Vinson&Elkins

Michael L. Charlson mcharlson@velaw.com
Tel +1.415.979.6910 **Fax** +1.415.704.3264

March 20, 2024

By Email and Overnight Mail

The Walt Disney Company
500 South Buena Vista Street
Burbank, California 91521
Attn: Jolene Negre, Associate General Counsel and Secretary
Jolene.E.Negre@disney.com

Re: Demand to Inspect Records of The Walt Disney Company Pursuant to Section 220 of the Delaware General Corporation Law

To Whom it May Concern:

We represent Blackwells Onshore I LLC, a Delaware limited liability company ("**Blackwells**"), the record owner of 100 shares (such shares, the "**Blackwells Shares**") of common stock, $0.01 par value per share, of The Walt Disney Company, a Delaware corporation (the "**Company**"). Attached as **Exhibit 1** is a verification regarding Blackwells' record ownership of the Company's common stock. By this letter, Blackwells demands to inspect certain books and records under the control of the Company (the "**Demand**") pursuant to 8 *Del. C.* § 220 ("**Section 220**"). A power of attorney appointing the undersigned to act on Blackwells' behalf is attached as **Exhibit 2**.

The purposes for this Demand are to investigate and assess: (i) potential breaches of fiduciary duty and/or corporate wrongdoing, including potential violations of the federal securities laws, by members of the Company's board of directors (the "**Board**") and senior management with respect to the Company's dealings with and disclosures related to ValueAct Capital Management, L.P. and its affiliates (collectively, "**ValueAct**"); (ii) the independence and disinterestedness of the members of the Board in connection with its dealings with and disclosures related to ValueAct; (iii) the propriety of apparently differential provision of Company information to an individual stockholder; (iv) whether to bring a lawsuit related to any of the foregoing; (v) whether to seek an audience with the Board and/or senior management related to any of the foregoing; and (vi) whether to take other appropriate action, including raising with stockholders in connection with future stockholder elections or at other appropriate times the Board's and/or management's wrongdoing and/or breaches of fiduciary duties related to any of the foregoing.

In addition and without limiting this Demand or any prior demands under Section 220 in any way, we renew Blackwells' previous demand under Section 220 made on February 16, 2024, provide additional context, and include more specific and tailored requests.

Investigation of Potential Breaches of Fiduciary Duty and/or Corporate Wrongdoing

On January 3, 2024, the Company issued a press release (the "**Press Release**") announcing that the Company and ValueAct had "entered into a confidentiality agreement that enables the Company to provide information to and consult with ValueAct on strategic matters, including through meetings with the Disney Board and management."[1] The Press Release states that "ValueAct has confirmed it will support the Disney Board of Directors' recommended slate of nominees for election to the Board at the 2024 Annual Meeting" and that the Company welcomes ValueAct's "input as long-term shareholders."[2]

After issuing the Press Release, the Company repeatedly touted to stockholders ValueAct's endorsement of the Company's recommended slate of nominees for election to the Board at the 2024 Annual Meeting.[3] Nonetheless to date, Disney has provided minimal detail about the agreement with ValueAct discussed in the Press Release (the "**Information-Sharing Agreement**"). The Press Release failed to disclose anything about the antecedents to, or the history of negotiations leading to, the Information-Sharing Agreement, the information to be shared under the Information-Sharing Agreement, the Company's motivation for entering into the Information-Sharing Agreement, the duration of the Information-Sharing Agreement, and any monetary compensation or other consideration that ValueAct may receive in exchange for its alleged consultation services under the Information-Sharing Agreement. And to date, the Company has not remedied these omissions in subsequent disclosures, despite repeated requests from Blackwells that it do so.

There is a credible basis to believe that, in its dealings with ValueAct and its subsequent disclosures concerning the Information-Sharing Agreement and ValueAct's endorsement of the Company's slate of nominees for election to the Board at the 2024 Annual Meeting, the Company has engaged in corporate wrongdoing.

