

From: Charlson, Michael

Sent: Tuesday, March 12, 2024 8:56 AM

To: korsini@cravath.com

Cc: Elbaum, Lawrence <lelbaum@velaw.com>; Gadson, Patrick <pgadson@velaw.com>

Subject: Blackwells Onshore I LLC -- Books & Records Demand to The Walt Disney Company

Dear Kevin –

I write in response to your letter to my colleagues Lawrence Elbaum and Patrick Gadson dated February 26, 2024, on behalf of The Walt Disney Company (“Disney”). By that letter, Disney rejected the demand pursuant to 8 Del. Code § 220 from our client Blackwells Onshore I LLC (“Blackwells”) to inspect certain Disney records related to Disney’s relationship with ValueAct Capital Management L.P. and affiliates (“ValueAct”). Blackwells views every purported reason asserted in your letter for rejecting Blackwells’ Section 220 demand as lack merittless, including without limitation that Blackwells did not put forward a proper purpose for its demand and that Blackwells had supposedly offered “no credible basis” to conclude there might be wrongdoing (which would include disclosure shortcomings) associated with the ValueAct/Disney relationship.

Last evening, Blackwells issued both a press release and a slide deck discussing what it has learned through its own work inquiring into ValueAct and its relationship with Disney. Copies are attached. We request that you and your client promptly review these materials and reconsider Disney’s response to Blackwells’ Section 220 demand, and do so without delay.

Very truly yours,

Michael Charlson

Blackwells Capital Reveals Failure by the Disney Board to Disclose in this Proxy Fight that ValueAct Has Earned Fees from Managing Disney Pension Funds since 2013

Urges Shareholders to Disregard ValueAct's Endorsement of the Board

Questions Whether the Board Violated ERISA laws as well as Disney's Code of Ethics

NEW YORK, NY, March 11, 2024 – Blackwells Capital LLC (together with its affiliates, “Blackwells” or “we”) today issued a letter and issued a presentation, which is available at www.TheFutureOfDisney.com, to fellow shareholders regarding the need for boardroom enhancement at The Walt Disney Company (NYSE: DIS).

We invite all shareholders to learn more about our nominees and mission at www.TheFutureOfDisney.com.

The full letter to shareholders follows:

Dear Fellow Disney Shareholder:

As you may know, on January 3, 2024, The Walt Disney Company (“Disney” or the “Company”) issued a press release announcing an “Information-Sharing Arrangement” between the Company and ValueAct Capital Management, L.P. (“ValueAct”). The press release contained a glowing endorsement by ValueAct of Disney’s board of directors (the “Board”) and management of Disney.

The Board has repeatedly trumpeted ValueAct’s endorsement in proxy materials mailed to millions of shareholders, press releases, letters to shareholders, one-off engagements with shareholders, and in a recent presentation delivered to proxy advisory firm, Institutional Shareholder Services (“ISS”).¹

Blackwells diligence revealed that the Board failed to disclose in the press release that ValueAct or its affiliates have been managing **over \$350 million** of Disney’s pension fund assets, and that ValueAct has been earning fees ranging from approximately \$55 million to \$95 million for the services provided to Disney’s pension fund since as early as 2013.²

ValueAct’s management of Disney’s pension funds is not disclosed anywhere in any of the referenced communications. Meanwhile, Disney’s entire shareholder franchise population has been led to believe that ValueAct provided its independent and unqualified support of the Board independently.

We believe shareholders should consider the following:

- Can this Board believe that shareholders are able to evaluate the significance of ValueAct’s endorsement without a full understanding of the relationship?
- Did the Board know about ValueAct’s management of Disney’s pension funds prior to authorizing the January 3rd press release?
 - o If yes, how could they hide this information from shareholders?
 - o Did the Audit Committee of the Board review this matter in advance?

¹ See, e.g., soliciting materials filed on DEFA14 by Disney with the Securities Exchange Commission on March 11, 2024, February 14, 2024, February 12, 2024, February 5, 2024, February 1, 2024.

² See, Schedule C to Form 5500 of The Walt Disney Company Retirement Plan Master Trust for fiscal years 2013 through 2022. In each year beginning in 2013, ValueAct (and/or its affiliates) has been disclosed as an entity receiving compensation in connection with services to the plan on Schedule C of The Walt Disney Company Retirement Plan Master Trust’s Form 5500.

- How could the Board not know of this relationship when their own investor presentation dated March 11, 2024, mentions Triam's identical role in managing Disney pension fund assets?
- Why didn't ValueAct and its principal, Mason Morfit, insist on disclosing ValueAct's management of Disney's pension funds in the January 3 press release—when, as fiduciaries to these funds, they certainly knew about these facts?
 - Why didn't Mr. Morfit mention these important facts in his presentation in support of the Board in front of hundreds of attendees at the Council of Institutional Investors conference last week?
- Did the Board violate Disney's Code of Ethics³ and commitment to transparency⁴ by failing to disclose ValueAct's management of Disney's pension funds after publicly accepting ValueAct's endorsement?

