



The WALT DISNEY Company

2017 Annual Meeting of Shareholders

MARCH 8, 2017

PRESENTATION

Announcer

Ladies and gentlemen, the Chairman and Chief Executive Officer of The Walt Disney Company, Bob Iger.

Bob Iger – *Chairman and Chief Executive Officer, The Walt Disney Company*

Thank you very much. And good morning, Denver.

We actually had our annual shareholder meeting here in 2003, so we're back again. In 2003, when we arrived, the weather was beautiful, and then it started to snow, and snow, and snow. And the result was that there were very few shareholders here, a fair amount of management



people. And we were here for about four or five days – actually the longest shareholder meeting that we’ve ever had. But we’re back. So we like Denver.

That video is a great way to start the morning because it tells the story of The Walt Disney Company certainly better than words ever could. It showcases the phenomenal content and experiences that we create, and it also captures and celebrates the personal connections that we have with hundreds of millions of people around the world.

For me, it’s a great reminder of what makes Disney so extraordinary, and what a tremendous privilege it is to lead this company, and to work with almost 200,000 cast members who put their heart and soul into adding joy and wonder to the world.

Now we’ve been bringing people together with great entertainment for almost a century. And the key to our success really has always been great storytelling. Disney, Pixar, Marvel, Lucasfilm, and ABC – they’re more than just an unparalleled portfolio of tremendous brands and franchises. They represent the largest single collection of visionary storytellers in the world.

And thanks to them, we have a great story to tell today.

So let’s start with one of our crowing achievements of 2016 – the grand opening of the Shanghai Disney Resort, which was one of the proudest and most important moments in the history of this legendary company. The park is a creative, technological, and architectural tour de force, and it’s really unlike anything we’ve ever done before. Our Imagineers clearly outdid themselves, and it’s even more spectacular than we all imagined.

Today, almost 8 million people have already visited Shanghai Disneyland, and they’re telling their friends and families all about it. Their rave reviews are driving excitement for that park – really across all of China. So we’re absolutely thrilled with the response. And we expect more



than 10 million people to visit this park by its first anniversary, which is this June. Now we're already working on expansion, our new *Toy Story Land* opens in 2018.

Bringing Shanghai Disneyland from dream to reality was a 17-year journey, and it's been a thrill to see the park come alive with people of all ages, many of them experiencing a Disney theme park for the first time in their lives. There's just this wonderful sense of joy and excitement when the park is full. And for us, we're incredibly proud of the fact that only Disney, really, could create such an extraordinary experience for the people of China.

Now 2016 wasn't just a historic year for Parks. It was also the best year ever for our Studio, with four films topping \$1 billion in global box office, and a fifth coming awfully close. In fact, we became the first Studio – the only Studio, actually, in the history of the movie business – to exceed \$7 billion in box office in a single year.

And the winning streak continues. Our first stand-alone Star Wars story, *Rogue One*, broke \$1 billion in global box office. Marvel's *Dr. Strange* topped \$675 million. And *Moana* from Disney Animation achieved more than \$580 million at the box office, and also earned Oscar nominations for Best Animated Feature and Original Song.

Now we actually swept the animation category at the Oscars this year. *Zootopia* won the Oscar for the Best Animated Feature. That was our fifth straight win in a row, by the way, for Feature Animation. And Pixar's *Piper* won for Animated Short. Since we acquired Pixar in 2006, there have been a total of 10 Oscars awarded for Feature Animation, and Disney and Pixar Animation have won nine of them.

Creative success drives opportunity across our entire company, especially at Consumer Products, which has deepened the affection for our beloved characters, and it's also created 11 major franchises, each one generating more than \$1 billion in global retail sales. Quite an achievement.



So with significant contributions from all of our businesses, we're happy to report that fiscal 2016 was our sixth consecutive year of record results. Thank you.

Revenue was up 6% to a record \$55.6 billion. Net income increased by 12% to an all-time high of \$9.4 billion. And our earnings per share were up 17% to \$5.73 – that set another record as well.

We're proud of these results, and of the fact that over the last five years, our annualized growth has been 14% in net income, and 18% in earnings per share. Now to give you an even broader perspective, from fiscal 2006 through fiscal 2016, we delivered total shareholder return of over 350% – far outperforming the 123% return that was delivered by the S&P during the same period. Thank you. We've also increased our market cap from \$46 billion to about \$175 billion today.

That kind of growth comes from investing and taking the right risks to deliver the greatest returns for our company and our shareholders. But in addition to our financial performance, our growth has also created jobs. In fact, since 2005, we have added over 30,000 new jobs in the US alone. And our ongoing multibillion dollar expansions at Disneyland and Walt Disney World will add thousands of new cast members, while creating even more jobs and opportunities for many local businesses and workers.

As we look ahead, we see plenty of opportunity for growth across our entire company, including our Media Networks. In fact, since the dawn of the video iPod, our content has been in high demand by virtually every new platform imaginable. Everyone that enters the market wants a piece of Disney content. In a world of overwhelming choice, consumers are seeking out our great brands, like Disney and Pixar and Marvel and Star Wars, ESPN, and ABC. In fact, they're often at the top of the list. And so, speaking of great brands, here is a quick reminder of why millions of people every day check out ESPN.



