The Walt Disney Company

# CORPORATE GOVERNANCE GUIDELINES

(As amended and restated by the Board of Directors through October 2014)

## COMPOSITION OF THE BOARD OF DIRECTORS

The Certificate of Incorporation of The Walt Disney Company provides that the Board of Directors shall consist of not less than nine or more than 21 Directors, with the exact number being determined from time to time by resolution of the Board. The Board believes that a desirable target number of Directors is 9 to 13, allowing, however, for changing circumstances that may warrant a higher or lower number.

It is the policy of the Board of Directors that the Board at all times reflect the following characteristics.

Each Director shall at all times represent the interests of the shareholders of the Company.

Each Director shall at all times exhibit high standards of integrity, commitment and independence of thought and judgment.

Each Director shall dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties, including by attending shareholder meetings and meetings of the Board and Committees of which he or she is a member, and by reviewing in advance all meeting materials.

The Board shall meet the standards of independence from the Company and its management set forth under "Director Independence" below.

The Board shall encompass a range of talent, skill and expertise sufficient to provide sound and prudent guidance with respect to all of the Company's operations and interests.

The Board shall reflect the diversity of the Company's shareholders, employees, customers, guests and communities.

## FUNCTIONS OF THE BOARD OF DIRECTORS

The responsibility of the Board of Directors is to supervise and direct the management of the Company in the interest and for the benefit of the Company's shareholders. To that end, the Board of Directors shall, acting directly or through Committees, have the following duties:

1. Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
2. Reviewing and, where appropriate, approving the Company's major financial objectives, plans and actions;
3. Reviewing and, where appropriate, approving major changes in, and determinations of other major issues respecting, the appropriate auditing and accounting principles

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and practices to be used in the preparation of the Company's financial statements;

4. Assessing major risk factors relating to the Company and its performance, and reviewing measures to address and mitigate such risks;
5. Regularly evaluating the performance and approving the compensation of the Chief Executive Officer and, with the advice of the Chief Executive Officer, regularly evaluating the performance of principal senior executives; and
6. Planning for succession with respect to the position of Chief Executive Officer and monitoring management's succession planning for other key executives.
7. The Board of Directors has delegated to the Chief Executive Officer, working with the other executive officers of the Company and its affiliates, the authority and responsibility for managing the business of the Company in a manner consistent with the standards of the Company, and in accordance with any specific plans, instructions or directions of the Board.

The Chief Executive Officer shall seek the advice and, in appropriate situations, the approval of the Board with respect to extraordinary actions to be undertaken by the Company, including those that would make a significant change in the financial structure or control of the Company, the acquisition or disposition of any significant business or the entry of the Company into a major new line of business.

## DIRECTOR INDEPENDENCE

It is the policy of the Board of Directors that a substantial majority of Directors be independent of the Company and of the Company's management. For a Director to be deemed "independent," the Board shall affirmatively determine that the Director has no material relationship with the Company or its affiliates or any member of the senior management of the Company or his or her affiliates. This determination shall be disclosed in the proxy statement for each annual meeting of the Company's shareholders. In making this determination, the Board shall apply the following standards:

- A Director who is, or has been within the last three years, an employee of the Company, or whose immediate family member is, or has been within the last three years an executive officer of the Company, may not be deemed independent. Employment as an interim Chairman or Chief Executive Officer will not disqualify a Director from being considered independent following that employment.

- A Director who has received, or who has an immediate family member who has received, during any twelve-month period within the last three years, more than $120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), may not be deemed independent. Compensation received by a Director for former service as an interim Chairman or Chief Executive Officer and compensation received by an immediate family member for service as a non-executive employee of the Company will not be considered in determining independence under this

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- (A) A Director who is a current partner or employee of a firm that is the Company's external auditor; (B) a Director who has an immediate family member who is a current partner of such firm; (C) a Director who has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (D) a Director who was, or whose immediate family member was, within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time may not be deemed independent.

- A Director who is, or whose immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the time serves or served on that company's compensation committee may not be deemed independent.