On numerous occasions, Blackwells has publicly demanded disclosure of Disney's relationship with ValueAct, including the release of the Information-Sharing Agreement. On February 16, 2024, Blackwells submitted a formal demand under Delaware law that this information be made available to Blackwells.⁵ The Board denied our demand, asserting that we had not explained sufficiently our reasons to believe the Company's relationship with ValueAct might be important.⁶

The Information-Sharing Agreement, the information shared under it, and details of the pre-existing, and current, Disney/ValueAct relationship is material information for shareholders. Blackwells' diligence is proof positive that these disclosures must be made immediately.

We urge fellow shareholders to join us in demanding that the Board immediately take all necessary steps to file updated proxy materials with full disclosure of the ValueAct arrangement—so that shareholders can have the information needed to cast votes that are fully informed.

Blackwells has nominated three incredibly qualified nominees for election at Disney's 2024 annual meeting of shareholders (the "Annual Meeting"): Craig Hatkoff, Jessica Schell and Leah Solivan. Our nominees add expertise in the needed areas of content, media, technology and best in class governance.

For more information about our campaign, including our thoughts on improving governance such that Disney will limit future issues like the ValueAct one, please visit www.TheFutureOfDisney.com.

Sincerely,

Jason Aintabi

Chief Investment Officer

Blackwells Capital LLC

To learn more about Blackwells' three nominees Jessica Schell, Craig Hatkoff and Leah Solivan, fellow Disney shareholders are encouraged to visit www.TheFutureOfDisney.com. Blackwells campaign website includes materials for shareholders to evaluate and help make the most informed voting decisions possible.

³ See, The Walt Disney Company, Code of Business Conduct and Ethics For Directors at page 1. "Directors must avoid conflicts of interest. ...[for example] (iv) accepting, or having a member of a Director's immediate family accept, a gift from persons or entities that deal with the Company, in cases where the gift is being made in order to influence the Directors' actions as a member of the Board, or where acceptance of the gift could otherwise reasonably create the appearance of a conflict of interest."

⁴ See, The Walt Disney Company Standards of Business Conduct at page 14. "Our policies are designed to...promote transparency—we don't engage in any activity that would compromise our professional judgment or suggest favorable or preferential treatment."

⁵ See, Blackwells' Demand to The Walt Disney Company under Section 220 of the Delaware General Corporation Law, dated February 16, 2024, available at <https://thefutureofdisney.com/wp-content/uploads/2024/03/Blackwells-DIS-ValueAct-220-Demand.pdf>.

⁶ See, The Walt Disney Company's Response Letter, dated February 26, 2024, available at <https://thefutureofdisney.com/wp-content/uploads/2024/03/Blackwells-220-Demand-Response-Signed-1.pdf>.

Please vote your proxy today on the GREEN universal proxy card “FOR” each of the Blackwells nominees and the Blackwells proposal.

If you have any questions about voting your proxy or need replacement proxy materials, contact:

Morrow Sodali LLC
+1 (800) 662-5200 (toll-free for shareholders)
+1 (203) 658-9400 (call collect for banks, brokers, trustees and other nominees)
Blackwells@morrrowsodali.com

About Blackwells Capital

Blackwells Capital was founded in 2016 by Jason Aintabi, its Chief Investment Officer. Since that time, it has made investments in public securities, engaging with management and boards, both publicly and privately, to help unlock value for stakeholders, including shareholders, employees and communities. Throughout their careers, Blackwells' principals have invested globally on behalf of leading public and private equity firms and have held operating roles and served on the boards of media, energy, technology, insurance and real estate enterprises. For more information, please visit www.blackwellscap.com.

Contacts

Media:

Gagnier Communications
Dan Gagnier & Riyaz Lalani
646-569-5897
blackwells@gagnierfc.com

Shareholders:

Morrow Sodali
Michael Verrechia & William Dooley
(800) 662-5200
blackwells@morrrowsodali.com

IMPORTANT ADDITIONAL INFORMATION

Blackwells Onshore I LLC, Blackwells Capital LLC, Jason Aintabi, Craig Hatkoff, Jessica Schell and Leah Solivan (collectively, the “Participants”) are participants in the solicitation of proxies from the shareholders of The Walt Disney Company (the “Company”) for the 2024 Annual Meeting of Shareholders. On February 6, 2024, the Participants filed with the U.S. Securities and Exchange Commission (the “SEC”) their definitive proxy statement and accompanying GREEN Proxy Card in connection with their solicitation of proxies from the shareholders of the Company for the 2024 Annual Meeting of Shareholders. **ALL SHAREHOLDERS OF THE COMPANY ARE ADVISED TO READ THE DEFINITIVE PROXY STATEMENT, THE ACCOMPANYING GREEN PROXY CARD AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF PROXIES BY THE PARTICIPANTS, AS THEY CONTAIN IMPORTANT INFORMATION, INCLUDING ADDITIONAL INFORMATION RELATED TO THE PARTICIPANTS AND THEIR DIRECT OR INDIRECT INTERESTS IN THE COMPANY, BY SECURITY HOLDINGS OR OTHERWISE.**

The definitive proxy statement and an accompanying GREEN proxy card will be furnished to some or all of the Company’s shareholders and is, along with other relevant documents, publicly available at no charge on the SEC’s website at <http://www.sec.gov/>. In addition, the Participants will provide copies of the definitive proxy statement without charge, when available, upon request. Requests for copies should be directed to Blackwells Onshore I LLC.

