WALT DISNEY CO/
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January 16, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

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Check the appropriate box:

o Preliminary Proxy Statement

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The Walt Disney Company

(Name of Registrant as Specified In Its Charter)

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January 16, 2015

Dear Fellow Shareholder,

I am pleased to invite you to our 2015 Annual Meeting of shareholders, which will be held on Thursday, March 12, 2015, at 10 a.m. at the Palace of Fine Arts Theatre in San Francisco, California.

At the meeting, we will be electing 10 members of our Board of Directors. We will also be considering ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accountants, an advisory vote to approve executive compensation and two shareholder proposals.

You may vote your shares using the Internet or the telephone by following the instructions on page 63 of the proxy statement. Of course, you may also vote by returning a proxy card or voting instruction form if you received a paper copy of this proxy statement.

If you wish to attend the meeting in person, you will need to obtain an admission ticket in advance. You can obtain a ticket by following the instructions on page 64 of the proxy statement. If you cannot attend the meeting, you can still listen to the meeting, which will be webcast and available on our Investor Relations website.

Thank you very much for your continued interest in The Walt Disney Company.

Sincerely,

Robert A. Iger
Chairman and Chief Executive Officer

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The 2015 Annual Meeting of shareholders of The Walt Disney Company will be held:

Thursday, March 12, 2015
10:00 a.m. Local Time
Palace of Fine Arts Theatre
3301 Lyon Street
San Francisco, California 94123

The items of business are:

1. Election of the ten nominees named in the proxy statement as Directors, each for a term of one year.
2. Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accountants for fiscal 2015.
3. Consideration of an advisory vote to approve executive compensation.
4. Consideration of up to two shareholder proposals, if presented.

Shareholders of record of Disney common stock (NYSE: DIS) at the close of business on January 12, 2015, are entitled to vote at the meeting and any postponements or adjournments of the meeting. A list of these shareholders is available at the offices of the Company in Burbank, California.

January 16, 2015
Burbank, California

Alan N. Braverman
Senior Executive Vice President,
General Counsel and Secretary

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on March 12, 2015

The proxy statement and annual report to shareholders and the means to vote by Internet are available at *www.ProxyVote.com*.

Your Vote is Important

Please vote as promptly as possible by using the Internet or telephone or by signing, dating and returning the Proxy Card mailed to those who receive paper copies of this proxy statement.

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The Walt Disney Company (500 South Buena Vista Street, Burbank, California 91521) is providing you with this proxy statement relating to its 2015 Annual Meeting of shareholders. We began mailing a notice on January 16, 2015 containing instructions on how to access this proxy statement and our annual report online, and we also began mailing a full set of the proxy materials to shareholders who had previously requested delivery of the materials in paper copy. References to "the Company" or "Disney" in this Proxy Statement refer to The Walt Disney Company and its consolidated subsidiaries.

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Proposals to be Voted On

The following proposals will be voted on at the Annual Meeting of shareholders.

Proposal	For More Information	Board Recommendation
Proposal 1: Election of ten directors Susan E. Arnold, Aylwin B. Lewis, John S. Chen, Monica C. Lozano, Jack Dorsey, Robert W. Matschullat, Robert A. Iger, Sheryl K. Sandberg, Fred H. Langhammer, Orin C. Smith	Pages 53 to 57	For Each Nominee
Proposal 2: Ratification of appointment of independent registered public accountants	Page 57	For
Proposal 3: Advisory vote on executive compensation	Page 58	For
Proposal 4: Shareholder proposal on independent board chairman	Pages 58 to 60	Against
Proposal 5: Shareholder proposal on acceleration of equity awards	Pages 60 to 62	Against

You may cast your vote in any of the following ways:

Internet		Phone	Mail	In Person
Visit www.ProxyVote.com. You will need the 16-digit number included in your proxy card, voter instruction form or notice.	You can scan this QR code to vote with your mobile phone. You will need the 16-digit number included in your proxy card, voter instruction form or notice.	Call 1-800-690-6903 or the number on your voter instruction form. You will need the 16-digit number included in your proxy card, voter instruction form or notice.	Send your completed and signed proxy card or voter instruction form to the address on your proxy card or voter instruction form.	See below regarding Attendance at the Meeting.

Attendance at the Meeting

If you plan to attend the meeting, you must be a shareholder on the record date and obtain an admission ticket in advance following the instructions set forth on page 64 of this proxy statement. Tickets will be available to registered and beneficial owners and to one guest accompanying each registered or beneficial owner.

Requests for admission tickets will be processed in the order in which they are received and must be requested no later than March 5, 2015. Please note that seating is limited and requests for tickets will be accepted on a first-come, first-served basis. On the day of the meeting, each shareholder will be required to present valid picture identification such as a driver's license or passport with their admission ticket. Seating will begin at 9:00 a.m. and the meeting will begin at 10:00 a.m. Cameras (including cell phones with photographic capabilities), recording devices and other electronic devices will not be permitted at the meeting. You will be required to enter through a security check point before being granted access to the meeting.

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This summary provides highlights of certain information in this proxy statement. As it is only a summary, please review the complete proxy statement and 2014 annual report before you vote.

Disney's extraordinary performance in fiscal 2014 continues our long track record of creating sustainable value for our shareholders. Executive compensation in fiscal 2014 reflected this extraordinary performance, while annual fluctuations in executive compensation over recent years demonstrate the rigor of our pay-for-performance approach.

Fiscal 2014 Performance

Driven by strong results across all segments, Disney delivered exceptional performance in fiscal 2014, representing the strongest year-over-year growth in operating income and earnings per share since fiscal 2007, the year after we acquired Pixar.

This performance was especially notable as it built on record revenue, net income and earnings per share in the preceding three years, extending the Company's track record of creating value for our shareholders.

In fiscal 2014, on a year-over-year basis:

- Earnings per share (EPS) grew 26%
- Net income grew 22%
- Segment operating income grew 21%*
- Revenue grew 8%

In three of the four key operating and financial metrics, the year-over-year growth rate was more than 2.5 times last year's growth rate.

Growth Rate

* For a reconciliation of segment operating income to net income, see Annex A.

In fiscal 2014, we delivered growth in operating income across all segments, with the Interactive segment achieving annual profitability for the first time.

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Operating Income by Segment

This performance helped drive strong total shareholder returns (TSR) in fiscal 2014 relative to the TSR of the S&P 500. Additionally, the Company has dramatically outperformed the S&P 500 for the one-, three-, five- and ten-year periods ending in fiscal 2014.

1-, 3-, 5- and 10-Year TSR, DIS vs. S&P 500

We also significantly outperformed our Media Peers (used for contractual benchmarking purposes as described on pages 19 to 20), for the one-, three- and ten-year periods. Our TSR performance for the five-year period fell slightly short of our Media Peers' primarily due to the relatively strong performance of our stock during the financial crisis. During fiscal 2008 and 2009, our stock declined only 21% compared to an average decline of 38% for the other companies in the group. As a result, Disney's stock began the five-year performance period at a higher level relative to the other companies. When evaluated over 10 years, our TSR of 350% vastly outperformed the Media Peers TSR of 222%.

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1-, 3-, 5- and 10-Year TSR, DIS vs. Media Peers

* Market cap-weighted TSR for The Walt Disney Company, CBS, Twenty-First Century Fox, Time Warner, Viacom, and Comcast

Extension of Mr. Iger's Tenure

Over the course of his tenure as Chief Executive Officer, Mr. Iger has driven spectacular financial performance and created significant shareholder value, with Disney's market capitalization increasing 229% from $45.8 billion when Mr. Iger became Chief Executive Officer in October 2005 to $150.5 billion at the end of fiscal 2014. Since fiscal 2005, Disney has achieved exceptional financial performance highlighted by:

- 13% compounded annual growth (CAGR) in income from continuing operations
- 15% CAGR in diluted EPS

317% increase in total shareholder returns, which represents significant outperformance relative to the S&P 500 and media peers, which achieved 95% and 198% respectively, over this period

Income from Continuing Operations Attributable to Disney

Before the Cumulative Effect of Accounting Changes

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Diluted EPS (Reported)

TSR from Sept. 30, 2005 - Sept. 26, 2014

* Market cap-weighted TSR for The Walt Disney Company, CBS, Twenty-First Century Fox, Time Warner, Viacom, and Comcast

During 2014, the Board initiated discussions with Mr. Iger to explore extending his tenure as Chairman and Chief Executive Officer, with particular focus on two key initiatives, Shanghai Disney Resort and Lucasfilm. The Board believed Mr. Iger's continued leadership would be uniquely valuable through both the first several years of operation of the Shanghai Disney Resort and the Company's launch of the Star Wars franchise through the development of *Star Wars: The Force Awakens* and the subsequent sequels and standalone films. The Board's decision to explore this extension was strongly supported by the confidence Disney's shareholders have expressed in Mr. Iger's leadership and his track record of performance.