- A Director who is a current employee or general partner, or whose immediate family member is a current executive officer or general partner, of an entity that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million or 2% of such other entity's consolidated gross revenues, may not be deemed independent.

Further to the provision above that applies to goods and services generally, a Director may not be deemed independent if

1. the Director or his or her spouse, parent, sibling or child is a provider of professional services (such as legal, accounting or investment banking services) to the Company, any of its affiliates, any executive officer or any affiliate of an executive officer,
2. the Director or his or her spouse is an executive officer, general partner or significant equity holder (i.e., in excess of 10%) of an entity that provides professional services to the Company, any of its affiliates, any executive officer or any affiliate of an executive officer, or
3. the Director's parent, sibling or child is an executive officer, general partner or significant equity holder (i.e., in excess of 10%) who participates substantively in an entity's provision of professional services to the Company, any of its affiliates, any executive officer or any affiliate of an executive officer,

and the Director, family member or entity received payments with respect to such services in an amount which, in the preceding twelve months, exceeded $100,000.

- A Director who is, or whose immediate family member is employed as an executive officer of a tax-exempt entity that received significant contributions (i.e., more than 2% of the annual revenues received by the entity or more than $200,000 in a single fiscal year, whichever amount is lower) from the Company, any of its affiliates, any executive officer or any affiliate of an executive officer within the preceding twelve-month period may not be deemed independent, unless the contribution was approved in advance by the Board of Directors.

In addition, in affirmatively determining the independence of any Director who will

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serve on the Compensation Committee, the Board must consider all factors specifically relevant to determining whether a Director has a relationship with the Company that is material to that Director's ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to:

1. the source of compensation of such Director, including any consulting, advisory or other compensatory fee paid by the Company to such Director; and
2. whether such Director is affiliated with the Company or any of its affiliates.

For purposes of these Guidelines, the terms:

- "affiliate" means any consolidated subsidiary of the Company and any other Company or entity that controls, is controlled by or is under common control with the Company, as evidenced by the power to elect a majority of the board of directors or comparable governing body of such entity;

- "executive officer" means an "officer" within the meaning of Rule 16a-1(f) under the Securities Exchange Act of 1934; and

- "immediate family" means spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than employees) sharing a person's home, but excluding any person who is no longer an immediate family member as a result of legal separation or divorce, or death or incapacitation.

The Board shall undertake an annual review of the independence of all non-employee Directors. In advance of the meeting at which this review occurs, each non-employee Director shall be asked to provide the Board with full information regarding the Director's business and other relationships with the Company and its affiliates and with senior management and their affiliates to enable the Board to evaluate the Director's independence.

Directors have an affirmative obligation to inform the Board of any material changes in their circumstances or relationships that may impact their designation by the Board as "independent." This obligation includes all business relationships between, on the one hand Directors or members of their immediate family, and, on the other hand, the Company and its affiliates or members of senior management and their affiliates, whether or not such business relationships are subject to the approval requirement of the Board's policy referred to in the following provision.

## BUSINESS RELATIONSHIPS WITH DIRECTORS

For the purpose of minimizing the risk of actual or perceived conflicts of interest (but without affecting any determination of Director independence pursuant to the preceding provisions), the Board shall adopt a policy providing for the review of transactions with the Company or any of its affiliates in which any Director (including any member of a Director's immediate family) has a direct or indirect material interest.

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## STOCK OWNERSHIP BY DIRECTORS

It is the policy of the Board that all Directors, consistent with their responsibilities to the shareholders of the Company as a whole, hold a significant equity interest in the Company. Toward this end, the Board expects that all Directors own, or acquire within three years of first becoming a Director, shares of common stock of the Company (including share units under the Company's 1997 Non-Employee Directors Stock and Deferred Compensation Plan, or any successor plan) having a market value of at least five times the annual Board retainer for the Director.

The Board recognizes that exceptions to this policy may be necessary or appropriate in individual cases, and may approve such exceptions from time to time as it deems appropriate in the interest of the Company's shareholders.