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BLACKWELLS CAPITAL

Blackwells Reveals ValueAct's Management of Disney's Pension Funds

Shareholders Should Disregard ValueAct's Endorsement of the Board

THEFUTUREOFDISNEY.COM

MARCH 2024

The Walt Disney Company (NYSE: DIS)

Disclaimer

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This Presentation does not recommend the purchase or sale of any security, and should not be construed as legal, tax, investment or financial advice, and the information contained herein should not be taken as advice on the merits of any investment decision.

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Although Blackwells believes the statements made in this Presentation are substantially accurate in all material respects and do not omit to state material facts necessary to make those statements not misleading, Blackwells makes no representation or warranty, express or implied, as to the accuracy or completeness of those statements or any other written or oral communication it makes with respect to the Company and any other companies mentioned, and each of Blackwells, the other Participants (as defined below) and their respective affiliates expressly disclaim any liability relating to those statements or communications (or any inaccuracies or omissions therein). Thus, shareholders and others should conduct their own independent investigation and analysis of those statements and communications and of the Company and any other companies to which those statements or communications may be relevant.

This Presentation contains forward-looking statements. All statements contained herein that are not clearly historical in nature or that necessarily depend on future events are forward-looking, and the words "anticipate," "believe," "expect," "potential," "could," "intend," "project," "will," "may," "would," "opportunity," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements.

The projected results and statements contained herein that are not historical facts are based on current expectations, speak only as of the date of these materials and involve risks, uncertainties and other factors that may cause actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such projected results and statements. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which entail risks and uncertainties and are beyond the control of Blackwells.

Though this Presentation may contain projections, nothing in this Presentation is, or is intended to be, a prediction of the future trading price or market value of securities of the Company. Accordingly, there is no assurance or guarantee with respect to the prices at which any securities of the Company will trade, and such securities may not trade at prices that may be implied herein. The estimates, projections and potential impact of the opportunities identified by Blackwells herein are based on assumptions that Blackwells believes to be reasonable as of the date of the Presentation, but there can be no assurance or guarantee that (i) any of the proposed actions set forth in this Presentation will be completed, (ii) the actual results or performance of the Company will not differ, and such differences may be material, or (iii) any of the assumptions provided in this Presentation are accurate.

There can be no assurance that the projected results or forward-looking statements included herein will prove to be accurate, and therefore actual results could differ materially from those set forth in, contemplated by, or underlying these forward-looking statements. In light of the significant uncertainties inherent in the projected results and forward-looking statements included herein, the inclusion of such information should not be regarded as a representation as to future results or that the objectives and strategic initiatives expressed or implied by such projected results and forward-looking statements will be achieved. Blackwells will not undertake and specifically declines any obligation to disclose the results of any revisions that may be made to any projected results or forward-looking statements herein to reflect events or circumstances after the date of such projected results or statements or to reflect the occurrence of anticipated or unanticipated events.

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All shareholders of the Company are advised to read the definitive proxy statement, the accompanying GREEN proxy card and other documents related to the solicitation of proxies by the Participants, as they contain important information, including additional information related to the Participants and their direct or indirect interests in the Company, by security holdings or otherwise.

The definitive proxy statement and an accompanying GREEN proxy card will be furnished to some or all of the Company's shareholders and are, along with other relevant documents, publicly available at no charge on the SEC's website at <http://www.sec.gov>. In addition, the Participants will provide copies of the definitive proxy statement without charge, when available, upon request. Requests for copies should be directed to Blackwells Onshore I LLC.

The Disney Board continues to flaunt ValueAct's endorsement and Information-Sharing Arrangement entered into during a contentious 3-way proxy battle...

"Disney is the world's leading entertainment company. It has the best intellectual property, sports brand and parks & experiences assets in the industry. As legacy technologies transition to digital platforms, we believe Disney can lead the media industry forward. We could not be more excited to partner with Bob and the Board to help create long-term sustainable shareholder value"

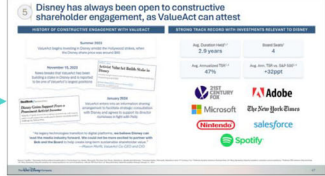
Mason Morfit
Co-Chief Executive Officer and Chief Investment Officer

Disney Press Release, January 3, 2024

The Walt Disney Company and ValueAct Capital Enter Into Information-Sharing Arrangement To Facilitate Strategic Consultation During Company's Transformation

Investment Firm Will Support the Disney Board's Slate of Director Nominees at 2024 Annual Meeting

Disney Press Release, January 3, 2024



Disney Presentation to ISS, March 11, 2024

"Overall, our progress and building strategy have been recognized by investor ValueAct Capital, which supports the Board's recommended nominees. Disney is the world's leading entertainment company. It has the best intellectual property, sports brand and parks & experiences assets in the industry. As legacy technologies transition to digital platforms, we believe Disney can lead the media industry forward."