The Board was pleased to announce in October that they reached an agreement with Mr. Iger to secure his leadership as Chairman and CEO through June 2018.

To provide an incentive for Mr. Iger to agree to a contract extension and to stay through the end of the extended term, the Board offered Mr. Iger the opportunity to earn a performance-based retention award aligned with growth in operating income. The award will only be earned if a targeted level of cumulative adjusted operating income from fiscal 2014 through fiscal 2018 is achieved. The Board believes the growth in operating income represented by the targeted level will benefit shareholders through meaningful growth in shareholder value. The details of this incentive are set out on page 29 of this proxy statement.

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Compensation Structure and Philosophy

We summarize the Committee's compensation philosophy and address Mr. Iger's compensation below. We provide a more detailed explanation of our compensation program, Mr. Iger's compensation and the compensation of other named executive officers in the Compensation Discussion and Analysis beginning on page 19.

The Compensation Committee firmly believes in pay-for-performance. Over 90% of Mr. Iger's target annual total direct compensation (and approximately 80% of the target total direct compensation of other named executive officers) depends on the Company's financial results and the performance of Disney stock.

Base salary is the only fixed element of Mr. Iger's compensation. Substantially all other annual compensation breaks into two performance-based categories:

- A performance-based annual cash bonus opportunity that is:
  - (a) 70% dependent on achievement of performance against four financial measures (segment operating income, diluted EPS, after-tax free cash flow and return on invested capital), all of which the Committee believes drive long-term shareholder value creation; and
  - (b) 30% dependent on the Compensation Committee's assessment of individual contributions toward achievement of pre-defined qualitative goals tied to the Company's strategic priorities.
- An annual equity award, which for the Chief Executive Officer is comprised of 50% options and 50% performance-based units. The realized option value depends on the performance of Disney stock and the realized performance-unit value depends on three-year achievement of relative TSR and EPS performance.

Fiscal 2014 Chief Executive Officer Compensation

The Committee's pay-for-performance compensation program, and its sensitivity to varying levels of financial performance, is reflected in the fluctuations in Mr. Iger's compensation over the last three years. Each year, the Compensation Committee sets the financial performance ranges and determines the qualitative performance that factors into the annual bonus. In fiscal 2013, although the Company achieved growth in diluted earnings per share, net income and segment operating income, those strong results did not over-index against the established performance ranges to the same degree as they did in fiscal 2012, leading to a year-to-year reduction in compensation. In fiscal 2014, the opposite occurred as the Company substantially overperformed against the ranges established by the Committee, leading to meaningful year-to-year compensation growth under the performance based program.

The following graph shows Mr. Iger's total compensation in fiscal 2012, 2013 and 2014 in relation to segment operating income (OI) and adjusted earnings per share growth in each of those years.

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CEO Compensation vs. OI and Adjusted EPS Growth

* Reconciliations of segment operating income to net income and earnings per share excluding certain items (adjusted EPS) to reported earnings per share are set forth in Annex A.

Viewed from a somewhat different perspective, over this period, on a compounded annual basis, Mr. Iger's total compensation grew 7.5%, while, in contrast, segment operating income grew 14.2% and earnings per share grew 18.6%.

Details regarding each of the Committee's decisions regarding Mr. Iger's fiscal 2014 compensation are set out below.

Salary: The Compensation Committee left Mr. Iger's salary for fiscal 2014 unchanged.

Equity Awards: The Compensation Committee left the reported value of Mr. Iger's equity awards for fiscal 2014 unchanged from the reported value in fiscal 2013 and 2012. Half of this equity award is in the form of performance-based stock units and half is in the form of stock options.

Non-Equity Incentive Plan Compensation: Mr. Iger's performance-based cash bonus of $22.8 million reflects performance against the four financial performance measures and pre-defined qualitative goals as discussed below:

Financial Performance Measures: The Compensation Committee sets aggressive performance ranges for the four financial performance measures which are used to determine 70% of each named executive officer's bonus award and which required overall growth in financial performance in order to maintain or exceed prior-year bonus levels. The exceptional financial performance in fiscal 2014 drove growth against these financial measures:

- Segment operating income grew 21.3% off of 7.6% growth in fiscal 2013.
- Adjusted earnings per share grew 27.4% off of 10.4% growth in the prior year.
- Return on invested capital grew 160 basis points to 12.1%.
- After-tax free cash flow grew 0.8% to $7.6 billion, which represented continued strong performance off of the 57.7% increase in fiscal 2013.

This outstanding performance generated a performance factor equal to the maximum of 200% for each of the measures except after-tax free cash flow, which generated a factor of 134%. The weighted financial performance factor was 186% compared to 112% in fiscal 2013.

Other Performance Factors: The Committee applied a factor of 200% to Mr. Iger's qualitative performance in fiscal 2014 versus 115% in fiscal 2013. This factor reflected the Committee's determination that Mr. Iger's leadership in articulating and implementing the Company's long-term strategy was a substantial driver of the extraordinary results in fiscal 2014 and continued to position the Company for future growth. Key accomplishments demonstrating this leadership included creative successes in the Company's filmed entertainment and the successful management of the franchise value of that content throughout the Company, the continued successful integration of the Star Wars franchise across the Company, and continued investment in a variety of areas to position the Company for further growth.

In the most recent fiscal year (2013) for which there is full compensation data, Mr. Iger's reported compensation approximated the median of reported compensation for the Media Peers ($34.3 million versus a median of $32.5 million). It is important to note that Mr. Iger's compensation approximated the median of peers despite the fact that Disney has a higher market capitalization, more employees, more diverse business segments and a more extensive global footprint than any of the Media Peers and greater revenue and operating income than all but one of the Media Peers.

Additional details on our compensation program and fiscal 2014 compensation can be found in the Executive Compensation section of this proxy statement beginning on page 19.

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Shareholder Proposals

In this year's proxy statement, you will find two shareholder proposals, one requiring an independent Board chair and one related to acceleration of equity awards on a change in control. The Board recommends against each of these proposals.

Independent Board Chairman: The proposal asks the Board to adopt a policy requiring the Chair of the Board of Directors to be an independent Board member unless no independent director is available and willing to serve as Chair. The Board recommends against this proposal because it seeks to replace the Company's balanced approach to Board leadership with an inflexible approach that does not permit the Board, regardless of circumstance, to exercise judgment about which arrangements would best serve the interests of shareholders.

Acceleration of Equity Awards on a Change in Control: The proposal asks the Board to limit acceleration of equity awards following a change in control to pro-rata acceleration. The Board recommends against this proposal because it believes the current structure appropriately aligns the interests of executives and shareholders.

- We currently have a double trigger (equity is accelerated following a change in control only if a participant's employment is also terminated).
- Reduction of the value of equity awards by pro-rata acceleration following a change in control could create incentives in the negotiation and implementation of a change in control transaction that would conflict with investor interests in the transaction.
- Pro-rata acceleration would also erode the incentive that equity awards create to remain with the Company, raising the risk of departure of valuable employees.

Moreover, acceleration of vesting on a change in control is standard practice among public companies. Adoption of the proposal runs a risk of losing employees to competitors and that risk could be mitigated only by incurring the significant cost of compensating each of the 6,000 participants in our plans for the loss of value arising from adoption of pro-rata acceleration.

You can read our detailed positions on these proposals at pages 58 to 62.

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Governing Documents

The Board of Directors has adopted *Corporate Governance Guidelines*, which set forth a flexible framework within which the Board, assisted by its Committees, directs the affairs of the Company. The *Guidelines* address, among other things, the composition and functions of the Board of Directors, director independence, stock ownership by and compensation of Directors, management succession and review, Board leadership, Board Committees and selection of new Directors.

The Company has *Standards of Business Conduct*, which are applicable to all employees of the Company, including the principal executive officer, the principal financial officer and the principal accounting officer. The Board has a separate *Code of Business Conduct and Ethics for Directors*, which contains provisions specifically applicable to Directors.

