



STANDARDS OF BUSINESS CONDUCT - LEGAL STANDARDS

II. LEGAL STANDARDS

In addition to the ethical standards which govern every Cast Member and employee, the law imposes more specific and limited obligations that everyone is required to obey. This section attempts to identify in summary form legal requirements that generally apply to all Cast Members and employees.

This listing is not intended to be complete; there may be other laws that apply to specific Cast Members or employees. If you have any questions on the laws identified here, or any other laws in connection with the Company's business, please call the Guideline or the Corporate Legal Department.

A. ANTITRUST LAWS

The Company, and each Cast Member and employee acting on its behalf, will comply with the antitrust laws of the United States and all other jurisdictions in which we conduct business. The United States, most U.S. states and many international jurisdictions have antitrust or competition laws applicable to our Company's business.

The Company will compete fully and fairly in each of the markets in which it operates.

The antitrust laws provide a framework for defining full and fair competition. Each Cast Member and employee must understand and operate within this framework at all times. Failure to do so could subject the Company and responsible Cast Members and employees to imprisonment, substantial criminal fines, and civil financial liability. If a question arises as to how the antitrust laws apply to a particular business situation or whether our existing business practices comply with the law, every Cast Member and employee has both the right and the responsibility to review the question by either calling the Guideline or the Corporate Legal Department.

The antitrust laws prohibit agreements that unreasonably restrain competition.

This prohibition includes agreements with anyone, including competitors, customers and suppliers, which unreasonably restrain trade. Such agreements can be reflected in tacit understandings, oral commitments, or written contracts; if they have the specified, adverse effect on competition, they are prohibited.



Certain types of agreements may be prohibited as a matter of law. No Cast Member or employee should ever enter into any such agreement or understanding. These are agreements to fix prices, agreements between or among competitors to refuse to deal with a customer or a supplier, to divide territories or customers, and arrangements that "tie" two products together so that one will not be sold without the other. Exclusive dealing arrangements and licensing arrangements that restrict the scope or terms of resale of the licensed products may also raise issues under the antitrust laws. The Corporate Legal Department must be consulted if there is any question about whether an agreement may fall into any of these categories.

The antitrust laws prohibit monopolization or the attempt to monopolize a market.

A monopoly is the power to control prices or to exclude competition. High market shares are often considered to be indicative of a monopoly. It is legal to attain or maintain monopoly power by virtue of a superior product or superior business skill. It is not legal, however, to eliminate competitors willfully or to use legally obtained monopoly power unfairly. The difference between vigorous competition, which is encouraged by the antitrust laws, and the wrongful acquisition or maintenance of a monopoly, which is prohibited, is often a matter of degree. The Company does not believe that it currently has monopoly power in any market in which it operates, but executives responsible for setting competitive policy should consult with the Corporate Legal Department whenever they operate in a market where it might be argued that the Company has, or could obtain, monopoly power.

A company can be guilty of attempting to monopolize a market even when it does not have monopoly power. One factor courts look to is whether a company prices its products below cost in an effort to drive out competitors. The way the courts examine cost changes from time to time and from court to court. If the Company's products are to be priced below their total cost (other than in a sale of obsolete merchandise), the facts should be discussed with the Corporate Legal Department.

The antitrust laws have rules governing charging different prices for the same product. It is sometimes illegal to charge different prices to different customers for the same product. Whether such a practice is illegal depends on the specific facts and circumstances, including whether the customers are at different levels (wholesalers v. retailers), whether the costs to the Company are different (because of volume or other factors), whether the lower price is offered to meet competition, and whether the lower price adversely affects competition. These rules are technical and often difficult to apply. Whenever it is anticipated that different prices will be charged to different customers for the same product, the relevant facts and circumstances should be explained to the Corporate Legal Department so that it can advise on whether the pricing is consistent with current law.



B. SECURITIES LAWS

The Company, and each Cast Member and employee acting on its behalf, will comply with the securities laws of the United States.