[VIDEO]

So as you can see, nothing really compares to the excitement and drama of live sports, and ESPN brings more live sports to people in more ways than anyone else. Sports fans have turned to ESPN for the best in sports programming for the better part of four decades now. And even in this evolving marketplace, the connection between ESPN and sports fans is stronger than ever. Each new platform and device gives more people more ways to enjoy ESPN's content, from the best in live sports to ground-breaking programming like this year's Oscar-winning documentary, *O.J.: Made in America*.

You can already get ESPN on a variety of new multichannel platforms and services and a growing number of mobile apps, and by the end of this year, we'll also be streaming a new ESPN-branded experience directly to consumers through our partnership with BAMTech and Major League Baseball.

Earlier I mentioned the ongoing expansion in Parks and Resorts and we're now just a couple of months away from the May 27th grand opening of *Pandora – The World of AVATAR* at Walt Disney World in Orlando. There's a lot of excitement about this new addition to Disney's Animal Kingdom, and we think for good reason, as these pictures suggest. Our Imagineers pushed the limits of creativity and engineering and technology to bring the breathtaking world of *AVATAR* to life. And the result is a fantastic, one-of-a-kind experience. In fact, one of the most beautiful lands that we've ever created. We just can't wait for everybody to see it.

Progress is also continuing on two Star Wars-themed lands, one at Disneyland in California and the other at Disney World in Florida. We're creating a jaw-dropping experience here to transport you into the world of Star Wars and that great storytelling – in fact, right in the middle of an epic battle between the First Order and the Resistance. And if you've ever wanted to pilot the Millennium Falcon, you'll finally get a chance to do so when these incredible lands open up in 2019.



We're also looking forward to welcoming our first guest aboard the newest ships in our Disney cruise fleet once they hit the seas in 2021 and 2023.

As I mentioned earlier, our Studio is on a roll. The 2017 slate includes a number of great films from Pixar and Marvel and Disney and, of course, Lucasfilm. But one of the movies that we're most excited about is just coming up, *Beauty and the Beast*. And we're not the only ones to be excited about this; in fact the first trailer that we launched drew more than 127 million views in its first 24 hours alone, and that broke the record that we'd already set with *The Force Awakens*. Whenever you take on one of Disney's most beloved stories, the stakes, we know, are quite high, and so are the expectations, and I can tell you this movie does not disappoint at all. It's beautiful, it's heartfelt, and it is fantastic.

I know that we've got a lot of *Beauty and the Beast* fans here who've waited a long time for this movie. It opens March 17th, again, but I want to share a quick look with all of you. First time we're showing this to anyone. Enjoy the clip.

[VIDEO]

Pretty good. Now we're also looking forward to Marvel's *Guardian of the Galaxy Volume 2*, marking the return of the lovable cast of misfits who were in the original *Guardians*, which was a huge, blockbuster hit. It's a great movie, full of Marvel's trademark action and humor. And I've got a feeling that our character, Baby Groot, is going to become a real breakout star, as you'll see.

[VIDEO]

It's hard to believe that's Vin Diesel's voice.



We've got another fantastic Marvel film headed to theaters this fall, that's *Thor: Ragnarok*. It's the third installment of our Thor series. To make it even more exciting, Thor teams up this time around with one of Marvel's most popular characters, in fact, from their whole universe, and that's the Incredible Hulk. He and Thor team up – make quite a team, actually.

And by the way, you can look forward to a lot more Marvel storytelling. As we speak, the Studio is already in production on *Avengers: Infinity War* and *Black Panther*, and development and early production is underway on *Ant-Man and the Wasp* as well as *Captain Marvel*, which will feature our first female superhero-starring film. That's Brie Larson that is playing Captain Marvel. Academy Award winner, Brie Larson.

And then later this Spring, we're bringing another great Disney franchise back – a lot of activity at the Studio – when Johnny Depp returns as Captain Jack Sparrow for a new adventure on the high seas in *Pirates of the Caribbean: Dead Men Tell No Tales*.

This summer, Pixar's long-awaited *Cars 3* takes us back into the fine world of *Cars*, where a lot's happened since Lightning McQueen first took the racing world by storm. This time around, he's facing a whole new generation of competitors, including our first female racer named Cruz Ramirez.

We're also looking forward to the Thanksgiving release of another original Pixar movie, a heartwarming celebration of family and music. It's called *Coco*, reflecting the rich heritage of Mexico and it features a stellar, all-Latino cast.

This is also a big year for Star Wars fans, we know. Our first Star Wars film, as you remember, was *The Force Awakens*. It wowed audiences and critics alike, and became the only film in history to reach \$900 million in domestic box office before it ultimately crossed \$2 billion worldwide.



Now we know the next episode has to be fantastic – and it is. *Star Wars: The Last Jedi* is a perfect chapter in the iconic Skywalker family saga that has enthralled fans for many generations.

Now when we last saw Rey at the end of *The Force Awakens*, you remember she had just found Luke Skywalker in his far away refuge on that cliff, on that island. So here is a reminder of that dramatic moment.