Each Committee on the Board of Directors is governed by a charter adopted by the Board of Directors.

The *Corporate Governance Guidelines*, the *Standards of Business Conduct*, the *Code of Business Conduct and Ethics for Directors* and each of the Committee charters are available on the Company's Investor Relations website under the "Corporate Governance" heading at *www.disney.com/investors* and in print to any shareholder who requests them from the Company's Secretary. If the Company amends or waives the *Code of Business Conduct and Ethics for Directors* or the *Standards of Business Conduct* with respect to the chief executive officer, principal financial officer or principal accounting officer, it will post the amendment or waiver at the same location on its website.

The Board of Directors

The current members of the Board of Directors are:

Susan E. Arnold	Aylwin B. Lewis
John S. Chen	Monica C. Lozano
Jack Dorsey	Robert W. Matschullat
Robert A. Iger	Sheryl K. Sandberg
Fred H. Langhammer	Orin C. Smith

The Board met seven times during fiscal 2014. Each current Director attended at least 75% of all of the meetings of the Board and Committees on which he or she served. All current directors attended the Company's 2014 annual shareholders meeting. Under the Company's *Corporate Governance Guidelines*, each Director is expected to dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties, including by attending annual and special meetings of the shareholders of the Company, and meetings of the Board and Committees of which he or she is a member.

Board Leadership

The Company's *Corporate Governance Guidelines* specify that the Chairman of the Board shall in the normal course be an independent Director, unless the Board determines that, in light of the circumstances then present when any such decision is made, a different structure would better serve the best interests of the shareholders. The *Guidelines* also provide that the Board will disclose in each proxy statement the reasons for a different arrangement and appoint an independent Director as Lead Director with duties and responsibilities detailed in the *Corporate Governance Guidelines*.

Mr. Iger has served as Chairman since March of 2012, when he assumed that position upon the retirement of

John Pepper who had previously served as Chairman. Under the employment agreement Mr. Iger entered at that time, he was to serve as Chief Executive Officer and Chairman through March of 2015, and then only as Chairman until June of 2016. In fiscal 2013, the Board extended Mr. Iger's tenure as Chief Executive Officer through June 2016. In making Mr. Iger Chairman, the Board determined that doing so would promote a number of important objectives: it would add a substantial strategic perspective to the Chair position and put in place an effective plan for the future transition of leadership while at the same time providing important continuity to Board leadership. In making these judgments, the Board took into account its

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evaluation of Mr. Iger's performance as Chief Executive Officer and President, his very positive relationships with the other members of the Board of Directors and the strategic vision and perspective he would bring to the position of Chairman. The Board was uniformly of the view that Mr. Iger would provide excellent leadership of the Board in the performance of its duties and that naming him as Chairman would serve the best interests of shareholders.

Based on Mr. Iger's outstanding performance and the desire to retain his leadership of the Company for an additional period, the Board in October 2014 extended Mr. Iger's employment agreement for two years, until June 2018. In connection with this extension, the Board considered whether Mr. Iger's continuing to serve as both Chairman and Chief Executive Officer was in the best interests of shareholders. Based on the demonstrated success of this structure to date, both in terms of the functioning of the Board and the growth of the Company, and the continued benefits of retaining Mr. Iger's strategic perspective in the position of Chairman, the Board concluded that Mr. Iger's continuing service as Chairman remained in the best interests of shareholders and that, absent an unexpected change in circumstances, he should continue to serve in the role through the extended term of his agreement.

At the time Mr. Iger became Chairman, the Board unanimously elected Orin Smith as independent Lead Director. The duties of the independent Lead Director were expanded in connection with the appointment of Mr. Iger as Chairman, and were further expanded in 2013 based on feedback from investors regarding Lead

Director duties. The duties of the Lead Director are as follows:

- 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 annual 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.

Committees

The Board of Directors has four standing committees: Audit, Governance and Nominating, Compensation and

Executive. Information regarding these committees is provided below.

Audit Committee

John S. Chen *Aylwin B. Lewis* *Robert W. Matschullat (Chair)* *Orin C. Smith*	The functions of the Audit Committee are described below under the heading "*Audit Committee Report*." The Audit Committee met eight times during fiscal 2014. All of the members of the Audit Committee are independent within the meaning of SEC regulations, the listing standards of the New York Stock Exchange and the Company's *Corporate Governance Guidelines*. The Board has determined that each of the members of the Committee is qualified as an audit committee financial expert within the meaning of SEC regulations and that they have accounting and related financial management expertise within the meaning of the listing standards of the New York Stock Exchange.

Governance and Nominating Committee

Jack Dorsey
Robert W. Matschullat
Sheryl K. Sandberg
Orin C. Smith (Chair)

The Governance and Nominating Committee is responsible for developing and implementing policies and practices relating to corporate governance, including reviewing and monitoring implementation of the Company's *Corporate Governance Guidelines*. In addition, the Committee assists the Board in developing criteria for open Board positions, reviews background information on potential candidates and makes recommendations to the Board regarding such candidates. The Committee also reviews and approves transactions between the Company and Directors, officers, 5% shareholders and their affiliates under the Company's Related Person Transaction Approval Policy, supervises the Board's annual review of Director independence and the Board's annual self-evaluation, makes recommendations to the Board with respect to compensation of non-executive members of the Board of Directors, makes recommendations to the Board with respect to Committee assignments and oversees the Board's director education practices. The Committee met five times during fiscal 2014. All of the members of the Governance and Nominating Committee are independent within the meaning of the listing standards of the New York Stock Exchange and the Company's *Corporate Governance Guidelines*.

Compensation Committee

Susan E. Arnold (Chair)
Fred H. Langhammer
Aylwin B. Lewis
Monica C. Lozano

The Compensation Committee is responsible for reviewing and approving corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer, evaluating the performance of the Chief Executive Officer and, either as a committee or together with the other independent members of the Board, determining and approving the compensation level for the Chief Executive Officer. The Committee is also responsible for making recommendations to the Board regarding the compensation of other executive officers and certain compensation plans, and the Board has also delegated to the Committee the responsibility for approving these arrangements. Additional information on the roles and responsibilities of the Compensation Committee is provided under the heading "*Compensation Discussion and Analysis*," below. In fiscal 2014, the Compensation Committee met ten times. All of the members of the Committee are independent within the meaning of SEC regulations, the listing standards of the New York Stock Exchange and the Company's *Corporate Governance Guidelines*.

Executive Committee

Robert A. Iger
Orin C. Smith (Chair)

The Executive Committee serves primarily as a means for taking action requiring Board approval between regularly scheduled meetings of the Board. The Executive Committee is authorized to act for the full Board on matters other than those specifically reserved by Delaware law to the Board. In practice, the Committee's actions are generally limited to matters such as the authorization of routine transactions including corporate credit facilities and borrowings. In fiscal 2014, the Executive Committee held no meetings.

The Board's Role in Risk Oversight

As noted in the Company's *Corporate Governance Guidelines*, the Board, acting directly or through Committees, is responsible for "assessing major risk factors relating to the Company and its performance" and "reviewing measures to address and mitigate such risks." In discharging this responsibility, the Board,

either directly or through Committees, assesses both (a) risks that inhere in the key economic and market assumptions that underpin the Company's business plans and growth strategies and (b) significant operational risks related to the conduct of the Company's day-to-day operations.

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Risks that relate to the market and economic assumptions that underpin each business unit's growth plans are specifically addressed in connection with the Board's annual review of the Company's five-year plan. The Board also has the opportunity to address such risks at each Board meeting in connection with its regular review of significant business and financial developments. The Board reviews risks arising out of specific significant transactions when these transactions are presented to the Board for review or approval.

Significant operational risks that relate to on-going business operations are the subject of regularly scheduled reports to either the full Board or one of its committees. The Board acting through the Audit Committee periodically reviews whether these reports appropriately cover the significant risks that the Company may then be facing.

Each of the Board's committees addresses risks that fall within the committee's areas of responsibility. For example, the Audit Committee reviews periodically the audit plan of management audit, the international labor standards compliance program, the Company's

information technology risks and mitigation strategies, the tax function, treasury operations (including insurance) and the Company's standards of business conduct compliance program. In addition, the Audit Committee receives regular reports from: corporate controllership and the outside auditor on financial reporting matters; management audit about significant findings; and the general counsel regarding legal and regulatory risks. The Audit Committee reserves time at each meeting for private sessions with the chief financial officer, general counsel, head of management audit and outside auditors. The Compensation Committee addresses risks arising out of the Company's executive compensation programs as described at pages 24 to 25, below.