The Company's stock is publicly traded. The members of the public who invest in its stock expect that the Company and its Cast Members and employees will comply with the laws that govern the purchase and sale of securities of publicly traded companies.

The securities laws require that material information disclosed to the market be accurate and complete. "Material" information is generally any information that a reasonable investor would likely consider important in deciding whether to buy, sell or hold stock in the Company. Whether a statement is accurate and complete depends on both the content of the statement and the context in which it is made. Thus, a statement that contains correct information may still be inaccurate or incomplete because in context it is misleading. All public statements on behalf of the Company regarding information that might be material to the Company's stockholders must be accurate, complete, fair, and disclose the stated facts in a forthright, understandable manner.

All documents that the Company files with any governmental agency must be accurate, complete, fair, and timely. Any Cast Member or employee making a statement about the Company that is public, or likely to become public, or filing a document with a governmental agency, who has questions or concerns, should consult with the Corporate Legal Department.

The securities laws prohibit trading in stock or other securities on the basis of material information that has not been disclosed to the public.

No one may trade in stock or other securities on the basis of undisclosed material information. Undisclosed material information might include sales and earnings figures, information about major contracts, stock splits, acquisitions or mergers, significant transactions, the sale of an associated company, the commencement of significant litigation, or new projects contemplated by the Company. There is a limited exception for purchasing stock according to standing instructions that meet certain requirements. An example would be a purchase of stock through the employee Stock Purchase Plan. The Company is proud that many of its Cast Members and employees are also its stockholders through the employee Stock Purchase Plan. The Company encourages its Cast Members and employees to continue to invest in its future by buying its stock. However, a Cast Member or employee may not purchase or sell the Company's stock, outside of the employee Stock Purchase Plan, when the Cast Member or employee has material information about the Company that has not been disclosed to the public. In addition, changes in a Cast Member's or employee's participation in the employee Stock Purchase Plan cannot be made while the Cast Member or employee enjoys or has undisclosed material information about the Company.



It is also illegal to provide material non-public information to persons outside the Company who could then use that information in deciding whether to buy or sell the Company's stock or securities. Cast Members and employees should not, without proper authority and confidentiality arrangements, give or release non-public information concerning the Company to anyone not employed by the Company.

In addition, Cast Members and employees are prohibited from buying or selling another corporation's securities while they are in possession of material non-public information about that other corporation gained in the course of their work at the Company. In this context, the material non-public information might include the fact that the Company is considering buying property or materials from a corporation or entering into some other business relationship that might be material to that other corporation's operations.

Members of senior management, including those Cast Members and employees whose positions or functions are likely to make them aware from time to time of material, non-public information regarding the Company, should consult "The Walt Disney Company and Associated Companies Insider Trading Compliance Program" for further guidance.

The securities laws have rules governing the sale of stock or securities by the Company and the investment by the Company in other corporations.

The laws governing investment by the Company in other corporations are complex, and the consequences of breaching these laws can be serious. Executives responsible for stock offerings, stock options, joint ventures, investment partnerships or the acquisition of securities in other corporations by the Company or on the Company's behalf should seek advice from the Corporate Legal Department.

C. RELATIONSHIPS WITH LOCAL, STATE AND FEDERAL OFFICIALS (CONTINUED)

The Company, and each Cast Member and employee acting on its behalf, will make no improper payments to government officials.

The Company, its Cast Members and employees, sometimes deal with government officials in the course of the Company's business. This happens in situations as diverse as a health inspection at one of our restaurants or a zoning review for a park expansion. All interaction with government officials while on Company business should be professional. Any payment of cash, property or services that is, or could be interpreted to be, a bribe, kickback, or improper gift is strictly prohibited. Equally prohibited are promises of influence or favors in return for favorable government action. For instance, Cast Members and employees should never offer employment to friends or family



members of a government official in the hope of obtaining favorable government action.

