

From: Joseph Marshall <jmarshall@cravath.com>

Sent: Friday, March 22, 2024 1:31 PM

To: Charlson, Michael <mcharlson@velaw.com>

Cc: Elbaum, Lawrence <lbaum@velaw.com>; Gadson, Patrick <pgadson@velaw.com>; Kevin Orsini <Korsini@cravath.com>; Faiza Saeed <FSaeed@cravath.com>; George Schoen <GSchoen@cravath.com>; Daniel Cerqueira <dcerqueira@cravath.com>

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

[EXTERNAL]

Dear Michael,

We write in response to your March 12, 2024 email (the “Response Email”) on behalf of Blackwells Onshore LLC (“Blackwells”). We reference the letter we sent to you on behalf of The Walt Disney Company (“Disney” or the “Company”) on February 26, 2024 (the “Response Letter”), in response to Blackwells’ demand to inspect certain Company documents under 8 Del. C. § 220 (the “Demand”). After considering the Response Email, we re-affirm the Company’s rejection of the Demand for all of the valid reasons set forth in the Response Letter.

We also wish to notify you that Blackwells’ arguments concerning Disney’s relationship with ValueAct Capital Management, L.P. (“ValueAct”) in the press release you attached to the Response Email (the “Press Release”) are without merit.

To begin, contrary to the suggestions in the Press Release, the Board did not appoint ValueAct as manager of certain pension fund assets. Instead, that decision was made by the Investment Administrative Committee (the “IAC”), which has an independent mandate, is made up of employees of Disney and its subsidiaries who are *not* members of the Board and which has the authority to designate and remove managers of pension fund assets. Notably, the pension fund asset management arrangement with ValueAct expired before the discussions related to the information sharing arrangements with ValueAct ever began. These basic facts belie the imagined narrative set forth in the Press Release.

Moreover, even if ValueAct were still managing a portion of pension fund assets today—which it is not—Blackwells’ claim that Disney’s Board violated Disney’s Code of Business Conduct and Standards of Business Conduct would still be false. No facts support Blackwell’s false suggestion that that the Board retained ValueAct to manage pension fund assets in exchange for ValueAct’s support of the current Board. Indeed, as you note in your Press Release, ValueAct was retained to manage certain pension fund assets in 2013. It defies logic to suggest, as Blackwells has, that anyone associated with Disney engaged ValueAct more than a decade ago with the goal of receiving support in this proxy contest in 2024.

The IAC has independent fiduciary obligations and makes decisions based on the interests of the pension holders, not those of the Board or management. Blackwells’ accusation that the Board made this decision demonstrates their lack of understanding of how this process works. The fact that ValueAct’s arrangements began more than ten years ago and are no longer in effect directly contradicts the insinuation that their support was in exchange for any business opportunity with the Company. No violation of the Disney Code of Business Conduct or Standards of Business Conduct has occurred, and to

imply such impugns the character and personal reputation of Disney, the Board and ValueAct without factual foundation.

Accordingly, we ask Blackwells to publicly retract these statements and to refrain from making similar statements in the future. Disney reserves all rights, remedies and defenses.

Thanks,
Joe

Joe Marshall
Cravath, Swaine & Moore LLP
825 Eighth Avenue | New York, NY 10019
T + 1 (212) 474-1381
jmarshall@cravath.com

From: "Charlson, Michael" <mcharlson@velaw.com>
Date: March 12, 2024 at 8:58:15 AM PDT
To: Kevin Orsini <korsini@cravath.com>
Cc: "Elbaum, Lawrence" <lbaum@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 meritless, 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

Michael L. Charlson
Partner

E mcharlson@velaw.com

W +1.415.979.6910

555 Mission Street

Suite 2000

San Francisco, CA 94105

[Vcard](#) | [Bio](#) | velaw.com

CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. This email is intended to be reviewed by only the individual or organization named above. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system.

Thank You.

<Blackwells - Presentation (as-filed).pdf>

This e-mail is confidential and may be privileged. Use or disclosure of it by anyone other than a designated addressee is unauthorized. If you are not an intended recipient, please delete this e-mail from the computer on which you received it.