The independent Lead Director promotes effective communication and consideration of matters presenting significant risks to the Company through his role in developing the Board's meeting agendas, advising committee chairs, chairing meetings of the independent Directors and effecting communications between independent Directors and the Chief Executive Officer.

Director Selection Process

Working closely with the full Board, the Governance and Nominating Committee develops criteria for open Board positions, taking into account such factors as it deems appropriate, which may include: the current composition of the Board; the range of talents, experiences and skills that would best complement those already represented on the Board; the balance of management and independent Directors; and the need for financial or other specialized expertise. Applying these criteria, the Committee considers candidates for Board membership suggested by its members and other Board members, as well as management and shareholders. The Committee retains a third-party executive search firm to identify and review candidates upon request of the Committee from time to time.

Once the Committee has identified a prospective nominee including prospective nominees recommended by shareholders it makes an initial determination as to whether to conduct a full evaluation. In making this determination, the Committee takes into account the information provided to the Committee with the recommendation of the candidate, as well as the Committee's own knowledge and information obtained through inquiries to third parties to the extent the Committee deems appropriate. The preliminary determination is based primarily on the need for

additional Board members and the likelihood that the prospective nominee can satisfy the criteria that the Committee has established. If the Committee determines, in consultation with the Chairman of the Board and other Directors as appropriate, that additional consideration is warranted, it may request the third-party search firm to gather additional information about the prospective nominee's background and experience and to report its findings to the Committee. The Committee then evaluates the prospective nominee against the specific criteria that it has established for the position, as well as the standards and qualifications set out in the Company's *Corporate Governance Guidelines*, including:

- the ability of the prospective nominee to represent the interests of the shareholders of the Company;
- the prospective nominee's standards of integrity, commitment and independence of thought and judgment;
- the prospective nominee's ability to dedicate sufficient time, energy and attention to the diligent performance of his or her duties, including the prospective nominee's service on other public company boards, as specifically set out in the Company's *Corporate Governance Guidelines*;

the extent to which the prospective nominee contributes to the range of talent, skill and expertise appropriate for the Board;

the extent to which the prospective nominee helps the Board reflect the diversity of the Company's shareholders, employees, customers and guests and the communities in which it operates; and

the willingness of the prospective nominee to meet the minimum equity interest holding guideline set out in the Company's *Corporate Governance Guidelines*.

If the Committee decides, on the basis of its preliminary review, to proceed with further consideration, members of the Committee, as well as other members of the Board as appropriate, interview the nominee. After completing this evaluation and interview, the Committee makes a recommendation to the full Board, which makes the final determination whether to nominate or appoint the new Director after considering the Committee's report.

In selecting nominees for Director, the Board seeks to achieve a mix of members who together bring experience and personal backgrounds relevant to the Company's strategic priorities and the scope and complexity of the Company's business. In light of the Company's current priorities, the Board seeks experience relevant to managing the creation of high-quality branded entertainment products and services, addressing the impact of rapidly changing

technology and expanding business outside of the United States. The Board also seeks experience in large, diversified enterprises and demonstrated ability to manage complex issues that involve a balance of risk and reward and seeks Directors who have expertise in specific areas such as consumer and cultural trends, business innovation, growth strategies and financial oversight. The background information on current nominees beginning on page 53 sets out how each of the current nominees contributes to the mix of experience and qualifications the Board seeks.

In making its recommendations with respect to the nomination for re-election of existing Directors at the annual shareholders meeting, the Committee assesses the composition of the Board at the time and considers the extent to which the Board continues to reflect the criteria set forth above.

A shareholder who wishes to recommend a prospective nominee for the Board should notify the Company's Secretary or any member of the Governance and Nominating Committee in writing with whatever supporting material the shareholder considers appropriate. The Governance and Nominating Committee will also consider whether to nominate any person nominated by a shareholder pursuant to the provisions of the Company's Bylaws relating to shareholder nominations as described in "*Shareholder Communications*" below.

Director Independence

The provisions of the Company's *Corporate Governance Guidelines* regarding Director independence meet and in some areas exceed the listing standards of the New York Stock Exchange. These provisions are included in the Company's *Corporate Governance Guidelines*, which are available on the Company's Investor Relations website under the "Corporate Governance" heading at *www.disney.com/investors*.

Pursuant to the *Guidelines*, the Board undertook its annual review of Director independence in December 2014. During this review, the Board considered transactions and relationships between each Director or any member of his or her immediate family (or any entity of which a Director or an immediate family member is an executive officer, general partner or significant equity holder) and the Company and its subsidiaries and affiliates. The Board also considered whether there were any transactions or relationships

between Directors or any member of their immediate family or related entities and members of the Company's senior management or their affiliates. As provided in the *Guidelines*, the purpose of this review was to determine whether any such relationships or transactions existed that were inconsistent with a determination that the Director is independent.

As a result of this review, the Board affirmatively determined that all of the Directors serving in fiscal 2014 or nominated for election at the 2015 Annual Meeting are independent of the Company and its management under the standards set forth in the *Corporate Governance Guidelines*, with the exception of Mr. Iger. Mr. Iger is considered an inside Director because of his employment as a senior executive of the Company.

Continues on next page

In determining the independence of each Director, the Board considered and deemed immaterial to the Directors' independence transactions involving the sale of products and services in the ordinary course of business between the Company, on the one hand, and, on the other, companies at which some of our Directors or their immediate family members were officers or

employees during fiscal 2014. In each case, the amount paid to or received from these companies in each of the last three years was below the 2% of total revenue threshold in the *Guidelines*. The Board determined that none of the relationships it considered impaired the independence of the Directors.

Certain Relationships and Related Person Transactions

The Board of Directors has adopted a written policy for review of transactions involving more than $120,000 in any fiscal year in which the Company is a participant and in which any Director, executive officer, holder of more than 5% of our outstanding shares or any immediate family member of any of these persons has a direct or indirect material interest. Directors, 5% shareholders and executive officers are required to inform the Company of any such transaction promptly after they become aware of it, and the Company collects information from Directors and executive officers about their affiliations and affiliations of their family members so the Company can search its records for any such transactions. Transactions are presented to the Governance and Nominating Committee of the Board (or to the Chairman of the Committee if the Committee delegates this responsibility) for approval before they are entered into or, if this is not possible, for ratification after the transaction has been entered into. The Committee approves or ratifies a transaction if it determines that the transaction is consistent with the best interests of the Company, including whether the transaction impairs independence of a Director. The policy does not require review of the following transactions:

- Employment of executive officers approved by the Compensation Committee;
- Compensation of Directors approved by the Board;
- Transactions in which all shareholders receive benefits proportional to their shareholdings;
- Ordinary banking transactions identified in the policy;
- Any transaction contemplated by the Company's Restated Certificate of Incorporation, Bylaws or Board action where the interest of the Director, executive officer, 5% shareholder or family member is disclosed to the Board prior to such action;
- Commercial transactions in the ordinary course of business with entities affiliated with Directors, executive officers, 5% shareholders or their family members if the aggregate amount involved during a fiscal year is less than the greater of

  (a) $1,000,000 and (b) 2% of the Company's or other entity's gross revenues and the related person's interest in the transaction is based solely on his or her position with the entity;
- Charitable contributions to entities where a Director is an executive officer of the entity if the amount is less than the lesser of $200,000 and 2% of the entity's annual contributions; and
- Transactions with entities where the Director, executive officer, 5% shareholder or immediate family member's sole interest is as a non-executive officer employee of, volunteer with, or director or trustee of the entity.

Entities affiliated with Blackrock, Inc., an investment management firm, which, through associated companies, manages investment funds that in the aggregate beneficially held more than 5% of the Company's shares during fiscal 2014, purchased advertising time from the Company through transactions negotiated with independent agents, and the Company received approximately $2.9 million with respect to these purchases during fiscal 2014. During fiscal 2013, the Company entered into an agreement with an affiliate of Blackrock that continued in fiscal 2014, under which the affiliate provides risk reporting services related to the management of investments in the Company's pension funds for a fee that is based in part on the value of the portfolio of investments that are covered by the services. Blackrock earned fees of approximately $430,000 with respect to services provided in fiscal 2014 under this arrangement. Affiliates of Blackrock manage investment portfolios for the Company's pension funds and investment options in the Disney 401(k) plans, and Blackrock received fees of approximately $618,000 in fiscal 2014 based on the value of the investment portfolios. These relationships were in place before Blackrock was the beneficial owner of more than 5% of the

Company's outstanding shares, and the ongoing relationship was reviewed and approved by the Governance and Nominating Committee under the Related Person Transaction Approval Policy in December 2014.