Cast Members and employees are free to exercise the right to make personal political contributions within legal limits, unless such a contribution is either prohibited by other policies of the Company, or would give rise to an improper appearance of partiality. Generally, no contribution may be made with the expectation of favorable government treatment in return. In any event, all contributions, whether made by an individual, political action committee, or the Company, are subject to complex rules governing, among other things, their amount, and manner in which, they may be made. Any questions about compliance should be directed to the Corporate Legal Department. In addition, any political activity or contribution by a Cast Member or employee which might appear to constitute an endorsement or contribution by the Company shall be discussed first with the Corporate Legal Department.

The Company will cooperate with government investigations.

The Company takes seriously any investigation or review of the Company or its business practices by any government official. The Corporate Legal Department must be notified of any request for information from any government official or agency before any information is furnished and before there is any agreement or understanding to furnish such information. The Company is committed to cooperating with government inquiries, but in order to assure this is done properly, the Corporate Legal Department must be advised at the outset. Under no circumstance should any Cast Member or employee mislead a government official. Nor may a Cast Member or employee destroy, discard, tamper with, conceal, or make a false entry on any documents which are relevant to any government investigation or which is reasonably likely to be requested for inspection by a government official.

D. FOREIGN CORRUPT PRACTICES ACT AND RELATED MATTERS

The Company, and each Cast Member and employee acting on its behalf, will comply with the Foreign Corrupt Practices Act.

The Foreign Corrupt Practices Act generally makes it unlawful to give anything of value to foreign government officials, foreign political parties, party officials, or candidates for public office for the purposes of obtaining, or retaining, business for the Company, or directing business to the Company or anyone else. This prohibition also applies to payments that agents, representatives, or business partners to whom the Company pays commissions or other fees might make for purposes of obtaining or retaining business for the Company, or directing business to anyone else on the Company's behalf. It is now and always has been the Company's strict policy not to make any payment that violates the Foreign Corrupt Practices Act and to take steps to ensure that our agents,



representatives, and foreign business partners not do anything that would put us in jeopardy of violating that Act. Because of the broad reach of this statute and its harsh criminal penalties, each Cast Member and employee contemplating any transaction that might even appear to be covered should consult with the Corporate Legal Department. If such transaction is approved, the transaction must be accurately reported on the Company's books and records.

The Company, and each Cast Member and employee acting on its behalf, will comply with the antiboycott laws.

United States law prohibits certain forms of compliance with foreign boycotts against other foreign countries. United States law also requires that any request to comply with such foreign boycotts be reported. The Corporate Legal Department should be consulted in the event that a request for compliance with a foreign boycott, including any request to supply boycott-related information, is received.

The Company, and each Cast Member and employee acting on its behalf, will comply with all United States restrictions on doing business with certain foreign countries and other organizations.

United States law places restrictions on doing business with certain foreign countries, such as (at the time of publishing) Burma (Myanmar), Cuba, Iran, Iraq, Libya and North Korea, and with certain organizations that support terrorism. Any proposal to do business with or relating to such countries must be reviewed by the Corporate Legal Department.

The Company, and each Cast Member and employee acting on its behalf, will comply with all export controls.

United States law requires that all exports of goods or confidential business technology or technical data be made in conformity with certain requirements. Before any export is made, the Corporate Legal Department should be consulted to determine which, if any, export control requirements apply.

The Company, and each Cast Member and employee acting on its behalf, will comply with all trade laws and customs compliance programs.

All Cast Members and employees involved in the movement of goods or technology across international borders are responsible to know and perform their duties in accordance with the trade laws and regulations of the country(ies) in which the Company is doing business. This includes, but is not limited to, import/export laws, taxes and duties, counter-trade laws, regulations and any supply chain security programs in which the Company participates (e.g., Customs-Trade Partnership Against Terrorism). Cast Members and employees with any questions concerning whether the Company is in compliance should report their concerns to the Corporate Legal Department.



E. TAX LAWS

The Company, and each Cast Member and employee acting on its behalf, will comply with the laws of all taxing authorities.