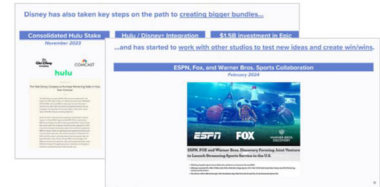
Mason Morfit
Co-Chief Executive Officer and Chief Investment Officer

Disney Letter to Shareholders, February 1, 2024

"Disney is the world's leading entertainment company. It has the best intellectual property, sports brand and parks & experiences assets in the industry. As legacy technologies transition to digital platforms, we believe Disney can lead the media industry forward. We could not be more excited to partner with Bob and the Board to help create long-term sustainable shareholder value."

Mason Morfit
Co-Chief Executive Officer and Chief Investment Officer

Disney's Website



ValueAct Presentation, March 7, 2024

...While failing to disclose that ValueAct⁽¹⁾ has managed hundreds of millions of dollars of Disney's pension fund assets for over a decade

sd unless reasonable cause is established.
 I have examined this return/report, including accompanying schedules, to the best of my knowledge and belief, it is true, correct, and complete.

PASCALE THOMAS
 Enter name of individual signing as plan administrator

Enter name of individual signing as employer or plan sponsor

EUGENE HOLMES
 Enter name of individual signing as DFE

Form 5500 (2022)
 v. 220413

The image shows a Form 5500 (2022) document. A magnifying glass is positioned over a line item in the 'Assets' section, which is highlighted in yellow. The magnified text shows the asset code 'BDZS' and the name 'VALUEACT'.

- BDZJ WILLIAM BLAIR - EM SMALL CAP
- BDZL 1607 - FIXED INCOME
- BDZS VALUEACT**
- BDZU TYBOURNE - LONG ONLY
- BDZX RHUMBLINE EAFE
- BDZY GIA - DISTRESSED
- BDZ4 WAMCO MACRO OPPTS

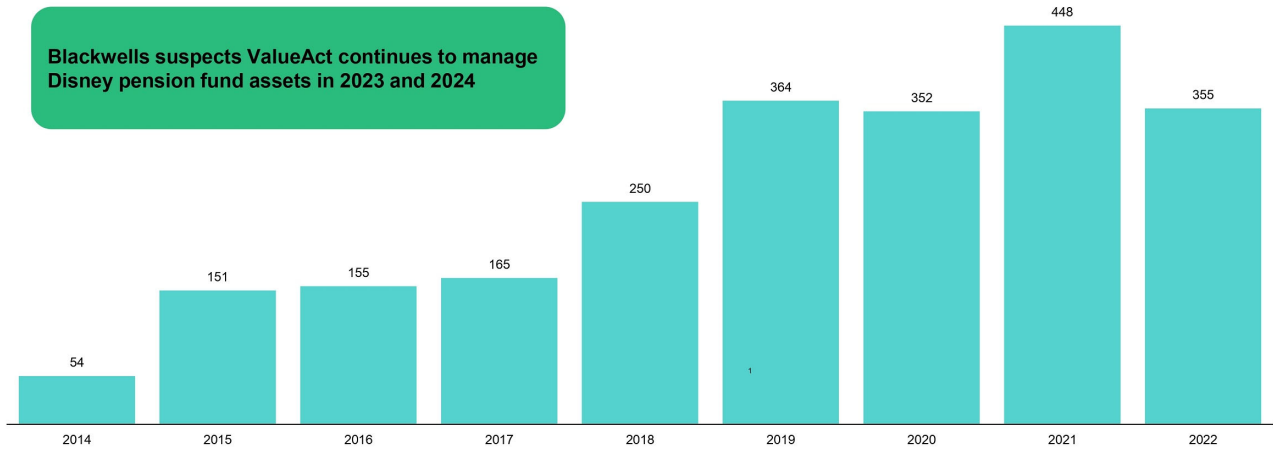
355,073,511.30

(1) Includes funds managed by ValueAct's affiliates. Source: Company filings on Form 5500, filed with the Department of Labor. The Form 5500 for fiscal year 2022 was signed by Pascale Thomas, Disney's Vice President of Employee Benefits and Well-being and Eugene Holmes, Disney's Assistant General Counsel and Benefits Counsel.

Can shareholders evaluate the veracity and significance of ValueAct's endorsement without a full understanding of the relationship between ValueAct and Disney?

Market Value Of Disney's Pension's Investments Managed By ValueAct⁽¹⁾

Blackwells suspects ValueAct continues to manage Disney pension fund assets in 2023 and 2024