[VIDEO]

So as I think most of you know, we make a point of revealing very little from our upcoming Star Wars films. Very little. We want to keep them a secret. But we're making an exception today, and we're going to show you an exclusive first look at what happens right after that scene, when that light saber was being handed to its rightful owner. Right after it.

[VIDEO]

Like I said, we make a point of revealing very little. A lot's happened in two years, right? He took it. Such a tease.

But actually, if you were watching closely that opening video we showed before I came out, it actually had quite a few moments from our upcoming Star Wars film, *The Last Jedi*. Just to make sure you didn't miss anything – because it probably all went by fast and was mixed in with a variety of other footage, I thought we'd show you just the scenes in that early video from *The Last Jedi*.

[VIDEO]



Now as you know, Carrie Fisher has been an iconic part of this franchise from the beginning and she will always hold a very special place in the hearts of millions of Star Wars fans around the world and in our hearts. We all miss her, she was a great talent and wit, and she was a great friend as well, and we're proud that this movie coming up is part of her legacy.

Star Wars: The Last Jedi will open December 15th in the United States, and as one of the few people that's already seen the entire movie, I can promise you, it is worth the wait. A lot more happens in it than what you saw today.

Our next stand-alone Star Wars story is going to explore the origin of Han Solo, and that's going to be in theaters in 2018. And then after that, *Star Wars: Episode IX*, which is currently in production, will be back in 2019.

Now from the moment I accepted this job, my goal was for The Walt Disney Company to be one of the most admired companies in the world. Respected not just for our product and what we do, but for who we are and what we stand for. And today I'm proud to say that Disney is widely recognized – and applauded – for our achievements, but also for our values. Our commitment and determination to be a stellar corporate citizen with a positive impact on the world has always been driven by a strong set of inspirational and aspirational values, and they define everything that we do and who we are.

Our values include equality, inclusion, fairness, and optimism, of course, and they're reflected across every aspect of our company, including our storytelling – whether it's *Star Wars* or *Zootopia* from our Studio, or *Black-ish* or *Speechless* from ABC, or Disney Channel programs like *Doc McStuffins* and *Elena of Avalor*.

Our values are also evident in our efforts to make a difference in the world and in the lives of others. For example, we believe that America's military veterans deserve to be at the front of the employment line. And through our groundbreaking *Heroes Work Here* initiative, we've



hired more than 8,000 vets across our company and helped another 15,000 find jobs outside of Disney. That was actually an initiative – thank you. We announced that initiative at a shareholder meeting just a few years ago, and we’ve made a lot of progress.

We’ve also significantly stepped up our support for veteran entrepreneurs. We’ve increased the money that we spend with veteran-owned companies and businesses each year – what was about \$100,000 a year, to more than \$3.3 million.

We also believe that nothing is more important than the happiness and well-being of children, and we invest millions of dollars each year in programs that are focused on that goal.

Walt Disney’s personal commitment to bring our beloved characters to entertain children in local hospitals has now grown into a global program with lasting impact. Since 2006, we’ve donated more than \$40 million dollars to children’s hospitals around the world to help create a better environment for kids and families during what we all know is some of the most difficult moments in their lives. And our support gives children’s hospitals from California to Florida, to the U.K. and even China more resources to build the facilities, hire specialists, and obtain state-of-the-art equipment that they need to better serve families in their communities. We’re also providing play rooms and other resources to make hospital stays a little bit less scary for young patients, and bring a little of the Disney magic to where we think it’s needed most.

Our values are part of our DNA, just like creativity and innovation. Our unwavering commitment to the ideals of equality and inclusion and fairness and optimism will always be essential to our success. Leading this remarkable company is both a thrill and a privilege of a lifetime for me, and I grow more appreciative of this opportunity with each passing day, and as I reflect, I realize that even after everything that we have achieved, the best days of The Walt Disney Company really are still ahead of us. Now that’s optimism.



I want to thank our cast members as well around the world – I mentioned they are 200,000 strong, just about – and they continue to raise the bar every day to create extraordinary experiences for hundreds of millions of people. I know several of our cast members are here in Denver today, and many more are listening on the webcast, so I'd like to take this opportunity to say that one of the reasons that I'm so optimistic and confident about the future of our company is because I'm constantly inspired by your dedication and your creativity.

I also want to thank our shareholders for your continued support. We're going to continue to strive to earn your confidence and respect every day. And finally, I want to thank our Board of Directors for their enthusiasm and support as we continue to build the future of this phenomenal company.

And so I'd like to introduce our Board of Directors to you, starting with our Lead Director, Orin Smith. Orin is the former president and CEO of Starbucks.

Susan Arnold is an operating executive of The Carlyle Group and is retired from Procter & Gamble, where she was the company's Vice Chairman.

I don't think there are lights on our Board.

John Chen is Executive Chairman and Chief Executive Officer of BlackBerry Limited.

Fred Langhammer is Chairman, Global Affairs, of Estée Lauder.

Aylwin Lewis is Chairman, CEO, and President of Potbelly Sandwich Works.

Bob Matschullat is a private equity investor and former Vice Chairman and CFO of the Seagram Company.

