS CITY SOUTHERN	COMMON STOCK		600
	LAS VEGAS SANDS CORP	COMMON STOCK		1,314
	LENNAR CORP	COMMON STOCK		1,250
	LOCKHEED MARTIN CORP	COMMON STOCK		1,850
	LOWE'S COS INC	COMMON STOCK		1,144
	MARKEL CORP	COMMON STOCK		1,761
	MARKETAXESS HOLDINGS INC	COMMON STOCK		