The Company's operations are subject to various federal and state taxes. Failure to comply with these laws may subject the Company to criminal prosecution. It is the intent of the Company to fully comply with such laws. Cast Members and employees responsible for the Company's compliance should be fully familiar with the requirements of the law. Cast Members and employees with any question concerning whether the Company is in compliance should report their concern to the Guideline or to the Corporate Legal Department.

F. CASH-RELATED REPORTING REQUIREMENTS

The Company, and each Cast Member and employee acting on its behalf, will comply with cash and monetary instrument transaction reporting requirements.

The Internal Revenue Code and some state statutes require businesses that receive more than US\$10,000 in cash or certain monetary instruments in a single transaction or related transactions to file reports with the IRS and the state. These reports must be filed by the Company (a) whenever it receives more than US\$10,000 in cash or (b) upon receipt of a cashier's check, bank draft, traveler's check or money order with a face value of less than US\$10,000, if when combined with another monetary instrument and/or cash, the value of the transaction totals over US\$10,000. (For example, a transaction must be reported if you receive a US\$9,000 cashier's check and US\$2,000 in cash or traveler's checks. But you do not, however, need to report a transaction involving a single US\$11,000 cashier's check since, presumably, the issuing bank has already done so. In contrast, you must, of course, report any transaction involving over US\$10,000 in cash.) Severe criminal and civil penalties can be imposed against the Company and its Cast Members and employees for failure to file these reports or for structuring transactions to evade the requirements.

It is the policy of the Company to comply fully with all cash and monetary instrument reporting requirements and to file timely and accurate reports for all reportable transactions. Cast Members and employees are prohibited from providing any advice or help to customers on how to structure transactions to evade the reporting requirements. Any Cast Member or employee who has reason to believe that a transaction may be reportable or is being conducted to evade the requirements must notify his or her supervisor immediately and, if required, file a report. In addition, the Cast Member or employee must report the transaction to the Guideline or to the Corporate Legal Department.



The Company, and each Cast Member and Employee acting on its behalf, will comply with the laws regarding proceeds of illegal activity.

It is a crime under federal and some state money laundering statutes for any person to engage in commercial transactions with the proceeds of criminal activity knowing that the property involved is the proceeds of criminal activity, if the intent in so doing is to promote the criminal activity, conceal or disguise the source or ownership of the proceeds, avoid transaction reporting requirements or evade taxes. If a financial institution, such as a bank, loan company or travel agency is involved, and the transaction exceeds US\$10,000, it is not even necessary that the person have the intent to promote the criminal activity, conceal or disguise it, evade taxes or avoid a reporting requirement. These statutes are not limited to cash transactions. Transactions such as payments for hotel bills, airline tickets and retail purchases that involve personal checks, Company checks or wire transfers may be covered.

While it is often thought that such statutes are limited to drug money laundering, these statutes reach almost every crime that generates large amounts of money. Violations of these statutes are extremely serious and can subject a person to 20 years in prison and a fine of the greater of US\$500,000 or twice the amount of money involved in each transaction.

The Company does not want to be used by those engaged in criminal activity. Each Cast Member and employee is expected to be on the alert for activities indicative of drug trafficking, money laundering or other crimes. If a Cast Member or employee has reason to believe that a transaction involves criminal proceeds, or if the transaction otherwise appears suspicious, the Cast Member or employee must immediately notify his or her supervisor, or, alternatively, report the transaction to the Guideline or to the Corporate Legal Department.

G. ENVIRONMENTAL LAWS

The Company, and each Cast Member and employee acting on its behalf, will comply with all environmental laws.

The Company is committed to the protection of the environment and the conservation of natural resources. We will fully comply with environmental laws and regulations, including those relating to disposal of wastes. Any Cast Member or employee who is aware of a failure or potential failure to comply with environmental laws should call the Guideline or the Corporate Legal Department.