Sheryl Sandberg is Chief Operating Officer of Facebook.



Jack Dorsey is CEO of Twitter, and Chairman and CEO of Square.

Maria Elena Lagomasino is CEO and Managing Partner of WE Family Offices.

And Mark Parker is Chairman, President and CEO of Nike. Mark.

Now one more time, I'd like to ask our Board of Directors to stand and be recognized. Ladies and gentlemen, thank you.

And one more introduction before we begin the business portion of the meeting. I want to acknowledge a very special guest, a friend of the company. We're proud to have Roy P. Disney with us today. Thank you for coming, Roy.

And now it's time to move on to the formal portion of the meeting. The meeting has been duly called and is being conducted in conformity with the laws of Delaware and the company's charter and bylaws. If you've already voted by proxy, you do not need to vote again. And if you haven't yet voted or if you want to change your vote, you may do that now. So please raise your hand if you need a ballot to vote. You might want to turn the lights up if we can, just so that we can see people raising their hands. Thank you.

Ballots need to be turned in by the end of the business portion of this meeting and we will collect them at some point before this meeting ends.

Copies of the rules for the meeting were provided at the registration table and I would like to ask everyone's cooperation in respecting the rules, including speaking time limits and assisting us in the orderly conduct of this business.



We have six items on the agenda today, including two shareholder proposals. I will introduce each of the first four items, and shareholder representatives will present the two shareholder proposals. Then after all six items have been presented, there will be an opportunity for any shareholder who is interested to address any of those items.

Then the polls will close, and we will hear a preliminary report from the Inspector of Election, and adjourn the business portion of this meeting. And then after that, we will have a general question and answer period.

The company has retained Broadridge Investor Communications Solutions as Inspector of Election for this meeting and I would now like to introduce Ms. Belinda Massafra, a representative of Broadridge, and ask her to report on the number of outstanding shares present today and voting. Belinda?

Belinda Massafra — *Representative, Broadridge*

Thank you, Mr. Chairman. As of the close of business on January 9th, 2017, the record date for this meeting, there were 1,583,831,140 shares of common stock outstanding, each of which is entitled to one vote. There are at least 1,347,442,549 shares of common stock represented by proxy at this meeting, which represents at least 85% of the total number of shares entitled to vote.

Bob Iger — *Chairman and Chief Executive Officer, The Walt Disney Company*

Thank you very much. Based on this report, I declare that a quorum is present, that this meeting is qualified to proceed with the business before us, and that the polls are now open.

The first item is the election of the 11 members of the Board of Directors. Each director holds office for a term of one year and those nominated for election at this meeting, in addition to



me, are the Board members that I just introduced. As you all know, the Board recommends a vote for the election of all of the nominees.

The next item is the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent, registered accountants for the current fiscal year, as recommended by the Audit Committee of our Board of Directors. Bob Barrett, a representative of PricewaterhouseCoopers, is here today to respond to any questions. The Board recommends a vote for the ratification of the appointment of PricewaterhouseCoopers as the Company's independent, registered accountants for fiscal 2017.

The next item is the advisory vote on executive compensation. We are seeking advisory shareholder approval of the compensation of our named executive officers. The Board recommends a vote for this proposal, for the reasons set out in our proxy statement.

The next item is the frequency of votes on executive compensation. We are required to present executive compensation for advisory approval either every year, every other year, or every three years and we are required to ask shareholders periodically how often they prefer to hold such a vote. The Board recommends that we continue the practice of holding these votes every year.

The next item is a proposal presented by Zevin Asset Management. The full text of the proposal is set forth in the proxy statement. And I understand that Ken Jacobs, a representative of the shareholder, is here to present this proposal. I invite him to do so now. Mr. Jacobs?

Ken Jacobs — *Shareholder*

Thank you, and good morning.



Bob Iger — *Chairman and Chief Executive Officer, The Walt Disney Company*

Morning.

Ken Jacobs — *Shareholder*

I'm Ken Jacobs, and on behalf of Zevin Asset Management, I hereby move shareholder proposal #1, which asks our Company to provide a report on its lobbying expenditures, including indirect funding of lobbying through trade associations. As shareholders, we encourage transparency and accountability in the use of staff time and corporate funds used to influence legislation and regulation, both directly and indirectly. As such, we're concerned that Disney's disclosure of lobbying lacks transparency and accountability. The company does not issue a comprehensive report of its own direct lobbying. That data is scattered among federal and state regulators, and is difficult for investors to obtain.

Disney also fails to provide comprehensive disclosure of its memberships in and payments to trade associations, as well as the portions of those dues payments used for lobbying. Disney only discloses when candidates receive donations from organizations that the company gives to, and ignores those organizations' separate lobbying activities. Furthermore, Disney does not disclose any associations that receive less than \$50,000 from the company.

Given Disney's byzantine disclosure, the shareholders remain concerned that company assets could be used for objectives that are contrary to Disney's long-term interests, and might ultimately harm shareholder value. Disney has attracted negative media attention for some of its direct and indirect lobbying. For example, around minimum wage and sick leave in Florida and California, as well as around immigration policy.