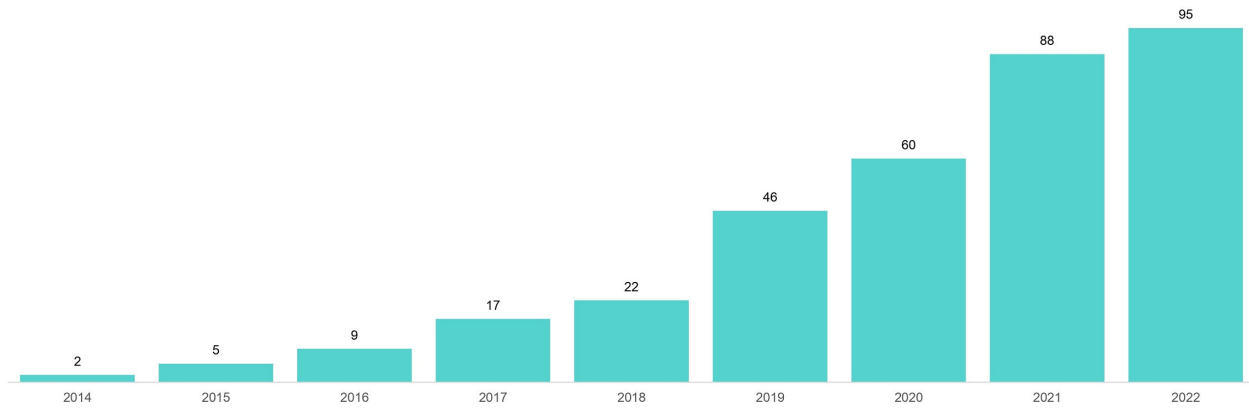


(1) Includes funds managed by ValueAct's affiliates. Source: Company filings on Form 5500, filed with the Department of Labor. Filings on Form 5500 have not yet been filed by Disney for 2023 and 2024

Are Disney shareholders meant to believe that ValueAct's support is independent and unqualified?

Estimated Cumulative Fees⁽¹⁾⁽²⁾

(\$ millions)



1 Did the Board raise ValueAct's endorsement to ISS without mentioning ValueAct's management of Disney's pension funds?

2 Did the Board know about ValueAct's management of funds prior to authorizing the January 3rd press release?

(1) Includes fees potentially earned by ValueAct's affiliates. (2) Blackwells estimated the cumulative fees based on how asset management and performance-based fees are disclosed on ValueAct's Form ADV Part 2A, filed with the SEC as of March 29, 2023. This estimate assumes a management fee of 2% of the current value of the investment and a performance-based fee of 20% of net profits.

The Compensation Committee, the Investment and Administrative Committee and Disney's CFO approved and/or had oversight of the ValueAct investment

Plan Assets

A significant portion of the assets of the Company's defined benefit plans are managed in a third-party master trust. The investment policy and allocation of the assets in the master trust were approved by the Company's Investment and Administrative Committee, which has oversight responsibility for the Company's retirement plans. The investment policy ranges for the major asset classes are as follows:

9.01 Plan Administrative Committee

The general administration of the Plan and the responsibility for carrying out the provisions of the Plan shall be assigned to the Investment and Administrative Committee of The Walt Disney Company Sponsored Qualified Benefits Plans and Key Employees Deferred Compensation and Retirement Plan (the "Committee"), consisting of:

(a) The individuals holding, from time to time, the following positions within the Company, who shall be voting members of the Committee:

Senior Executive Vice President and Chief Financial Officer
Senior Executive Vice President and General Counsel
Executive Vice President – Planning and Control
Senior Vice President and Treasurer
Senior Vice President – Human Resources
Senior Vice President – Compensation and Benefits; and

The Walt Disney Company Form 10-K, dated 11/21/2023

By: /s/ Christine M. McCarthy
(Christine M. McCarthy, Chairman of the Investment and Administrative Committee, Senior Executive Vice President and Chief Financial Officer, The Walt Disney Company)

The Walt Disney Company Form 11-K, dated 6/22/2023

Disney Hourly Savings and Investment Plan, Registration Statement on Form S-8, dated 3/20/2019

- The Committee shall review, approve, amend, and/or make recommendations to the Board relating to (i) all incentive, performance-based and equity-based plans and (ii) such other compensation, benefit, pension or welfare plans or programs as may be submitted to the Committee by the Chief Executive Officer and/or the Chief Operating Officer (all of the foregoing being referred to collectively as "Plans").

Compensation Committee Charter of The Walt Disney Company

Each of the investment management firms, Vanguard Group, Inc. and Blackrock, Inc., through their affiliates, held more than 5% of the Company's shares during fiscal 2023. Funds managed by affiliates of Vanguard and Blackrock are included as investment options in defined contribution plans offered to Company employees. In addition, Blackrock manages investment portfolios for the Company's pension funds and provides a risk analytics platform related to management of investments in the pension funds. Vanguard and Blackrock received fees of approximately \$1 million and \$9 million, respectively, in fiscal 2023 based on the amounts invested in funds managed by them. The ongoing relationships were reviewed and approved in fiscal 2023 by the Governance and Nominating Committee under the *Related Person Transaction Approval Policy*.

Definitive Proxy Statement of The Walt Disney Company, dated 2/1/2024

Source: Company website; Company filings.

Is the Board violating Disney's commitment to its shareholders?

“Our policies are designed to...[p]romote transparency – we don't engage in any activity that would compromise our professional judgment or suggest favorable or preferential treatment”
- Disney Standards of Business Conduct

Disney is always open to constructive advice and engagement with shareholders, as evidenced by our recent information sharing arrangements with ValueAct Capital and our support agreement with Third Point.

Also on January 3, 2024, the Company and ValueAct, following constructive conversations throughout the past year, announced a confidentiality agreement that enables the Company to provide information to ValueAct and consult with ValueAct on strategic matters, including through meetings with the Board and the Company's management. As part of this agreement, ValueAct confirmed that it will support the Board's slate of director nominees at the Annual Meeting.



4 Honesty: Our Commitment to the Company and our Shareholders

Protecting our reputation requires a commitment to truth and high standards in everything we do.