## DIRECTOR COMPENSATION

The compensation of Directors who are not employees of the Company shall be determined annually by the Board of Directors acting upon recommendation of the Governance and Nominating Committee, which may obtain the advice of such experts as the Committee deems appropriate. Compensation may be paid in the form of cash or equity interests in the Company or such other forms as the Board deems appropriate and shall be at levels that are consistent with those in effect for directors of similarly situated businesses. Separate compensation may be provided to members of Committees of the Board and additional compensation may be provided to the chairs of Committees, to any non-executive Chairman of the Board and to any independent Lead Director. Directors who are also employees of the Company shall not receive any additional compensation for their service as Directors.

## BOARD LEADERSHIP

The Board of Directors shall designate one of its members to serve as Chairman of the Board. The powers and responsibilities of the Chairman of the Board shall be set forth in the Corporation's By-laws, as supplemented from time to time by resolution of the Board of Directors.

The Chairman of the Board shall serve for such term as the Board shall determine. The identity of the Chairman shall be set forth in the proxy statement for the Company's annual meeting, together with a method for interested parties to communicate directly with the Chairman or with the non-management Directors as a group.

The Chairman of the Board shall in the normal course be an independent director unless the Board concludes that, in light of the circumstances then present when any such decision is made, the best interests of shareholders would be otherwise better served. In any circumstances in which the Board determines that the best interests of shareholders would be better served by a Chairman that is not an independent director, the Board shall (a) provide a written statement in its next proxy materials discussing why the different arrangement is in the best interests of shareholders, (b) in connection with each proxy statement thereafter for an annual meeting after which the Board expects the arrangement to continue, determine whether the arrangement remains in the best

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interests of shareholders and include a written statement in the proxy materials giving the reasons for this determination, and (c) designate one independent Director to serve as Lead Director, with the duties and responsibilities described below.

In the event the Board makes a determination that it is in the best interests of shareholders for a non-independent Board member to serve as Chairman, the independent members of the Board, after consulting with all members of the Board, shall elect an independent director to serve as Lead Director, with the following duties and responsibilities: Preside at all meetings of the Board of Directors at which the Chairman is not present, including executive sessions of non-management or independent directors; call meetings of the independent or non-management Directors; serve as liaison between the Chairman and the independent and non-management Directors; advise as to the scope, quality, quantity and timeliness of information sent to the Board of Directors; in collaboration with the Chief Executive Officer and Chairman and with input from other members of the Board develop and have final authority to approve meeting agendas for the Board of Directors, including assurance that there is sufficient time for discussion of all agenda items; organize and lead the Board's evaluation of the Chief Executive Officer; be responsible for leading the Board's annual self-assessment; be available for consultation and direct communication upon the reasonable request of major shareholders; advise Committee Chairs with respect to agendas and information needs relating to Committee meetings; provide advice with respect to the selection of Committee Chairs; and perform such other duties as the Board may from time to time delegate to assist the Board in the fulfillment of its responsibilities. The Lead Director will be elected annually, and no Director shall serve more than five terms as Lead Director unless the Board determines that it is appropriate to extend this limit.

## MANAGEMENT SUCCESSION AND REVIEW

Periodically, but no less frequently than once a year, the Chief Executive Officer of the Company shall meet with the non-management Directors to discuss potential successors as Chief Executive Officer. The non-management Directors shall meet in executive session following such presentations to consider such discussions. The Chief Executive Officer shall also have in place at all times a confidential written procedure for the timely and efficient transfer of his or her responsibilities in the event of his or her sudden incapacitation or departure, including recommendations for longer-term succession arrangements. The Chief Executive Officer shall review this procedure periodically with the Chairman of the Board (and the independent Lead Director, if any) and the Governance and Nominating Committee.

The Chief Executive Officer shall also review periodically with the non-management Directors the performance of other key members of the senior management of the Company, as well as potential succession arrangements for such management members. Any waiver of the requirements of the Company's Standards of Business Conduct with respect to any such member of senior management shall be reported to, and be subject to the approval of, the Board of Directors.