Investors are especially concerned about risks arising when trade associations and coalitions supported by Disney lobby on issues which are contrary to Disney's beliefs and values. For example, according to the US Chamber of Commerce website, Disney joined as a member in



1922. Evidently, Disney remains a member, although information on Disney's relationship with the Chamber is not disclosed publicly. Disney and its Board should be alarmed that the Chamber attacked the EPA's proposed climate change solutions, despite leadership from Disney on climate change issues.

Disney is also listed as a member of the National Restaurant Association. The National Restaurant Association has spent millions at the state level over sick leave policies and worked with the controversial American Legislative Exchange Council, or ALEC, to stop local measures to enact paid sick leave laws by passing state laws, preempting any local measures.

Consumers would be alarmed to learn that such lobbying is enabled by Disney, one of the world's most visible companies and an entertainment maker with a precious reputation for being family friendly. Such activity is not only potentially at odds with the company's long-term interests and objectives, it also endangers Disney's reputation.

The risks associated with lobbying and trade association membership make it clear that we need better and more complete disclosure of how Disney uses its resources to affect legislation. We currently have no way of knowing how Disney's lobbying priorities are defined and prioritized. Lobbying disclosure will help us better evaluate whether Disney's lobbying and trade association expenditures and actions advance the long-term interests of shareholders, employees, and customers.

Lobbying disclosure is part of governance best practice. The International Corporate Governance Network, representing institutional investors with more than \$26 trillion in assets, supports lobbying disclosure and disclosure of trade association payments over \$10,000. As a corporate leader, Disney can play an exemplary role to demonstrate best practices in this area. This proposal is not about limiting lobbying. It's about transparency and managing the risks associated with undisclosed, unexamined political activity.



Publicly available data currently does not provide a complete picture of Disney's lobbying expenditures. Better disclosure will enable shareholders to evaluate the use of corporate assets for lobbying and the risks that opaque political spending poses, and it will serve the company in the process. We urge stockholders to vote for this proposal. Thank you.

Bob Iger — *Chairman and Chief Executive Officer, The Walt Disney Company*

Thank you very much. The Board of Directors has recommended a vote against this proposal for the reasons set out fully in the proxy statement.

The next item is a proposal presented by James McRitchie. The full text of this proposal is set forth in the proxy statement. I understand that Mr. Jacobs will also present this proposal, and I invite him back to the mic to do so now. Mr. Jacobs.

Ken Jacobs — *Shareholder*

Thank you. This is related to ballot issue #6 or #2, depending on how you interpret things, and it relates to shareholder proxy access amendments. On behalf of Mr. McRitchie, let me present the following.

The proposal asks the Board to make three amendments to our company's proxy access bylaws, which allow shareholders holding 3% of shares, or about \$5 billion, continuously for three years to nominate two directors and place their names on the proxy. First, it asks that shareholders be enabled to nominate 25% of the Board instead of 20%. With 12 board members, that would allow three such nominations instead of two. As we've seen with women on boards, it often takes more than two to change the boardroom culture.

Second, Disney's bylaws limit the number of shareholders who can form a nominating group to 20. Each would have to hold an average of \$158 million in stock continuously for over three



years. And I emphasize continuously. During the last reporting quarter, 9% of shares owned by the top 50 institutional shareholders at Disney traded hands. Over the course of three years, there are 12 quarters. If each shareholder traded an average of 9% of their shares each quarter, how many of these shares from three years ago do they still own today? Disney's proxy access is largely an illusion.

Third, the proposal asks that the cap on shareholder re-nominating process proxy access candidates be removed. It often takes a year or two for a new idea or candidate to gain traction. Just as the word "natural" does not mean "organic," the current proxy access at Disney does not mean shareholders can actually nominate even a single director. We ask the Board to remove the cap on shareholders that can form nominating groups and make the other suggested changes. Real proxy access will drive the competition for ideas and talent among Board candidates, and will create direct accountability to us, the shareholders. Please vote in favor of this proxy resolution.

Bob Iger — *Chairman and Chief Executive Officer, The Walt Disney Company*

Thank you very much. The Board of Directors has recommended a vote against this proposal for the reasons set out in the proxy statement.

At this point, I will open the floor to discussion of any of the items that have just been presented. If you would like to address one of the items, please proceed to a microphone and wait to be recognized. Please state your name and identify which item you wish to address, and then proceed with your remarks. And please, limit your remarks to two minutes in order to give other shareholders an opportunity to be heard.

Note that we will have a general question and answer session following the business portion of the meeting. So please, limit your remarks at this time to just those items that have been presented.



Do I have anyone that would like to comment on any of the items that have been presented?

Station 1 sir.

Shareholder

Hi. Good morning. Thanks. My name is Justin Danhof, I'm from the National Center for Public Policy Research and we encourage all shareholders here to reject shareholder proposal #1, presented by Zevin Asset Management.

So everyone knows, Zevin is part of a far-left network of organizations that attempt to use American corporations to silence speech and de-fund advocates of free enterprise. This network has filed hundreds of resolutions complaining about alleged lack of transparency and accountability in corporate lobbying and political activity. However, groups such as Zevin never – and I mean never – express concern about the billions of corporate dollars that go to fund liberal causes and politicians.