Shareholder Communications

Generally. Shareholders may communicate with the Company through its Transfer Agent, Broadridge Corporate Issuer Solutions, by writing to Disney Investor Relations, c/o Broadridge Corporate Issuer Solutions, P.O. Box 1342, Brentwood, NY 11717, by calling Disney Shareholder Services care of Broadridge at 1-855-553-4763, or by sending an e-mail to disneyinvestor@broadridge.com. Additional information about contacting the Company is available on the Company's Investor Relations website (*www.disney.com/investors*) under "Related Links" and "Contact Us."

Shareholders and other persons interested in communicating directly with the independent Lead Director or with the non-management Directors as a group may do so by writing to the independent Lead Director, The Walt Disney Company, 500 South Buena Vista Street, Burbank, California 91521-1030. Under a process approved by the Governance and Nominating Committee of the Board for handling letters received by the Company and addressed to non-management members of the Board, the office of the Secretary of the Company reviews all such correspondence and forwards to Board members a summary and/or copies of any such correspondence that, in the opinion of the Secretary, deals with the functions of the Board or Committees thereof or that he otherwise determines requires their attention. The Governance and Nominating Committee reviews summaries of all correspondence from identified shareholders at each regular meeting of the Committee. Directors may at any time review a log of all correspondence received by the Company that is addressed to members of the Board and request copies of any such correspondence.

Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of the Company's internal audit department and handled in accordance with procedures established by the Audit Committee with respect to such matters.

Shareholder Proposals for Inclusion in 2016 Proxy Statement. To be eligible for inclusion in the proxy statement for our 2016 Annual Meeting, shareholder proposals must be received by the Company's Secretary no later than the close of business on September 18, 2015. Proposals should be sent to the Secretary, The Walt Disney Company, 500 South Buena Vista Street, Burbank, California 91521-1030 and follow the procedures required by SEC Rule 14a-8.

Shareholder Director Nominations and Other Shareholder Proposals for Presentation at the 2016 Annual Meeting. Under our bylaws, written notice of shareholder nominations to the Board of Directors and any other business proposed by a shareholder that is not to be included in the proxy statement must be delivered to the Company's Secretary not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. Accordingly, any shareholder who wishes to have a nomination or other business considered at the 2016 Annual Meeting must deliver a written notice (containing the information specified in our bylaws regarding the shareholder and the proposed action) to the Company's Secretary between November 12, 2015 and December 12, 2015. SEC rules permit management to vote proxies in its discretion with respect to such matters if we advise shareholders how management intends to vote.

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The elements of annual Director compensation for fiscal 2014 were as follows.

Annual Board retainer	$100,000[1]
Annual committee retainer (except Executive Committee)[2]	$10,000
Annual committee chair retainer (Governance and Nominating Committee only)[3]	$15,000
Annual committee chair retainer (Audit Committee and Compensation Committee only)[3]	$20,000
Annual deferred stock unit grant	$170,000[1]
Annual retainer for independent Lead Director[4]	$50,000

1 Effective October 1, 2014, the Board of Directors increased the annual Board retainer to $105,000 and the annual deferred stock unit grant to $180,000.

2 Per committee.

3 This is in addition to the annual committee retainer the Director receives for serving on the committee.

4 This is in addition to the annual Board retainer, committee fees and the annual deferred stock unit grant.

To encourage Directors to experience the Company's products, services and entertainment offerings personally, each non-employee Director may receive Company products and services up to a maximum of $15,000 in fair market value per calendar year plus reimbursement of associated tax liabilities. Director's spouses, children and grandchildren may also participate in this benefit within each Director's $15,000 limit.

The Company reimburses Directors for the travel expenses of, or provides transportation on Company aircraft for, immediate family members of Directors if the family members are specifically invited to attend events for appropriate business purposes. Family members (including domestic partners) may accompany Directors traveling on Company aircraft for business purposes on a space-available basis.

Directors participate in the Company's employee gift matching program on the same terms as employees. Under this program, the Company matches up to $15,000 per calendar year of contributions per Director to charitable and educational institutions meeting the Company's criteria.

Directors who are also employees of the Company receive no additional compensation for service as a Director.

Under the Company's *Corporate Governance Guidelines*, non-employee Director compensation is determined annually by the Board of Directors acting on the recommendation of the Governance and Nominating Committee. In formulating its recommendation, the Governance and Nominating Committee receives input from the third-party compensation consultant retained by the Compensation Committee regarding market practices for Director compensation.

Director Compensation for Fiscal 2014

The following table sets forth compensation earned during fiscal 2014 by each person who served as a non-employee Director during the year.

Susan E. Arnold	$130,000	$172,394	$ 28,419	$330,813
John S. Chen	110,000	172,394	5,553	287,927
Jack Dorsey	83,650	134,059		217,709
Judith L. Estrin	50,722	79,973		130,695
Fred H. Langhammer	110,000	172,394	22,028	304,422
Aylwin B. Lewis	126,917	172,394		299,311
Monica C. Lozano	110,000	172,394	29,134	311,528
Robert W. Matschullat	140,000	172,394	44,070	356,464
Sheryl K. Sandberg	110,000	172,394	12,075	294,469
Orin C. Smith	173,472	172,394	23,802	369,668

Fees Earned or Paid in Cash. "Fees Earned or Paid in Cash" includes the annual Board retainer and annual committee and committee-chair retainers, whether paid currently or deferred by the Director to be paid in cash or shares after service ends. Directors are permitted to elect each year to receive all or part of their retainers in Disney stock and, whether paid in cash or stock, to defer all or part of their retainers until after service as a Director ends. Directors who elect to receive deferred compensation in cash receive a credit each quarter, and the balance in their deferred cash account earns interest at an annual rate equal to the Moody's Average Corporate (Industrial) Bond Yield, adjusted quarterly. For fiscal 2014, the average interest rate was 4.68%.

The following table sets forth the form of fees received by each Director who elected to receive compensation in a form other than currently paid cash. The number of stock units awarded is equal to the dollar amount of

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fees accruing each quarter divided by the average over the last ten trading days of the quarter of the average of the high and low trading price for shares of Company common stock on each day in the ten-day period. Stock units distributed currently were accumulated throughout the year and distributed as shares following December 31, 2014.

	Cash		Stock Units		
Susan E. Arnold	$130,000				
John S. Chen	55,000			$55,000	677
Jack Dorsey	41,825		$41,825		499
Judith L. Estrin	50,722				
Fred H. Langhammer	110,000				
Aylwin B. Lewis	63,459			63,458	784
Monica C. Lozano	27,500	$55,000	10,313	17,187	339
Robert W. Matschullat	140,000				
Sheryl K. Sandberg	55,000		55,000		677
Orin C. Smith	173,472				

Stock Awards. "Stock Awards" sets forth the market value of the deferred stock unit grants to Directors and the amount reported is equal to the market value of the Company's common stock on the date of the award times the number of shares underlying the units. Units are awarded at the end of each quarter and the number of units is determined by dividing the amount payable with respect to the quarter by the average over the last ten trading days of the quarter of the average of the high and low trading price for shares of the Company common stock on each day in the ten-day period. Each Director other than Mr. Dorsey and Ms. Estrin, was awarded 2,094 units in fiscal 2014. Because Mr. Dorsey and Ms. Estrin served for less than the entire fiscal year, they were awarded 1,590 and 1,027 units respectively during fiscal 2014.

Unless a Director elects to defer receipt of shares until after his or her service as a Director ends, shares with respect to annual deferred stock unit grants are normally distributed to the Director on the second anniversary of the award date, whether or not the Director is still a Director on the date of distribution.

At the end of any quarter in which dividends are distributed to shareholders, Directors receive additional stock units with a value (based on the average of the high and low trading prices of the Company common stock averaged over the last ten trading days of the quarter) equal to the amount of dividends they would have received on all stock units held by them at the end of the prior quarter. Shares with respect to these additional units are distributed when the underlying units

are distributed. Units awarded in respect of dividends are included in the fair value of the stock units when the units are initially awarded and therefore are not included in the tables above, but they are included in the total units held at the end of the fiscal year in the table below.