For example, ValueAct's providing an endorsement of the Board of Directors' recommended slate of nominees for election to the Board at the 2024 Annual Meeting at the same time the Company announced it was entering into the Information-Sharing Agreement with ValueAct raises a credible basis to infer potential wrongdoing. Had ValueAct's endorsement been based merely on ValueAct's own impartial assessment of the respective candidates' merits, it is difficult to perceive any reason ValueAct should have waited until entering into the Information-Sharing Agreement to issue its endorsement; certainly none is disclosed. The fact that these events are tied together—and the Company has failed to

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[1] Soliciting Materials filed on Form DEFA14A by The Walt Disney Co. on January 3, 2024.

[2] *Id.*

[3] *See, e.g.*, Soliciting Materials filed on Form DEFA14A by The Walt Disney Co. on February 1, 2024, February 5, 2024, and February 6.

provide any benign explanation for this coincidence—raises a logical and credible basis to infer that ValueAct's endorsement may be the product of some sort of corporate *quid pro quo* or other wrongdoing, with the Company acting to secure the endorsement with ulterior considerations before touting it as ostensibly impartial and independent.

This credible basis is only enhanced by the Company's more recent conduct related to ValueAct and the Information-Sharing Agreement, including its refusal to provide any meaningful disclosures concerning ValueAct, the antecedents to its endorsement, and the Information-Sharing Agreement. Absent wrongdoing, one would expect the Company to disclose details regarding the history of negotiations leading to the Information-Sharing Agreement, the information (or the nature of the information) that the parties expect to be shared under the Information-Sharing Agreement, the propriety of sharing presumptively nonpublic material information with a Company stockholder, and the safeguards the Company has undertaken to ensure against misuse of that information. More generally, one would have expected the Company to disclose information such as its motivation for entering into the Information-Sharing Agreement, the consultation services that the Company expects ValueAct to provide, the duration of the Information-Sharing Agreement, and any monetary compensation or other consideration ValueAct may receive in exchange for its alleged consultation services under the Information-Sharing Agreement. Given the Company's election to disclose the Information-Sharing Agreement's existence in the first place—a disclosure that suggests that agreement's materiality—the Company's failure to disclose any of these details raises a credible basis to suspect that the details reflect wrongful conduct that the Company and/or the Board wish to shield from disclosure.

In addition, ValueAct (together with its affiliates) managed, and may still manage, tens of millions of dollars' worth of the Company's pension fund assets—in fact, more than $350 million of pension assets as of December 31, 2022—for which the Company has been compensating ValueAct since at least 2013.[4] Based on ValueAct's fee structure, Blackwells estimates that these fees could total as much as $95 million in the aggregate.[5] This longstanding relationship, never disclosed by the Company in the Press Release or myriad public statements mentioning ValueAct thereafter, provides a credible and logical basis to infer that the Company may have used its relationship with ValueAct to wrongfully influence ValueAct's decision to endorse the Company's preferred slate of directors, or to hide features of the

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[4] *See* Schedule C to Form 5500 of The Walt Disney Company Retirement Plan Master Trust for fiscal years 2013 through 2022. Beginning in 2013, ValueAct has been disclosed on Schedule C of The Walt Disney Company Retirement Plan Master Trust's Form 5500 as an entity receiving compensation in connection with services to the plan each year.

[5] Blackwells estimated the cumulative fees based 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, in line with the fee structure laid out in such Form ADV Part 2A. *See* ValueAct Cap. Mgmt., L.P., Form ADV Part 2A (Mar. 29, 2023).

ValueAct/Company relationship that are otherwise questionable or worse. After all, if ValueAct continues to profit from managing some of the Company's assets, successful solicitation of proxies favoring the incumbent Board would certainly render more probable a preservation of an arrangement beneficial to ValueAct. And if ValueAct's asset-management relationship with the Company was recently terminated, ValueAct may stand to gain a renewed profitable relationship as consultants by endorsing the incumbent Board and helping to convince stockholders to reelect them.

