The Office Of
State Treasurer
Denise L. Nappier

News

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TREASURER NAPPIER CALLS FOR VOTE AGAINST DISNEY BOARD MEMBERS

- Investors Want CEO and Chairmanship Jobs Kept Separate -

HARTFORD, CT – State Treasurer Denise L. Nappier called on Disney shareholders today to vote against the reelection of members of the company's Nominating and Governance Committee for reversing its policy of having an independent board chairman.

In October, the Disney Board of Directors announced its intention to undo its policy that kept the chief executive officer (CEO) and board chairman positions from being held by one person. That policy was adopted in January 2005, after Treasurer Nappier filed a shareholder resolution calling for corporate governance reforms at Disney. The resolution was dropped when the company agreed to change its corporate governance guidelines and split the CEO and chairman roles.

"It is quite disturbing that Disney has chosen to embrace a regressive policy that could impair the board's role to oversee executive management on behalf of shareholders," Treasurer Nappier said. "We still are recovering from the unprecedented market meltdown in 2009, which was fueled in part by some corporate boards that failed to effectively manage risk. For many of these boards, a CEO/Chair structure was in place, and unfettered greed on the part of executive management trumped the general interests of shareholders."

Disney shareholders are currently voting by proxy as part of the annual board of director elections. On March 13th, tallies will be announced at the Disney Annual meeting in Kansas City. At the conclusion of the meeting, John Pepper will retire as chairman of Disney's Board of Directors, and the company's CEO, Robert Iger, will assume the chairmanship.

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"What were the members of the Disney Nominating and Governance Committee thinking when they decided to return to the old board leadership structure? Before these positions were unbundled, the company had a beleaguered CEO and its performance struggled mightily," Treasurer Nappier said. "It's time to clean house and replace these directors with visionary board members who favor good governance practices, and who are truly committed to serving in the best interest of the company and its shareholders."

Treasurer Nappier called on Disney shareholders to vote to remove Judith L. Estrin; Aylwin B. Lewis; Robert W. Matschullat; and Sheryl K. Sandberg -- members of the company's Board of Directors as well as the committee that oversees its corporate governance guidelines.

Institutional Shareholder Services, one of the largest and most influential proxy advisory services, also recommended that Disney shareholders vote out the four board members.

Treasurer Nappier is principal fiduciary of the $24.2 billion Connecticut Retirement Plans and Trust Funds (CRPTF), which hold more than 642,000 shares of the Walt Disney Company worth approximately $27 million.

Last October, after the company announced its intention to give both roles to Mr. Iger, Treasurer Nappier wrote to board chair John Pepper expressing her extreme disappointment in this action.

"Mr. Pepper called me in response to the letter, but was unconvincing in expressing the company's rationale for abandoning this corporate governance best practice," Treasurer Nappier said. "The reasons to keep one person from holding these two positions are as sound today as they were in January 2005 when the governance change was adopted by the Board."

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