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## BOARD MEETINGS

The Chairman of the Board, in consultation with the other members of the Board, shall determine the timing and length of the meetings of the Board. The Board expects that five regular meetings at appropriate intervals are in general desirable for the performance of the Board's responsibilities. In addition to regularly scheduled meetings, unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company.

With respect to each meeting, each Director shall be entitled to suggest the inclusion of items on the agenda, request the presence of or a report by any member of the Company's senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

The agendas for Board meetings shall provide opportunities for the operating heads of the major businesses of the Company to make presentations to the Board during the course of the year. At one meeting each year the Board shall be presented the long-term strategic plan for the Company and the principal issues that the Company expects to face in the future. Sufficient time shall be allocated for this presentation to allow for questions by and full discussion with the members of the Board.

The non-management Directors shall meet regularly, in executive session, without the participation of the Chief Executive Officer or other members of the Company's management, to review matters concerning the relationship of the Board with the management Directors and other members of the Company's management and such other matters as the Chairman (or the independent Lead Director, as appropriate) and participating Directors may deem appropriate. The Board shall not take formal actions at such sessions, although the participating Directors may make recommendations for consideration by the full Board. Additional executive sessions may be scheduled from time to time as determined by a majority of the non-management Directors in consultation with the Chairman (or the independent Lead Director, as appropriate). In addition, at least once a year, the independent Directors shall meet in executive session without members of management or the non-independent Directors present.

## BOARD COMMITTEES

Committees shall be established by the Board from time to time to facilitate and assist in the execution of the Board's responsibilities. Committees may be standing or ad hoc. Generally, a Committee shall be constituted to address issues that, because of their complexity, technical nature, level of detail, time requirements and/or sensitivity, cannot be adequately addressed within the normal agenda for Board meetings.

There are currently four standing committees:

- Executive Committee
- Audit Committee
- Compensation Committee

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- Governance and Nominating Committee

Each Committee shall have a written charter of responsibilities, duties and authorities, which shall periodically be reviewed by the Board. Each Committee shall report to the full Board with respect to its activities, findings and recommendations after each meeting.

Each Committee shall have full power and authority, in consultation with the Chairman of the Board, to retain the services of such advisers and experts, including counsel, as the Committee deems necessary or appropriate with respect to specific matters within its purview.

## COMMITTEE MEMBERSHIP

Each year, the Chairman of the Board, after consideration of the desires, experience and expertise of individual Directors and after consultation with the Chief Executive Officer and the independent Lead Director as applicable, shall recommend to the Governance and Nominating Committee the assignment of Directors to Committees, including the designation of Committee Chairs. The Governance and Nominating Committee shall review such recommendations and report to the Board thereon.

In acting upon such recommendation and report, the full Board shall consider that the target size of each Committee should be three to five members, unless circumstances call for an exception. The full Board should also consider periodic rotation of Committee members, taking into account the desirability of rotation of Committee members, the benefits of continuity and experience and applicable legal, regulatory and stock exchange listing requirements. In addition, the Board should target rotation of Committee chairmanships approximately every five years.

The Audit, Compensation and Governance and Nominating Committees shall be composed entirely of Directors who are independent under these Guidelines and any applicable regulatory requirements or listing standards. The Executive Committee shall include the Chief Executive Officer of the Company. At least half of its members shall be independent Directors.

If any Director ceases to be independent under the standards set forth herein while serving on any Committee whose members must be independent, he or she shall promptly resign from that Committee.

## COMMITTEE MEETINGS

Each Committee Chair, after consultation with the Chairman of the Board, shall establish agendas and set meetings at the frequency and length appropriate and necessary to carry out the Committee's responsibilities.

Any Director who is not a member of a particular Committee may attend any Committee meeting with the concurrence of the Committee Chair or a majority of the members of the Committee.

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## BOARD MATERIALS

Directors shall receive information and data that are important to their understanding of the businesses of the Company, in writing, and in sufficient time to prepare for meetings. This material shall be as brief as possible while still providing the desired information; it shall be analytic as well as informational; and it shall include highlights and summaries whenever appropriate. Directors may request that the Chief Executive Officer or appropriate members of senior management present to the Board information on specific topics relating to the Company and its operations. The Board of Directors may retain the services of independent advisors as it deems appropriate, and any such advisors shall report directly to the Board. The cost of any such advisors shall be borne by the Company.