Prior to fiscal 2011, each Director serving on March 1 of any year received an option on that date to acquire shares of Company stock. The exercise price of the options was equal to the average of the high and low prices reported on the New York Stock Exchange on the date of grant.

The following table sets forth all stock units and options held by each Director as of the end of fiscal 2014. All stock units are fully vested when granted, but shares are distributed with respect to the units only later, as described above. Stock units in this table are included in the share ownership table on page 65 except to the extent they may have been distributed as shares and sold prior to January 12, 2015.

Susan E. Arnold	11,200	22,503
John S. Chen	19,411	40,503
Jack Dorsey	2,068	
Judith L. Estrin	3,640	40,503
Fred H. Langhammer	18,999	20,733
Aylwin B. Lewis	21,840	40,503
Monica C. Lozano	26,898	40,503
Robert W. Matschullat	36,810	40,503
Sheryl K. Sandberg	8,820	
Orin C. Smith	4,706	34,503

The Company's *Corporate Governance Guidelines* encourage Directors to own, or acquire within three years of first becoming a Director, shares of common stock of the Company (including stock units received as Director compensation) having a market value of at least five times the amount of the annual Board retainer for the Director. Unless the Board exempts a Director, each Director is also required to retain stock representing no less than 50% of the after-tax value of exercised options and shares received upon distribution of deferred stock units until he or she meets the stock holding guideline described above. Based on the holdings of units and shares on January 12, 2015, each Director complied with the minimum holding requirement on that date except Mr. Dorsey, who is within the three-year period following the date on which he first became a director.

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All Other Compensation. "All Other Compensation" includes:

- Reimbursement of tax liabilities associated with the product familiarization benefits. The value of the product familiarization benefits themselves and travel benefits are not included in the table as permitted by SEC rules because the aggregate incremental cost to the Company of providing these benefits did not exceed $10,000 for any Director. The reimbursement of associated tax liabilities was less than $10,000 for each Director other than Mr. Matschullat and Ms. Sandberg, for whom the reimbursement was $14,070 and $12,075, respectively.

- Interest earned on deferred cash compensation, which was less than $10,000 for each Director except for Ms. Lozano, for whom interest earned totaled $25,607.

- The matching charitable contribution of the Company, which was less than $10,000 for each Director other than Mr. Matschullat, Ms. Arnold, Mr. Langhammer and Mr. Smith for whom the amounts were $30,000 (representing contributions of $15,000 in each of calendar years 2013 and 2014), $15,000, $15,000 and $15,000 respectively.

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Compensation Discussion and Analysis

Executive Compensation Program Structure

Objectives and Methods

We design our executive compensation program to drive the creation of long-term shareholder value. We do this by tying compensation to the achievement of performance goals that promote the creation of shareholder value and by designing compensation to attract and retain high-caliber executives in a competitive market for talent.

We have adopted the following approach to achieve these objectives.

Pay for Performance	Provide a strong relationship of pay to performance through: A performance-based bonus tied to the achievement of financial performance factors and an assessment of each executive's individual performance against other performance factors Equity awards that deliver value based on stock price performance and, in the case of performance-based stock units, whose vesting depends on meeting performance targets
Competitive Compensation Levels	Provide compensation opportunities at a level and with practices that are competitive with our peers Compensation levels and practices at peer companies are one factor in making compensation decisions, but compensation is not targeted to any specific percentile
Compensation Mix	Provide a mix of variable and fixed compensation that: Is heavily weighted toward variable performance-based compensation for senior executives

Uses short-term (annual performance-based bonus) and longer-term performance measures (equity awards) to balance appropriately incentives for both short and long-term performance

Peer Groups

Establishing Compensation Levels

The Committee believes that the pool of talent with the set of creative and organizational skills needed to run a global creative organization like the Company is quite limited and that, accordingly, the market for executive talent to lead a global creative organization is best reflected by the five other major media companies who compete for this talent CBS, Comcast, Twenty-First Century Fox, Time Warner and Viacom. For that reason, the Committee looks to those five companies as the relevant peer group for named executive officer compensation purposes.

The Committee understands that some groups have reservations about using these companies because some of the companies are effectively controlled by a single shareholder.

The Committee acknowledges these concerns, but believes that executives with the background needed to manage companies such as ours have career options with compensation opportunities that normally exceed those available in most other industries and that compensation levels within the peer group are driven by the dynamics of compensation in the entertainment industry and not the ownership structure of a particular company. Moreover, the Committee believes that a majority shareholder has just as much (if not more) incentive than any other shareholder to demand a compensation structure that maximizes shareholder value. In any event, the Committee believes that it is a competitive reality that these companies set the market for the talent we need.

The Committee has also considered suggestions to expand the peer group to better reflect the universe of companies in which investors themselves choose to invest, so that executive compensation at the Company is evaluated based on the Company's peformance relative to the performance of that broader group. While the Committee understands the perspective of investors who may invest within this broader group, it

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believes that approach would appropriately reflect neither the distinctive talents needed to manage our businesses nor the competitive reality the Company faces. The fact that a particular level of performance has been achieved by appropriately compensated executives in another industry is not a meaningful indicator of what market driven compensation must be offered to attract and retain executives with the talent to achieve comparable levels of performance at Disney.

Establishing Compensation Structure, Policies and Practice

The Committee believes that the features of the Company's overall compensation structure, policies and practices should normally be consistent for all executives. Because the five distinct segments of our operations span multiple industries, the Committee believes that a consistency of approach across the breadth of the Company's operations with respect to such features is best achieved by reference to a broader general industry group.

The peer group used for establishing compensation structure, policies and practices consists of companies that have:

- A consumer orientation and/or strong brand recognition;
- A global presence and operations;
- Annual revenue no less than half and no more than twice our annual revenue; and
- A market capitalization no less than one-quarter and no more than four times our market capitalization;
- Plus companies that do not meet the revenue test, but that are included in the peer groups used by one or more of the Media Industry Peers.

The companies that meet these criteria and were included in the peer group at the beginning of fiscal 2014 were:

Accenture	Intel
Amazon.com	Johnson & Johnson
AT&T	Kimberly-Clark
CBS	Microsoft
Cisco Systems	Twenty-First Century Fox

Coca-Cola	Oracle
Comcast	PepsiCo
Dell	Procter & Gamble
DirecTV	Sprint Nextel
EMC Corp.	Time Warner
Google	Verizon Communications
Hewlett-Packard	Viacom
IBM	

Advised by its independent consultant, the Committee reviewed the criteria for selecting members of this peer group in fiscal 2014 and determined that the criteria remained appropriate. Dell has not been included in the group since it ceased to be a publically reporting company.

Evaluating Performance

The overall financial performance of the Company is the sum total of the individual performances of the Company's five distinct segments Media Networks, Parks and Resorts, Studio Entertainment, Consumer Products and Interactive each of which competes in different sectors of the overall market. The Committee continues to believe that, given the span of the Company's businesses, the best measure of relative performance is how the Company's diverse businesses have fared in the face of the economic trends that impact companies in the overall market and that the best benchmark for measuring such success is the Company's relative performance compared to that of the companies comprising the S&P 500. Accordingly, the Committee like the other media companies and many other businesses has selected the S&P 500 to set the context for evaluating the Company's performance and to measure relative performance for performance-based restricted stock unit awards.

Summary of Peer Groups

The following table summarizes the three distinct peer groups we use for the three distinct purposes described above:

Media Industry Peers	Evaluating compensation levels for the named executive officers	Disney and the five other major media companies:
		CBS

		Comcast
		Twenty-First Century Fox
		Time Warner
		Viacom
General Industry Peers	Evaluating general compensation structure, policies and practices	25 similarly-sized global companies with a consumer orientation and/or strong brand recognition
Performance Peers	Evaluating relative economic performance of the Company	Standard & Poor's (S&P) 500

Compensation Program Elements

2014 Total Direct Compensation

The following table sets forth the elements of total direct compensation for our named executive officers (NEOs) in fiscal 2014 and the objectives and key features of each element.