Conflicts of Interest

Our business is built on public trust and confidence and an expectation by guests and customers that they can depend on our products and services. To ensure our very best, each of us has an obligation to make objective decisions on behalf of the Company and avoid situations where a conflict (or apparent conflict) exists between the Company's interests and our own, personal interests.

Are you involved in decisions regarding our Company and a financial institution?
If you play a role in establishing or managing a relationship between our Company and any financial institution, you may not enter into any transaction with – or receive any benefit or opportunity from – the institution that isn't generally available to other customers or clients.

Source: Disney Standards of Business Conduct. voteDisney.com; Definitive Proxy Statement filed by Disney on February 2, 2024. <https://impact.disney.com/app/uploads/Current/TWDC-Standards-of-Business-Conduct.pdf>

Did the Board violate Disney's Code Of Business Conduct And Ethics, Standards Of Business Conduct, and the Employee Retirement Income Security Act of 1974 (ERISA)?

The Information Sharing Agreement demonstrates poor shareholder responsiveness, and clear governance failures

"We do what's right and take responsibility for our actions to protect...our shareholders."

"We recognize that our continued success depends upon a commitment to conduct business with **honesty, integrity** and in compliance with the law..."

1 Integrity: Our Standards

Why We Have Standards of Business Conduct

The connection we share with people around the world through the content, entertainment and experiences we offer is a privilege, one we must treasure. We recognize that our continued success depends upon a commitment to conduct business with honesty, integrity and in compliance with the law everywhere we operate.

Our Standards of Business Conduct (or "Standards") are a reflection of that commitment and provide you with the information you need to do the right thing on the job and preserve the reputation we have earned as an ethical company.

The Walt Disney Company

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS

INTRODUCTORY STATEMENT

The Walt Disney Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, regulations, and the principles of the governance of the Board of Directors. We have adopted the Code of Business Conduct and Ethics for Directors ("Code").

Every Director must:

- (i) represent the interests of the shareholders of The Walt Disney Company;
- (ii) uphold high standards of integrity, commitment and independence of judgment;
- (iii) disclose conflicts of interest, and abstain from voting on any matter in which he or she has a conflict of interest; and
- (iv) comply with every provision of this Code.

CONFLICTS OF INTEREST

Directors must avoid conflicts of interest. A conflict of interest occurs when an individual's private interest interferes in any way with the interests of the company or its shareholders and affiliated companies. The "Company" and "shareholder" may also mean other Directors or members of the Board who receive improper personal benefits as a result of his or her position in the Code. Directors should disclose the nature of any such conflict which could reasonably be considered as creating an appearance of a conflict of interest.

While the Code does not attempt to describe all possible conflicts of interest the following are examples of conflicts of interest:

- (i) receiving loans or guarantees of obligations as a result of one's position as a Director;
- (ii) engaging in conduct or activity that improperly interferes with the Company's or the interests of the Company; and
- (iii) accepting or having a member of a Director's immediate family or personal or business affairs that deal with the Company, or cause the Director to influence the Director's actions as a member of the Board, or otherwise.

"Directors must avoid conflicts of interest. A conflict of interest occurs when an individual's private interest interferes in any way with the interests of the company... A conflict of interest may also arise when a Director...receives improper personal benefits as a result of his or her position in the Company..."

"[T]he following are examples of conflicts of interest: ... (iv) accepting...a gift from persons or entities that deal with the Company, in cases where the gift is being made in order to influence Directors' actions as a member of the Board, or where acceptance of the gift could otherwise reasonably create the appearance of a conflict of interest."

CONFLICT OF INTEREST FAQs (PART I- EXEMPTIONS)
U.S. Department of Labor Employee Benefits Security Administration October 27, 2016
 New Exemptions and Amendments to Existing Exemptions Under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Internal Revenue Code of 1986, as amended (the "Code"), **parties providing fiduciary investment advice to plan sponsors, plan participants, and IRA owners are not permitted to receive payments creating conflicts of interest** without complying with protective conditions in a prohibited transaction exemption ("PTE").

ERISA §406(b)— Fiduciary self dealing ERISA §406(b) focuses on benefits the fiduciaries themselves receive. It prohibits fiduciaries from three basic types of conduct:

- (1) Dealing with the assets of the plan for his own interest or for his own account.
- (2) Acting adverse to the plan in a transaction involving the plan
- (3) Receiving consideration from a party dealing with the plan in a transaction involving plan assets.

Source: Disney Standards of Business Conduct; Disney Code Of Business Conduct And Ethics For Directors, as available on the Disney website.
 Source: <https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/faqs/col-rules-and-exemptions-part-1.pdf>
 Source: <https://www.napa-net.org/sites/napa-net.org/files/WP%20-%20Conflicts%20of%20Interest.pdf>

Should ValueAct be considered a “Participant” in this solicitation under SEC Rules?

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

NOTICE OF EXEMPT SOLICITATION
Submitted Pursuant to Rule 14a-6(g)

1. Name of the Registrant:
The Walt Disney Company

2. Name of Person Relying on Exemption:
ValueAct Capital Management, L.P.

3. Address of Person Relying on the Exemption:
One Letterman Drive
Building D, Fourth Floor
San Francisco, CA 94129

4. Written Material. The following written materials are attached hereto and as Exhibit 99.1:
Presentation, dated March 2024. See Exhibit 99.1.