Herein lies the hypocrisy of its proposal. Zevin abhors corporate speech when it is perceived to skew to the political right. It remains silent, however, when speech supports leftist causes that they favor.

Today, Zevin is attempting to conscript Disney shareholders into its efforts to de-fund and silence the National Restaurant Association and the US Chamber of Commerce, groups that seek to improve America's business environment. Let that sink it. They want to de-fund groups that try and improve the environment for American business.

Concerning Disney's relationship with the National Restaurant Association, the proponent claims: "No doubt, Disney's membership dues to the association go to lobbying against fair pay and working conditions." This is baseless. The National Restaurant Association works to expand



employee freedoms in a way that positively impacts millions of Americans, and combats onerous state and federal regulations.

Concerning Disney's relationship with the Chamber of Commerce, Zevin fully admits that it doesn't know if Disney "currently belongs to the Chamber," but still wants the company's investors to reject the Chamber because of its opposition to unnecessary and costly environmental regulations.

Zevin's guilt by association tactics harken back to an era when folks were asked, "Are you now, or have you ever been?" That's an issue Disney knows something about.

Zevin's proposal holds no relevance for Disney, no relevance for us investors. It's simply trying to use us to censor those that they cannot otherwise censor because our Constitution protects free speech. Don't let Zevin silence free speech and dictate Disney's business relationships. Please vote no on shareholder proposal #1.

Bob Iger – *Chairman and Chief Executive Officer, The Walt Disney Company*

Thank you. We have other – Station #2. Comment on any of those proposals that have already been made, sir.

Shareholder

Yes. First, I'd like to say I'm here as a proxy for the MCG Group Trust. I support Zevin's political transparency resolution and I'd like to comment on Disney's political dealings.

My name is Robel Worku, I'm a community organizer with the Colorado Peoples' Alliance, which is an affiliate of Peoples' Action. I'm also the son of two Ethiopian immigrants, and am a Canadian immigrant myself.



As a person from an immigrant family and a black family, I don't feel that the values you gave lip service to early in your presentation – and that are also espoused in Disney's films – are reflected in your decisions as a corporation. Namely, by sitting on Trump's Economic Advisory Council, I think that Disney as a corporation is tacitly endorsing the Trump agenda.

Part of that agenda includes rolling back independent oversight of police departments across the country, ensuring a lack of accountability for police officers who commit violence against our communities, and a lack of justice for the victims of that violence. And while the Trump Administration refuses to hold police departments in check, it also stands by and allows corporations to profit from the unjust incarceration of black and brown people.

You spoke earlier about a movie, *Coco*, coming out with an all Latino cast. While I do commend that, I would like you to know that there are Latino communities and other communities, both throughout the state of Colorado and throughout the country, that face a daily fear of being deported and having their families torn apart. People in our communities are afraid to leave their houses to even drive their kids to school because they're afraid of being picked up by ICE and never making it back home. Disney holding its relationship with President Trump is an endorsement of these policies.

But I'd also like to mention that this relationship is functionally bad for your bottom line. Over half a million people have signed a petition demanding that you step down from the Business Advisory Council. One quote reads, "As an African-American family, we will not support Disney at this time. We will not visit Disney, nor buy Disney shares for our grandchild while you are dealing with President Trump's Business Council." I could stand here all day reading quotes of folks who are boycotting Disney over this, but I think you get my point.

So, for these reasons, and many, many more, I, along with over half a million other people, are demanding that you, Disney CEO Bob Iger, step down from the – cut your ties from the Trump



Administration, and I'm asking you if you'll step down from President Trump's Business Advisory Council.

Bob Iger — *Chairman and Chief Executive Officer, The Walt Disney Company*

Sir, thank you. I let you speak for two minutes on what was supposed to be just a comment on those proposals that had been made. There will be time for other people to comment on other subjects in the general Q&A session.

Since you raised the subject, and I expected it would be raised today, I just want to say that I'm well aware that there are a number of people who have protested the fact that I decided to join that group. I made a decision that I thought it was in the best interests of our company, and of our industry, to have an opportunity to express a specific point of view directly to the President of the United States and to his administration, and I did not believe, nor do I believe, that my membership in that group in any way endorses or supports any specific policy of the President or his administration.

I think it's actually a privileged opportunity to have a voice in the room. I'm a big fan of the great musical that's been on Broadway for a few years, *Hamilton*. There's a song in it where one of the characters sings, "I want to be in the room where it happens." I think there's an opportunity, when you are in the room where it happens, to express opinions that I believe would be in the best interests of this company and its shareholders. But I respect your opinion. Thank you.

Do we have any other comments on the proposals that have been made? Is there someone at that — I can't see. Sir, do you have a comment? Mike? Just, please, I mention again, we will have a general Q&A. We're trying to move on from the business portion of the meeting to that general Q&A and there are a number of people with a number of questions. So if you have



something to say about the shareholder proposals or anything that the Board of Directors and the company have put forward in the proxy, please feel free.