Directors are encouraged to keep themselves informed with respect to the Company's affairs between Board meetings through direct individual contacts with members of the senior management of the Company and its affiliates. The Secretary of the Company shall, whenever requested, assist in arranging and facilitating such contacts.

## BOARD CONDUCT AND REVIEW

Members of the Board of Directors shall act at all times in accordance with the requirements of the Company's Code of Business Conduct and Ethics for Directors. This obligation shall at all times include, without limitation, strict adherence to the Company's policies with respect to conflicts of interest, confidentiality, protection of the Company's assets, ethical conduct in all business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Code of Business Conduct and Ethics for Directors with respect to any individual Director shall be reported to, and be subject to the approval of, the Board of Directors.

The Board shall conduct an annual review and evaluation of its conduct and performance based upon participation by all Directors in an evaluation that includes, among other things, an assessment of:

1. the Board's composition and independence;
2. the Board's access to and review of information from management, and the quality of such information;
3. the Board's responsiveness to shareholder concerns;
4. maintenance and implementation of the Company's standards of conduct; and
5. maintenance and implementation of these Guidelines.

The review shall seek to identify specific areas, if any, in need of improvement or strengthening and shall culminate in a discussion by the full Board of the results and any actions to be taken. The Governance and Nominating Committee shall have responsibility for ensuring that the annual review and evaluation are carried out.

## SELECTION OF NEW DIRECTORS

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The Board shall be responsible for selecting its own members. The Board delegates the screening process for new Directors to the Governance and Nominating Committee.

In selecting new Directors, the Board shall give the highest priority to meeting the standards and qualifications set forth at the beginning of these Guidelines. In this connection, the Board shall seek candidates whose service on other boards will not adversely affect their ability to dedicate the requisite time to service on this Board. The Board believes that Directors who are full-time employees of other companies should not serve on more than three other public company boards at a time, and that Directors who are retired from active employment should not serve on more than six such boards. The Board may, however, make exceptions to this standard as it deems appropriate in the interest of the Company's shareholders.

The Company shall assist the Board by providing appropriate orientation programs for new Directors, which shall be designed both to familiarize new Directors with the full scope of the Company's businesses and key challenges and to assist new Directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. The Board and the Company's management shall similarly work together to develop and implement appropriate continuing education programs for the same purposes.

## BOARD TENURE POLICY

The Board recognizes that it is important for the Board to balance the benefits of continuity with the benefits of fresh viewpoints and experience. Therefore, the Board will not nominate for re-election any non-management Director if the Director shall have completed fifteen years of service as a member of the Board on or prior to the date of the election as to which the nomination relates.

Unless its submission with respect to a certain event is waived by the Board, each non-management Director shall submit to the Board a letter of resignation upon resignation or retirement from, or termination of, the Director's principal current employment, or other similarly material changes in professional occupation or association. The Board shall be free to accept or reject this letter of resignation, and shall act promptly with respect to the letter and promptly notify the Director concerned of its decision.

## SOCIAL RESPONSIBILITY

The Company has a responsibility to the communities in which it operates, as well as to its shareholders. To allow appropriate Board review and input, management shall prepare and present to the Board a periodic review of the policies, practices and contributions made in fulfillment of the Company's social responsibilities. In addition, management shall report annually on its diversity efforts and the results thereof.

## IMPLEMENTATION OF THE GUIDELINES

If the Board ascertains at any time that any of the Guidelines set forth herein are not in full force and effect, the Board shall take such action as it deems reasonably necessary to

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assure full compliance as promptly as practicable.

These Guidelines are intended as a component of the flexible framework within which the Board, assisted by its Committees, directs the affairs of the Company. While they should be interpreted in the context of applicable laws, regulations and listing requirements, as well as in the context of the Company's Certificate of Incorporation and By Laws, they are not intended to establish by their own force any legally binding obligations.

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