Written materials are submitted pursuant to Rule 14a-6(g)(1) promulgated under the Securities Exchange Act of 1934. **THIS IS NOT A SOLICITATION OF AUTHORITY TO VOTE YOUR PROXY.** ValueAct Capital Management, L.P. (together with its affiliates, “ValueAct Capital”) is not able to vote your proxies, nor does this communication contemplate such an event. **DO NOT** send ValueAct Capital your proxy card. The cost of this filing is being borne entirely by ValueAct Capital.

An exempt solicitation is...

(1) Any solicitation by or on behalf of any person who does not, at any time during such solicitation, seek directly or indirectly, either on its own or another's behalf, the power to act as proxy for a security holder and does not furnish or otherwise request, or act on behalf of a person who furnishes or requests, a form of revocation, abstention, consent or authorization. *Provided, however, That the exemption set forth in this paragraph shall not apply to:*

(ix) Any person who, because of a substantial interest in the subject matter of the solicitation, is likely to receive a benefit from a successful solicitation that would not be shared pro rata by all other holders of the same class of securities, other than a benefit arising from the person's employment with the registrant; and

Should shareholders consider the almost \$100 million dollars paid by Disney to ValueAct as motivation for ValueAct to have endorsed the Disney Board in the midst of a 3-way proxy battle?

Source: Regulations 14a-6(g); 14a-2(b)(1)(ix); 14a-101 of the Securities Exchange Act of 1934, as amended.

ValueAct's silence on the topic is deafening

ValueAct's "Core Values"

Transparency & respect.

Our team culture promotes openness, shared learning and shared rewards. We succeed or fail together. We apply this same approach to working with our portfolio companies.

Relationships & trust.

We place great value on our relationships with current and former portfolio companies, as well as the institutional investor community. We always consider what is in the best interest of the company and all stakeholders.

Our **core values** shape who we are.

- 1 Why didn't ValueAct and its principal, Mason Morfit, insist on disclosing ValueAct's management of Disney's pension funds in the January 3 press release—when, as fiduciaries to these funds, they certainly knew about these facts?
- 2 Why didn't Mr. Morfit mention these important facts in his presentation in support of the Board in front of hundreds of attendees at the Council of Institutional Investors conference this week or in ValueAct's presentation, filed with the SEC on March 7?



Council of Institutional Investors LinkedIn Post, March 6, 2024

Source: Value Act Website, "Core Values."; PX14A6G filed by ValueAct with the SEC on March 7, 2024.

Neither ValueAct's 594-word disclaimer nor its 'commitment rationalization' slide mention that ValueAct has managed and earned fees⁽¹⁾ from Disney's pension fund assets since 2013

Why Did We Commit Our Votes for the Board and Leadership?

- 1 We have a **thesis**, informed by our Network and Toolkit
- 2 We have a **positive collaboration** – LOTS of learning and teaching – well underway
- 3 We have **tangible evidence** of progress

"As legacy technologies transition to digital platforms, we believe Disney can lead the media industry forward. We could not be more excited to partner with Bob and the Board to help create long-term sustainable shareholder value."

Mason Moritt, ValueAct Capital Co-CEO and CIO

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Disclaimer

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This document may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, that reflect ValueAct Capital's views with respect to, among other things, future events and financial performance, and actual results may vary materially from the results discussed in this document. Forward-looking statements can be identified by the use of forward-looking terminology, such as "may," "will," "should," "expect," "anticipate," "target," "project," "estimate," "intend," "continue" or "believe," or the negatives thereof or other variations thereon or comparable terminology. Forward-looking statements are subject to various risks and uncertainties and assumptions and there can be no assurance that any idea or assumption contained in this document is, or will be proven, correct. Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. Forward-looking statements should not be regarded as a representation by ValueAct Capital that the future plans, estimates or expectations contemplated will ever be achieved.

Under no circumstances is this document to be used or considered as an offer to sell or a solicitation of an offer to buy any security, including, without limitation, any interest in any fund managed by ValueAct Capital. Any offer to purchase an interest in a ValueAct Capital fund would only be made at the time a qualified offering receives the Confidential Memorandum of such fund. The terms of any investment in the ValueAct Capital funds shall be governed by the constituting documents for the relevant fund, which expressly do not include this document. Any investment in the funds is speculative and involves substantial risk, including the risk of losing all or substantially all of such investment.

Through this document, ValueAct Capital is stating how it intends to vote at the next annual general meeting and the reasons therefor, and is not soliciting any proxy in connection with that meeting.

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Source: PX14A6G filed by ValueAct on March 7, 2024, Slides 2, 19. (1) Includes fees potentially earned by ValueAct's affiliates.