Shareholder

Good afternoon, everyone. My name is Jennifer Epps Addison and I am here by proxy, representing Union Pension Funds for hardworking members of unions across this country. I'm also the president of the Center for Popular Democracy, a national community organizing that works with 43 affiliates in 30 states across the country, and we're here to speak in favor of transparency and accountability and the future of this company.

I am a Disney family. If you go to my Facebook page, you will see a half a dozen trips to Disney since my kids were born nine years ago. You will see my kids dressed up for Halloween as Disney characters. You will see that this – the fabric and the values of this company are embedded in our family. That's why I'm so concerned about the lack of transparency and about the involvement of this company in suppressing workers' rights, in harming everybody's ability to earn a fair dollar, to earn a fair wage, for their hard work.

We aren't sure exactly how lobbying expenditures are used in this company, and that's exactly why we're here asking for transparency. Not to shut down anybody's voice, but to allow shareholders as well as consumers to be able to make an informed decision. Over 200,000 people made an informed decision when they deleted their Uber accounts for the association with President Trump. And we believe that consumers in this country deserve the ability to make a decision about how they will engage with this company.

If we truly believe in fairness and opportunity and equity, then we should see those values represented not just in our characters, but actually in the way that we use our political voice. We can't determine how your political voice is being used right now. And in all fairness, while I'm sure you firmly believe that you're representing the best interests of this company when



you sit on Trump's Advisory Council, we don't know that because we haven't seen the proof in your expenditures and how this company is using their lobbying.

We believe that having access to those records will help us make good decisions for our families about whether or not we want to continue to be shareholders and invest in this company. And we believe that this bottom line will be hurt if you do not step away from this President, from this racist, xenophobic, anti-immigrant administration. We believe, like with Uber, thousands of families who would have gone on their summer vacations, who would have supported your movies, who would have been proud brand ambassadors, will make a different decision with their vacations and with their money. So we ask that you step away from the corporate council, and that you support transparency and inclusiveness, and more than 500,000 – more than a half a million people across this country have joined us. And I have those petitions outside, ready to deliver for you, if you'd like to take them.

Bob Iger — *Chairman and Chief Executive Officer, The Walt Disney Company*

Thank you very much. We'd be glad to take them. Thank you.

Okay, I don't believe there are any other comments on those proposals. If there are no further comments, then this concludes consideration of all of the items presented – I'm sorry. The light just went on. I have one more response to one of the proposals. Okay, thank you.

Shareholder

Yes. My name is Arthur Nishelka, I'm a happy shareholder from San Diego. I'm here to express my support for the appointment of PricewaterhouseCoopers to be the company's auditor.

In light of the recent televised events hosted by the company's Jimmy Kimmel, I'm curious if the Audit Committee has addressed the topic of complacency? Thank you.



Bob Iger — *Chairman and Chief Executive Officer, The Walt Disney Company*

Thank you. I can tell you, we've not had an Audit Committee meeting since the Academy Awards and I would have to refer to our Audit Chairman, Mr. Matschullat, to see whether it's on the agenda.

I can say that the Chairman of PwC called me and other members of my senior management team directly to both explain what happened, and to apologize for what happened. It seemed to be an extremely embarrassing human error. I told the Chairman of PwC that I did not think it should affect our relationship with them in any negative way. I respected the fact that, and appreciated the fact that he called. I thought that it was an honest human mistake. And I left it to him to contend with it in terms of how it affected his company. But I really did not believe that it can or will affect the relationship that we've had with PwC, which has been a good one. Thank you.

Do we have more? One more response. Thank you.

Shareholder

Chairman Iger, members of the Board, thanks so much and welcome to Denver. My name is Philip B. Jones, I'm a private shareholder of Disney, and I just wanted to touch on a couple pieces that related to the first shareholder proposal around transparency.

You quoted in your presentation around the four core values of the corporation – equality, inclusion, fairness, and optimism. And as it's been stated by a few previous speakers, I hope that the corporation will continue to take steps to actually move in those directions, to live and breathe those values, and not simply state them in a corporate either proxy statement or annual shareholders report.



One of the pieces where I think we can talk about in the video, what does it look like when we talk about equality and inclusion, when there are elements of – for example, the Consumer Products division, the great successes that you highlighted, there was a faux pas during the year when there was a roll out of Princess *Moana* costumes showing someone's skin as a costume. And I think it's important if we're going to talk about as a corporation, inclusion and equality, that we revisit the values of the corporation.

I think it's also important that we talk about the roles – the cultural appropriation that was referenced about rolling out the movie, *Coco*, to emphasize Mexican-American and Mexican experiences, when we know the current political reality of our nation. And I hope that you all – you spoke, Chairman Iger, just now, about the importance of being in the room. Right now, we are all members of the Disney family and community in this room. And I think it's important that we have some of these tough conversations so that we can really acknowledge the work that we have to do, and not give lip service. Because when you, as a very powerful individual, and all 11 Board members, don't speak truth to power, it allows other folks to step in and fill that vacuum with evil, ugly, angry, hateful language that threatens not only the folks that you've hired in the corporation, but the tens of millions of families – little girls that look up to the princesses, young boys that can learn positive male role models – and not simply tokenize those images and terms.