Salary	Objectives The Committee sets salaries to reflect job responsibilities and to provide competitive fixed pay to balance performance-based risks. Key Features Minimum salaries set in employment agreement Compensation Committee discretion to adjust annually based on changes in experience, nature and responsibility of the position, competitive considerations, CEO recommendation (except his own salary)
Performance-based Bonus	Objectives The Committee structures the bonus program to incentivize performance at the high end of ranges for financial performance measures that it establishes each year to drive meaningful growth over the prior year. The Committee believes that incentivizing performance in this fashion will lead to long-term, sustainable gains in shareholder value. Key Features Target bonus for each NEO set by Committee early in the fiscal year in light of employment agreement provisions, competitive considerations, CEO recommendation (except his own target), other factors Committee deems appropriate Payout on 70% of target determined by performance against financial performance ranges established early in the fiscal year Payout on 30% of target determined by Committee's assessment of individual performance based on other performance objectives established early in the fiscal year

and based on CEO recommendation (except his own payout)

Equity Awards Generally	Objectives

Equity Awards Generally

Objectives

The Committee structures equity awards to directly reward long-term gains in shareholder value. Equity awards carry vesting terms that extend up to four years and include restricted stock units whose value depends on company performance relative to the performance of the S&P 500. These awards provide incentives to create and sustain long-term growth in shareholder value.

Key Features

Combined value of options, performance units and time-based units determined by Committee in light of employment agreement provisions, competitive market conditions, evaluation of executive's performance and CEO recommendation (except for his own award)

Allocation of awards for CEO (based on grant date award value):

50% performance-based restricted stock units

50% stock options

Allocation of awards for other NEOs (based on grant date award value):

30% performance-based restricted stock units

30% time-vesting restricted stock units

40% stock options

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Stock Option Awards	Key Features
	Exercise price equal to average of the high and low trading prices on day of award
	Option re-pricing without shareholder approval is prohibited
	10-year term
	Vest 25% per year
Performance-Based Restricted Stock Units	Key Features
	Performance-based units reward executives only if specified financial performance measures are met
	Subject to performance tests, units vest three years after grant date*
	Half of award vests based on Total Shareholder Return relative to S&P 500; half of award vests based on Earnings Per Share relative to S&P 500
	No units tied to a performance measure vest if performance on that measure is below the 25th percentile
	50% of target units tied to a performance measure vest if performance on that measure is equal to 25th percentile, increasing to a maximum of 150% of target units vesting if performance on that measure is at the 75th percentile or higher**

	All units awarded to executive officers are subject to Section 162(m) test
Time-Based Restricted Stock Units	Key Features
	25% vest each year following grant date
	All units awarded to executive officers are subject to Section 162(m) test

* Units awarded in prior fiscal years had performance tests as described in our proxy statements for the years in which the awards were issued.

** Earnings Per Share for the Company is adjusted (i) to exclude the effect of extraordinary, unusual and/or nonrecurring items and (ii) to reflect such other factors as the Committee deems appropriate to fairly reflect earnings per share growth. Adjustments to diluted Earnings Per Share from continuing operations of S&P 500 companies will not normally be made because the Committee has no reason to believe that the average of adjustments across the S&P 500 companies would result in an amount that is significantly different from the reported amount.

Compensation at Risk

The Committee believes that most of the compensation for named executive officers should be at risk and tied to a combination of long-term and short-term Company performance. As shown below, over 90% of the CEO's target compensation and approximately 80% of the target compensation for other named executive officers varies with either short or long term Company performance.

In establishing a mix of fixed to variable compensation, the mix of various equity awards, target bonus levels, grant date equity award values and performance ranges, the Committee seeks to maintain its goal of making compensation overwhelmingly tied to performance

while at the same time affording compensation opportunities, that in success, would be competitive with alternatives available to the executive. In particular, the Committee expects that performance at the high end of ranges will result in overall compensation that is sufficiently attractive relative to compensation available at successful competitors and that performance at the low end of ranges will result in overall compensation that is less than that available from competitors who are more successful.

In determining the mix between options and restricted stock units, the Committee also considers the number of shares required for each of these types of award to deliver the appropriate value to executives.

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The following charts show the percentage of the target total direct compensation (constituting base salary and performance-based bonus plus the grant-date fair value of regular annual equity awards) for Mr. Iger and the other NEOs that is variable with performance (performance-based bonus and equity awards) versus fixed (salary).

CEO
2014 Target Total Direct Compensation Mix

92% of CEO 2014 target compensation is considered performance-based

Other NEOs
2014 Target Total Direct Compensation Mix

79% of other NEOs 2014 average target compensation is considered performance-based

Employment Agreements

We enter into employment agreements with our senior executives when the Compensation Committee determines that it is appropriate to attract or retain an executive or where an employment agreement is consistent with our practices with respect to other similarly situated executives.

We have employment agreements with each of the named executive officers that extend to the dates shown below:

	Term Ends
Robert A. Iger	June 30, 2018
James A. Rasulo	January 31, 2015
Alan N. Braverman	March 31, 2016
Kevin A. Mayer	January 31, 2017
M. Jayne Parker	January 31, 2017

Material terms of the employment agreements with the named executive officers are reflected under "*Total Direct Compensation*" above and "*Fiscal 2014 Decisions*" and "*Compensation Tables Potential Payments and Rights on Termination or Change in Control*," below.

Benefits and Perquisites

The Company provides employees with benefits and perquisites based on competitive market conditions. All salaried employees, including the named executive officers, receive the following benefits:

- health care coverage;
- life and disability insurance protection;
- reimbursement of certain educational expenses;
- access to favorably priced group insurance coverage; and
- Company matching of gifts of up to $15,000 per employee each calendar year to qualified charitable organizations.

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Officers at the vice president level and above, including named executive officers, receive the following benefits:

- complimentary access to the Company's theme parks and some resort facilities;
- discounts on Company merchandise and resort facilities;
- for officers at the vice president level and higher before October 1, 2012, a fixed monthly payment to offset the costs of owning and maintaining an automobile;
- relocation assistance;
- eligibility for annual reimbursement of up to $1,000 for wellness-related purposes such as fitness, nutrition and physical exams; and
- personal use of tickets acquired by the Company for business entertainment when they become available because no business use has been arranged.

Named executive officers (and some other senior executives) are also entitled to the following additional benefits and perquisites: basic financial planning services, enhanced excess liability coverage, increased relocation assistance, and an increased automobile benefit.

The Company pays the cost of security services and equipment for the Chief Executive Officer in an amount that the Board of Directors believes is reasonable in light of his security needs and, in the interest of security, requires the Chief Executive Officer to use corporate aircraft for all personal travel. Other senior executive officers are also permitted at times to use corporate aircraft for personal travel at the discretion of the Chief Executive Officer.

In fiscal 2014, the Committee approved the payment of a filing fee and related legal fees incurred in connection with a filing by Mr. Iger under the Hart-Scott-Rodino Antitrust Improvements Act (HSR). The filing was required because, due to stock price appreciation and the acquisition of shares under the equity compensation program, the dollar value of shares held by Mr. Iger exceeded thresholds established under HSR. The Committee considers it appropriate to pay these expenses because they arose as a result of the operation of the Company's equity compensation program.

Retirement Plans

Named executive officers participate in defined benefit and defined contribution retirement programs available to all of our salaried employees.

Tax-qualified defined benefit plans limit the benefit to participants whose compensation or benefits would exceed maximums imposed by applicable tax laws. To

provide retirement benefits commensurate with compensation levels, the Company offers non-qualified plans to key salaried employees, including the named executive officers, using substantially the same formula for calculating benefits as is used under the tax-qualified plans on compensation in excess of the compensation limitations and maximum benefit accruals.

Additional information regarding the terms of retirement programs for the named executive officers is included in "*Compensation Tables Pension Benefits*" beginning on page 45.

Risk Management Considerations

The Compensation Committee believes that our annual performance-based bonus and equity programs are appropriately structured to incentivize the creation of long-term shareholder value, while, at the same time, through the following features, discourage behavior that could lead to excessive risk:

Financial Performance Metrics. The financial metrics used to determine the amount of an executive's bonus are measures the Committee believes drive long-term shareholder value. The ranges set for these measures are intended to reward success without encouraging excessive risk taking.

Limit on Bonus. The overall bonus opportunity is not expected to exceed two times the target amount, no matter how much financial performance exceeds the ranges established at the beginning of the fiscal year.

Equity Vesting Periods. Performance-based stock units vest in three years. Time-based stock units and options vest annually over four years and options remain exercisable for 10 years. These periods are designed to reward sustained performance over several periods, rather than performance in a single period.