Indeed in disclosures after the Press Release, the Board tacitly acknowledged the materiality of a conflict of interests arising from the management of the Company's pension fund assets. Specifically, the Board urged that the Trian Group's opposition to the Company's slate of director nominees for the 2024 Annual Meeting was motivated not by an interest in advancing the Company's and its stockholders' best interests, but rather by "settling scores" because "Trian was terminated as an investment manager within Disney's pension plan in 2021…."[6] In other words, the Company's own disclosures recognize that pension fund management fees could create a conflict of interests that undermines a party's ability to impartially assess the *bona fides* of the Company's slate of Board nominees. If so, the full details of ValueAct's pension fund management fees and its current status (or not) as a manager of Disney pension assets are likewise relevant to stockholders and should be disclosed. The Company's failure to do so thus far in connection with the 2024 annual meeting was and is wrongful and raises a credible basis to infer the possibility of additional wrongdoing by the Board in procuring ValueAct's endorsement.

In addition, the Press Release referred to ValueAct as a "long-term shareholder[]" of the Company while more recent Schedule 14A disclosures by the Company stated that ValueAct had first become an investor in the Company only in "Summer 2023."[7] The Company's inconsistent representation of even this basic feature of its relationship with ValueAct reinforces that Blackwells has a credible basis to infer potential wrongdoing with respect to the Company's dealings with and disclosures concerning ValueAct.

Blackwells' Demand for Books and Records

Pursuant to Section 220, Blackwells demands the opportunity to inspect certain books and records of the Company. Under Section 220, a stockholder may inspect corporate books and records upon making a demand that meets the statute's form and manner requirements and is for a "proper purpose." Section 220 provides that "[a] proper purpose shall mean a purpose reasonably related to [the demanding stockholder]'s interest as a stockholder." At the top of this letter, Blackwells sets forth a proper purpose for this demand. Delaware law makes clear that the investigation of breaches of fiduciary duty and/or corporate wrongdoing constitute a proper purpose under Section 220. *See Amalgamated Bank v. Yahoo!*

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[6] Soliciting Materials filed on Form DEFA14A by The Walt Disney Co. on March 11, 2024, at 45.

[7] *Id.* at 47.

Inc., 132 A.3d 752, 777 (Del. Ch. 2016) (citing *Seinfeld v. Verizon Commc'ns, Inc.*, 909 A.2d 117, 121 (Del. 2006)); *Elow v. Express Scripts Holding Co.*, 2017 WL 2352151, at *5 (Del. Ch. May 31, 2017) ("A proper purpose…'shall mean a purpose reasonably related to [a] person's interest as a stockholder.'"); *Melzer v. CNET Networks, Inc.*, 934 A.2d 912, 917 (Del. Ch. 2007) ("There is no shortage of proper purposes under Delaware law, but perhaps the most common proper purpose is the desire to investigate potential corporate mismanagement, wrongdoing or waste.") (internal quotation marks and citations omitted). Delaware law requires only a showing of a "credible basis from which the Court of Chancery can infer" possible mismanagement when seeking books and records. *Yahoo!*, 132 A.3d at 777. "Section 220 entitles a stockholder to inspect all books and records that are necessary to accomplish that stockholder's proper purpose." *KT4 Partners LLC v. Palantir Techs. Inc.*, No. 281, 2018, 2019 WL 347934, at *2 (Del. Jan. 29, 2019).

Blackwells hereby makes this demand for books and records directed to the Company under oath and penalty of perjury of the laws of the United States and the State of Delaware. Except as otherwise indicated, Blackwells asks to inspect and to make copies or extracts from, to the extent they exist, the following records and documents of the Company for the period beginning January 1, 2023, and continuing until the date of production (the "Relevant Time Period"):

1. The Information-Sharing Agreement.

2. Without limitation to the Relevant Time Period, Board Materials[8] and Senior Management Materials[9] relating to or reflecting:

[8] The term "Board Materials" means all documents, regardless of whether they are in hard copy or electronic form, that were prepared, provided, disseminated, or discussed in connection with, in anticipation of, or as a result of any meeting of the Board or any regular or specially created committee thereof (including, without limitation, all meeting minutes, agendas, transcripts, notes, summaries, presentations, Board packages, recordings, memoranda, charts, drafts of meeting minutes where final forms do not exist, exhibits distributed at meetings, or Board resolutions). This term also includes electronic communications—including, without limitation, email, text message, or other digital communications—sent to, received by, or copied to any member of the Board in connection with the subjects discussed in this letter.