So thanks for the consideration. I hope that some folks will look forward to the opportunity to vote on this knowing that the Board is against that proposal. Thank you.

Bob Iger – *Chairman and Chief Executive Officer, The Walt Disney Company*

Thank you. If I could just make a couple of comments on some items that you raised. First of all, on the *Moana* costume, I think that's an example of our values at work. When we determined that that costume would be culturally insensitive, it was immediately pulled from the marketplace. That's an example of the kind of values that I'm talking about, and how we apply



them. It would have been a mistake to take that product forward, when we discovered that – as soon as we discovered that, it was taken off the shelves in a variety of places that it was being sold.

In terms of values and our value system, and how we present them to the world, we have made a decision that the greatest impact that we can have in a company is when we infuse those values in our storytelling. When we put on a program like *Black-ish*, or a program like *Elena of Avalor*, or we have the diversity – the rich diversity – of the cast in *Rogue One* or *Star Wars: The Force Awakens*, or when we make a movie called *Zootopia*, which is about prejudice, that is when we can make the biggest difference in the world. That is when we can take these values, which we deem important societally, and actually change peoples' behavior – get people to be more accepting of the multiple differences and cultures and races and all other facets of our lives and our people. And so I hope as shareholders of the company that you appreciate that's where our values are most evident, and that's where we feel we can make the biggest difference on this planet.

In terms of my representation on the committee, and I don't think that I need to go over this again, but I can assure you that the values that we talk about will be articulated and represented in forums like that. It would be wrong if, as the Chairman and CEO of this company, on the one hand I talked about how important those values are, and then I didn't take the opportunity that I have been given to express the importance of those values and the need to continue to protect them to influential people not just in the United States, but around the world. I have an incredible opportunity as CEO of this company to have access to a significant number of government leaders around the world, and I assure you that the values that I speak of are expressed whenever I get the chance. Thank you.

But I also want you to know – I take your comments to heart. And I appreciate the fact that you've expressed them here today.



I believe that that concludes the business portion of the meeting. If there are no further comments, then it does conclude the consideration of all these items that were presented. And if anyone has not yet voted, and you're holding a ballot, please raise your hand and we'll collect them from you. The polls will now close. And I would ask the Inspector of Election to give us her report, based on the proxies that were received at the opening of the polls at today's meeting. The ballots and proxies that were handed out during the meeting will be reviewed and validated by the Inspector and included in the final vote tally. This final vote will be reflected in the minutes of the meeting, and in a report that we will file with the FCC within the next week. So, Inspector, may we have your preliminary report?

Belinda Massafra – *Representative, Broadridge*

Thank you, Mr. Chairman. For item #1, the election of directors, we have received proxies with at least 90% of the votes cast voting for each Director.

For item #2, ratification of the appointment of PricewaterhouseCoopers, we have received proxies for approximately 98% of shares represented at the meeting, voting to approve the appointment.

For item #3, relating to executive compensation, we have received proxies for approximately 84% of shares at the meeting, voting to approve the resolution.

For item #4, relating to frequency of votes on executive compensation, we have received proxies for approximately 92% of shares at the meeting voting to approve holding an annual vote.

For item #5, relating to lobbying disclosure, we have received proxies for approximately 32% of shares at the meeting voting to approve the proposal.



For item #6, relating to amendments to proxy access provisions, we have received proxies for approximately 27% of the shares at the meeting voting to approve the proposal.

And that concludes my report, Mr. Chairman.

Bob Iger — *Chairman and Chief Executive Officer, The Walt Disney Company*

Thank you very much. Based on that report and subject to the final confirmation of voting results by the Inspector of Election, I declare that all of the nominees for election to the Board have been duly elected. That the appointment of PricewaterhouseCoopers has been duly ratified. The advisory proposal on executive compensation was approved. That the proposal to hold votes on executive compensation annually was approved. And that neither of the shareholder proposals were approved.

This concludes the business portion of the meeting, which is now officially adjourned, and I'm now ready to take your questions.

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**Forward-Looking Statements:**

Management believes certain statements in this call may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are made on the basis of management’s views and assumptions regarding future events and business performance as of the time the statements are made. Management does not undertake any obligation to update these statements. Actual results may differ materially from those expressed or implied. Such differences may result from actions taken by the Company, including restructuring or strategic initiatives (including capital investments or asset acquisitions or dispositions), as well as from developments beyond the Company’s control, including:

- adverse weather conditions or natural disasters;
- health concerns;
- international, political, or military developments;
- technological developments; and
- changes in domestic and global economic conditions, competitive conditions and consumer preferences.

Such developments may affect travel and leisure businesses generally and may, among other things, affect:

- the performance of the Company’s theatrical and home entertainment releases;
- the advertising market for broadcast and cable television programming;
- expenses of providing medical and pension benefits;
- demand for our products; and
- performance of some or all company businesses either directly or through their impact on those who distribute our products.

Additional factors are set forth in the Company’s Annual Report on Form 10-K for the year ended October 1, 2016 and in subsequent reports on Form 10-Q under Item 1A, “Risk Factors”.

Reconciliations of non-GAAP measures to closest equivalent GAAP measures can be found at www.disney.com/investors.