The ValueAct relationship is not mentioned in Disney's disclaimer nor is it mentioned anywhere else in its investor presentation

Disney does however expose that Trian was fired from managing Disney pension fund assets two years ago, suggesting the Disney's Board must have been clearly aware of the ValueAct relationship

4 ... and does not serve shareholders' long-term interests

WHY ARE THEY INTERESTED IN DISNEY?	TRIAN TRIO LOOKING TO SETTLE SCORES
 <p>Ike Perlmutter</p> <ul style="list-style-type: none"> Perlmutter's fraught history with Bob Iger appears to have driven his collaboration with Peltz to run a proxy contest (he owns ~79% of the shares Peltz claims to own) Perlmutter's oversight of Marvel's studio was severed in 2015 due to his ongoing antagonization of the creative team and vehement opposition to expanding the group's output to films like <i>Black Panther</i> and <i>Captain Marvel</i>, which ultimately made ~\$1.3bn and ~\$1.1bn, respectively, in global box office Perlmutter left Disney in March 2023 as part of the company's cost reduction program 	<p>"Peltz's campaign against Disney reeks of a personal vendetta against Iger rather than a compelling strategic vision for value creation." —<i>Fortune</i>¹</p>
 <p>Nelson Peltz</p> <ul style="list-style-type: none"> Trian was terminated as an investment manager within Disney's pension plan in 2021 after underperforming the S&P 500 by more than 500 basis points on an annualized basis over 8 years² Peltz offered excuses for the underperformance and pressured Disney executives to reverse the termination decision Peltz met with Perlmutter in July 2022 and the two began working together to get Peltz a Disney board seat 	<p>"The decision to add Jay Rasulo to the slate further indicates that this proxy fight is about Ike Perlmutter versus Bob Iger." —<i>13D Monitor</i>³</p>
 <p>Jay Rasulo</p> <ul style="list-style-type: none"> Rasulo resigned after not being appointed Disney COO in 2015 Rasulo "is also Perlmutter's guy. He was the guy that Perlmutter wanted to take over [Disney] and Perlmutter and Bob Iger have been on the outs ever since"⁴ When Iger told Perlmutter that Rasulo wouldn't be COO in 2015, Perlmutter responded: "You broke my heart!"⁵ 	<p>"Ike's pity party adds one ... Now Ike is shadow-puppeting his West Palm bro Peltz in this proxy fight and, lo and behold, Rasulo appears to declare, "The Disney I know and love has lost its way." Scorned former employees do tend to think that way." —<i>Puck</i>⁶</p>
<p><small>* Represents the period from May 2015 through April 2021 and assumes the reinstatement of all dividends. ¹ Fortune, "The Worst of the Worst"; ² 13D Monitor, "The Most Anticipated Proxy of 2023"; ³ Puck, "What's the Meaning? Proxy Fight Insights"; ⁴ Bloomberg, "Jay Rasulo Caught Antagonists for Three Disney Films"; ⁵ Puck</small></p> <p>The Walt Disney Company 45</p>	<p>"But for Perlmutter, it's personal. Perlmutter became one of the company's biggest shareholders after selling Marvel to Disney in 2009 for \$4bn. Over time, Iger chipped away at Perlmutter's power, leaving him angry and marginalized." —<i>Bloomberg</i>⁷</p>

Blackwells' continued efforts to eliminate information asymmetry

January 22, 2024	February 6, 2024	February 16, 2024	February 26, 2024	March 11, 2024
Blackwells files Preliminary Proxy Statement for Disney's 2024 Annual Meeting	Blackwells files Definitive Proxy Statement for Disney's 2024 Annual Meeting and releases letter to fellow shareholders	Blackwells sent a demand letter to inspect records of Disney and ValueAct's relationship	Disney responded to Blackwells Books and Records Demand stating that there was no reason to inspect	Blackwells discloses potentially significant governance failures at Disney with respect to the ValueAct relationship
<p><i>"Demands Disney share information equally with all shareholders, not just ValueAct."</i></p> <p><i>"On a related note, we remain particularly disappointed that Disney has entered into an information sharing agreement with ValueAct."</i></p> <p><i>"We therefore also demand that Disney agree to make public all information that is shared with ValueAct under the so-called 'information sharing agreement'."</i></p>	<p><i>"Moreover, recent concerns surrounding an information sharing agreement between Disney and ValueAct, are proof positive that independent and new perspectives are necessary."</i></p> <p><i>"We intend to ensure for all shareholders that this arrangement is terminated or that shareholders are given the same access to information that ValueAct seems to enjoy."</i></p>	<p><i>Blackwells demanded to inspect Disney's records pursuant to its rights under Section 220 of the Delaware General Corporation Law to inspect the records related to the "certain Information-Sharing Agreement between the Company and ValueAct Capital Management, L.P., which agreement is the general subject of a Company press release dated on or about January 3, 2024"</i></p>	<p><i>Disney replied to Blackwells' books and records demand stating that in order to inspect the books relating to ValueAct, Blackwells would need to "show by a preponderance of the evidence that a credible basis exists upon which wrongdoing or mismanagement can be inferred" because the "stated purpose is to investigate alleged wrongdoing."</i></p>	<p><i>Blackwells diligence reveals that the Board failed to disclose that ValueAct has been managing over \$350 million of Disney's pension fund assets, and that ValueAct has been earning fees ranging from approximately \$55 million to \$95 million for the services provided to Disney's pension fund since as early as 2013.</i></p>

The Disney Board should immediately:

- Disclose all fees that Disney paid to ValueAct in 2023 and 2024 YTD.
- Publicize the Information-Sharing Agreement between Disney and ValueAct.
- Share all information that Disney has shared with ValueAct under the agreement.
- File updated proxy materials with complete and accurate disclosures.