H. FOOD AND DRUG LAWS

The Company, and each Cast Member and employee acting on its behalf, will comply with the food and drug laws.

The Company is recognized around the world as a provider of high-quality food products and merchandise. Every Cast Member and employee should be aware that it is illegal to distribute or manufacture any food, drug, device, or cosmetic that is adulterated or misbranded. Food, drugs and other products must be stored, prepared, and served in a sanitary and healthful condition. It is illegal to forge, counterfeit, simulate, or falsely represent that a product has been inspected or labeled as fit for use by a certifying agency if it has not. It is illegal to conceal the labeling of any product held for sale, particularly when such concealment results in a false representation. Therefore, no Cast Member or employee may sell any product which is improperly or incompletely labeled. For example, all milk products must carry an expiration date. It is illegal to destroy or cover that date when selling the product to the public. Where inspection is required for particular products, such as certain poultry products or meat, no uninspected product should be purchased, or sold in any of our facilities. Any Cast Member or employee who encounters any situation in which he or she suspects that a product is unsafe, adulterated, mislabeled, or improperly inspected must act immediately to remedy the unsafe condition and bring it to the prompt attention of the appropriate supervisor. Of course, as previously set forth, all Cast Members and employees must cooperate fully with all federal and state inspectors who come to our facilities. Failure to permit inspection by them is itself punishable by criminal sanctions and fines.

I. INTELLECTUAL PROPERTY

The federal copyright laws have rules governing the use of books, movies, records, and other works.

The United States Copyright Act protects original "works of authorship fixed in any tangible medium of expression." The owner of a copyright has the exclusive right to reproduce the work, to create derivative works, to distribute copies to the public, and to perform or display the work publicly. Any violation of a copyright owner's exclusive right constitutes an infringement. A person who infringes a copyright willfully and for commercial advantage is subject to criminal as well as civil prosecution. Every Cast Member and employee acting on behalf of the Company must honor all copyrights held by other companies.

There are circumstances, however, where it is proper to reproduce portions of copyrighted work for purposes such as criticism, comment, news reporting, teaching



and research. This is called "fair use" and does not constitute copyright infringement. Since copyright infringement issues are often highly technical, Cast Members and employees should consult with the Corporate Legal Department whenever there is any question as to permissible use.

The federal trademark laws prohibit the use of another company's trademarks.

Trademarks are symbols (including words) companies use to identify their goods or services. For instance, DISNEYLAND is a registered trademark of the Company. Under United States law, a federally registered trademark provides the registrant with nationwide protection against another's use. Any use of another party's trademark that gives rise to a likelihood of confusion as to the source or sponsorship of a product or service constitutes "trademark infringement" and violates the law. It is also impermissible to duplicate the packaging of a rival firm in a way that deceives or is likely to confuse the public. Every Cast Member and employee acting on behalf of the Company must honor all trademarks held by others.

The federal patent laws prohibit the unauthorized use of patented inventions.

The United States patent laws protect inventions for new and useful processes, machines, and compositions of matter. The owner of a United States patent has the exclusive right to make, use and sell the patented invention. Any violation of a patent owner's exclusive right constitutes an infringement. Every Cast Member and employee acting on behalf of the Company must honor all patents held by others.

Cast Members and employees should assist the Company in protecting its copyrights, patents and trademarks.

The Company has an extensive and valuable collection of copyrights, patents and trademarks. Substantial effort and money is expended to protect this valuable property from infringement. Any Cast Member or employee who knows or suspects that someone has infringed a copyright, patent or a trademark of the Company should advise the Corporate Legal Department.

J. RELATIONSHIPS WITH OTHER COMPANIES

The Company, and each Cast Member and employee acting on its behalf, will respect the trade secrets of other companies.