[9] The term "Senior Management Materials" means all documents and communications, regardless of whether they were ever provided to any member of the Board, provided to, considered by, discussed by, created by, and/or sent to or by any named executive officer of the Company—including by email, text message, or other digital-communication method such as instant messaging platforms.

a. any and all antecedents of the Information-Sharing Agreement, including without limitation (i) any prior drafts of the Information-Sharing Agreement, and (ii) any term sheet or draft term sheet of the Information-Sharing Agreement;

b. the purpose(s) of the Information-Sharing Agreement;

c. the reason(s) for or against entering into the Information-Sharing Agreement;

d. the selection of ValueAct as the counterparty to the Information-Sharing Agreement (including the consideration of other potential counterparties);

e. the timing of the Information-Sharing Agreement;

f. the costs or expenses associated with entering into or performing the Company's obligations under the Information-Sharing Agreement;

g. the information or any broad category thereof anticipated to be shared with ValueAct pursuant to the Information-Sharing Agreement;

h. the implementation and actions to be taken or refrained from pursuant to the Information-Sharing Agreement;

i. the decision to file the press release announcing the execution of the Information-Sharing Agreement with the SEC on Form DEFA14A;

j. the decision to announce ValueAct's commitment to support the Board's recommended director nominees at the 2024 Annual Meeting in the same press release announcing the execution of the Information-Sharing Agreement; and

k. the reason(s) for ValueAct's commitment to support the Board's recommended director nominees at the 2024 Annual Meeting.

3. Without limitation to the Relevant Time Period, Board Materials and Senior Management Materials relating to or reflecting past or present relationship or dealing(s) between the Company and ValueAct or its affiliates, including without limitation:

a. the nature and purpose(s) of any such relationship or dealing(s);

b. the timing, including commencement and any termination, of any such relationship or dealing(s);

c. the benefits received or costs or expenses incurred by the Company associated with any such relationship or dealing(s);

d. the reason(s) for commencing or terminating any such relationship or dealing(s); and

e. any consideration of any new relationship or dealing(s) with ValueAct that is not currently in effect.

4. Any and all communications between the Board and/or senior management on the one hand and ValueAct on the other hand.

5. All information shared with ValueAct under the Information-Sharing Agreement.

6. All Board Materials and Senior Management Materials relating to or reflecting consideration of the propriety of making information differentially available to an individual stockholder.

For purposes of the foregoing demand, Blackwells requests that the Company provides or otherwise makes available all such information up to the most recent practicable date. Blackwells demands that modifications, additions, or deletions to or from any and all information referred to in items (a) through (e) be immediately furnished as such modifications, additions, or deletions become available to the Company or its agents or representatives.

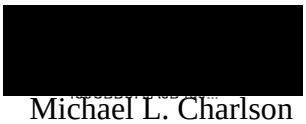
Blackwells is already a party to a confidentiality agreement with the Company dated February 9, 2024 (the "**NDA**"); and Blackwells confirms that the terms of that NDA will cover any documents or other materials produced to Blackwells pursuant to this Demand. To facilitate the Company's prompt response to the Demand, Blackwells consents to the redaction from responsive Board-Level Materials of content unrelated to the Information-Sharing Agreement or ValueAct.

Blackwells hereby requests that the materials and information identified above be made available as soon as possible. Section 220 requires the Company to respond to this Demand within five (5) business days of the Demand. If the Company fails to respond by the close of business on March 27, 2024, or if the Company rejects the Demand, Blackwells reserves the right to initiate legal action in the Court of Chancery of the State of Delaware to compel the Company's compliance.

If the Company contends that this Demand is incomplete or is otherwise deficient in any respect, please immediately notify me in writing, setting forth the facts supporting the Company's position and specifying any additional information the Company deems necessary from Blackwells. Absent such prompt notice, Blackwells will presume that the Company agrees that this Demand complies with the

DGCL's requirements in all respects. In the event that the Company does not respond to this Demand or fails to permit inspection and copying of the demanded documents within five business days from receipt of this letter, we intend to seek appropriate relief to the fullest extent permitted under the law.

Very truly yours,



Michael L. Charlson

cc (via email): Kevin Orsini, Esq.

EXHIBIT 1

[Omitted.]

EXHIBIT 2

[Omitted.]