Many of the Company's activities involve technical innovation or creative advancements, especially in our theme parks and our animated features. The Company is proud of its leading position in these areas, and thus it is the Company's policy to develop its own technical and creative advancements - not to take them from competitors. Similarly,



we require that Cast Members and employees maintain the secrecy of the Company's trade secrets and proprietary information even if they leave the Company. At the same time, Cast Members and employees coming to us from other employers are expected to continue to keep the other employer's secrets. While the Company is entitled to each Cast Member and employee's skills and creative energy while working here, we do not want secrets taken from previous employers.

No improper or unethical payments will be made by the Company, or by Cast Members or employees or agents of the Company acting on its behalf.

In dealing with customers, suppliers or agents working on the Company's behalf (such as lawyers or lobbyists), no Cast Member or employee of the Company shall give, receive (or promise or agree to either give or receive), any cash, property or service that is improper or unethical. Improper payments include kickbacks or bribes paid to an employee of another company in order to secure some advantage for the Company, or receipt of kickbacks or bribes from an employee of another company in order to secure an advantage for that company. It is prohibited to give or receive payments which are improper.

Payments that are proper but which may be misinterpreted should be avoided and, in any event, can be made only after consulting with the Corporate Legal Department.

MAINTENANCE OF DOCUMENTS

No Cast Member or employee may destroy, discard, tamper with, conceal, or make a false entry on any documents which are, or may reasonably be, relevant to any existing or threatened litigation or similar claim or proceeding.

K. OTHER LAWS AND COMPANY POLICIES

Such laws as have been discussed in these Standards of Business Conduct are those that apply to situations you may confront with some frequency. Many other laws, criminal statutes, and governmental regulations also may apply to the Company's business. Cast Members and employees must comply with all applicable laws, whether or not they are mentioned in this Standards of Business Conduct booklet. Cast Members and employees must also act in accordance with the Company's policies. Cast Members and employees are not to take any action on the Company's behalf that would violate any law, criminal statute, or Company policy.

In addition, no Cast Member or employee may assist or conspire with anyone to commit a criminal act. Moreover, mere participation by a Cast Member or employee in meetings or conversations when illegal conduct is discussed or planned may result in criminal liability even though the Cast Member or employee does nothing else. Therefore,



participation in such meetings or conversations must be avoided.

L. ACCOUNTABILITY FOR COMPLIANCE WITH THE STANDARDS OF BUSINESS CONDUCT

The standards referred to herein are mandatory and apply to all employees and Cast Members, who will be held accountable for compliance with the Standards. Failure to abide by applicable standards may lead to disciplinary action up to and including termination. Additional standards may apply to employees of specific business units or locations. Thus, for example, station and network programming and news personnel are subject to additional standards which are set forth in other documents.

M. DEALING WITH IMPROPER OR ILLEGAL BEHAVIOR, AND SUSPECTED VIOLATIONS OF LAW

Cast Members and employees are encouraged to talk to their supervisors or managers when in doubt about the appropriate or ethical course of action in a particular situation. Every Cast Member and employee must report any unethical, improper or illegal behavior, or any suspected criminal activity involving or relating to the Company. The Company also must be made aware of any complaints regarding accounting or auditing matters, as well as its internal controls. Thus, any Cast Member or employee who believes, suspects, or becomes aware of any complaint that anyone at the Company is acting unethically or is violating, or has violated, any law, governmental rule or regulation on behalf of the Company, must report this to the Guideline or to the Corporate Legal Department. The Company believes that it is most helpful when a Cast Member or employee making such a report identifies himself or herself; however, it is not required. While, in any event, the confidentiality of any person reporting unethical, improper or illegal activity will be protected to the extent possible under the circumstances, reports will also be accepted anonymously. Moreover, the Company strictly prohibits any form of retaliation against anyone who reports unethical, improper or illegal activity.

N. WAIVERS

Any waiver of any provision of these standards for Cast Members or employees must be approved by the Management Audit Department, and if required by law, publicly disclosed. Any waiver for executive officers of the Company may be made only by the Board of Directors or a committee of the Board, and must be promptly disclosed to the Company's shareholders as required by applicable law or securities exchange regulations.