Equity Retention Guidelines. Named executive officers are required to acquire within five years of becoming an executive officer, and hold as long as they are executive officers of the Company, shares (including restricted stock units) having a value of at least three times their base salary amounts, or five times in the case of the Chief Executive Officer. If these levels have not been reached, these officers are required to retain ownership of shares representing at least 75% of the net after-tax gain (100% in the case of the Chief Executive Officer) realized on exercise of options for a minimum of 12 months. Based on holdings of units and shares on January 12, 2015, each named executive officer exceeded the minimum holding requirement on that date.

No Hedging or Pledging. Named executive officers (and other employees subject to the Company's insider trading compliance program) are not permitted to enter into any transaction designed to hedge, or having the effect of hedging, the economic risk of owning the Company's securities and they are prohibited from pledging Company securities.

Clawback Policy. If the Company is required to restate its financial results due to material noncompliance with financial reporting requirements under the securities laws as a result of misconduct by an executive officer, applicable law permits the Company to recover incentive compensation from that executive officer (including profits realized from the sale of Company securities). In such a situation, the Board of Directors would exercise its business judgment to determine what action it believes is appropriate. Action may include recovery or cancellation of any bonus or incentive payments made to an executive on the basis of having met or exceeded performance targets during a period of fraudulent activity or a material misstatement of financial results if the Board determines that such recovery or cancellation is appropriate due to intentional misconduct by the executive officer that resulted in performance targets being achieved that would not have been achieved absent such misconduct.

At the Compensation Committee's request, management conducted its annual assessment of the risk profile of our compensation programs in December 2014. The assessment included an inventory of the compensation programs at each of the Company's segments and an evaluation of whether any program contained elements that created risks that could have a material adverse impact on the Company. Management provided the results of this assessment to Frederic W. Cook & Co., Inc., which evaluated the findings and reviewed them with the Committee. As a result of this review, the Committee determined that the risks arising from the Company's policies and practices are not reasonably likely to have a material adverse effect on the Company.

Other Considerations

Timing of Equity Awards

Equity awards are made by the Compensation Committee only on dates the Committee meets. Committee meetings are normally scheduled well in advance and are not scheduled with an eye to announcements of material information regarding the Company. The Committee may make an award with an effective date in the future contingent on commencement of employment, execution of a new employment agreement or some other subsequent event, or may act by unanimous written consent on the date of such an event when the proposed issuances have been reviewed by the Committee prior to the date of the event.

Extended Vesting of Equity Awards

For all participants in the Company's equity award program (except certain employees outside the United States) who are age 60 or older and have at least ten years of service at the date of retirement:

- Options awarded after March 2011 (and awarded at least one year before retirement) continue to vest and remain exercisable until the earlier of five years after retirement and the original expiration date (options awarded between December 2009 and March 2011 continue to vest and remain exercisable for three, instead of five, years); and

- Restricted stock unit awards awarded at least one year before retirement continue to vest following retirement according to the original vesting schedule (including satisfaction of performance conditions other than, in some cases, the test to ensure that the compensation is deductible pursuant to Section 162(m)).

In addition, employment agreements for executive officers generally provide that options and restricted stock units continue to vest (and in the case of options, remain exercisable) according to original vesting and expiration schedules (including any extended vesting based on age and service at the end of the stated term) on the same basis as if the executive remained employed through the term of the employment agreement when the executive is terminated by the Company without cause, or if the executive terminates for good reason, before the completion of the term of his or her employment agreement.

Deductibility of Compensation

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public corporations for compensation over $1 million paid for any fiscal year to the corporation's chief executive officer and up to three other executive officers (other than the chief financial officer) whose compensation must be included in this proxy statement because they are our most highly compensated executive officers. Section 162(m) exempts qualifying performance-based compensation from the deduction limit if applicable requirements are met.

The Compensation Committee has structured awards to executive officers under the Company's annual performance-based bonus program and equity awards

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program to qualify for this exemption. However, the Committee believes that shareholder interests are best served if its discretion and flexibility in awarding compensation is not restricted, even though some compensation awards may result in non-deductible compensation expenses. Therefore, the Committee has approved salaries for executive officers that were not fully deductible because of Section 162(m) and may approve other compensation that is not deductible for income tax purposes.

To qualify for deduction, awards to executive officers under the annual performance-based bonus program and the long-term incentive program include a performance test based on adjusted net income in addition to the other performance tests described above. Adjusted net income means net income adjusted, as appropriate, to

exclude the following items or variances: change in accounting principles; acquisitions; dispositions of a business; asset impairments; restructuring charges; extraordinary, unusual or infrequent items; and extraordinary litigation costs and insurance recoveries. For fiscal 2014, the adjusted net income target was $4.3 billion, and the Company achieved adjusted net income of $7.6 billion. Net income was adjusted by reducing it to reflect the after tax effects of income recorded in connection with the settlement of litigation, gains from the sale of real estate and other investment gains (an aggregate of $68 million) and by increasing it to reflect the after tax effects of a currency devaluation and restructuring and impairment charges (an aggregate of $173 million). Therefore, bonuses earned in fiscal 2014 and restricted stock units vesting based on fiscal 2014 results are deductible under Section 162(m).

Compensation Process

The following table outlines the process for determining annual compensation awards.

Annually, at the end of the calendar year, the CEO recommends salaries for executives other than himself for the following calendar year	Committee participates in regular Board review of operating plans and results and review of annual operating plan at the beginning of the fiscal year	In first fiscal quarter, CEO recommends grant date fair value of awards for executives other than himself
Committee reviews proposed salary changes with input from consultant	Management recommends financial and other performance measures, weightings and ranges	Committee reviews proposed awards with input from consultant and reviews with other non-management directors
Committee determines annual salaries for all NEOs	Early in the fiscal year, the Committee reviews proposed performance measures and ranges with input from consultant and determines performance measures and ranges that it believes establish appropriate stretch goals	Committee determines the dollar values of awards
Committee reviews determinations with the other non-management directors		Exercise price and number of options and restricted stock units are determined by formula based on market price of common shares on the date of award
	CEO recommends bonus targets for executives other than himself	
	Early in the fiscal year, the Committee reviews bonus targets with input from its consultant and in light of the targets established by employment agreements and competitive conditions and determines bonus targets as a percentage of fiscal year end salary for each executive	
	After the end of the fiscal year, management presents financial results to the Committee	

CEO recommends other performance factor multipliers for executives other than himself

Committee reviews the results and determines whether to make any adjustments to financial results and determines other performance factor multipliers and establishes bonus

Committee reviews determinations with the other non-management directors

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The following table outlines the process for determining terms of employment agreements and compensation plans in which the named executive officers participate.

CEO

Committee arrives at proposed terms of agreement with input from consultant

Committee recommends terms of agreement to other independent directors following negotiation with CEO

Committee participates with other non-management directors in determining terms of agreement for CEO

Other NEOs

CEO recommends terms of agreements

Committee reviews proposed terms of agreements with input from consultant

Committee determines material terms of agreements, subject to consultation with Board where the Committee deems appropriate

Committee requests management and consultant to review compensation plans

Management and consultant recommend changes to compensation plans in response to requests or on their own initiative

Committee reviews proposed changes to compensation plans with input from consultant

Committee determines changes to compensation plans or recommends to Board if Board action is required

Committee participates with Board in determining changes when Board action is required

Management Input

In addition to the CEO recommendations described above, management regularly:

- provides data, analysis and recommendations to the Compensation Committee regarding the Company's executive compensation programs and policies;
- administers those programs and policies as directed by the Committee;

- provides an ongoing review of the effectiveness of the compensation programs, including competitiveness and alignment with the Company's objectives; and
- recommends changes to compensation programs if needed to help achieve program objectives.

The Committee meets regularly in executive session without management present to discuss compensation decisions and matters relating to the design and operation of the executive compensation program.

Compensation Consultant

The Compensation Committee has retained the firm of Frederic W. Cook & Co., Inc. as its compensation consultant. The consultant assists the Committee's development and evaluation of compensation policies and practices and the Committee's determinations of compensation awards by:

- attending Committee meetings;
- meeting with the Committee without management present;
- providing third-party data, advice and expertise on proposed executive compensation awards and plan designs;
- reviewing briefing materials prepared by management and outside advisers and advising the Committee on the matters included in these materials, including the consistency of proposals with the Committee's compensation philosophy and comparisons to programs at other companies; and
- preparing its own analysis of compensation matters, including positioning of programs in the competitive market and the design of plans consistent with the Committee's compensation philosophy.

The Committee considers input from the consultant as one factor in making decisions on compensation matters, along with information and analyses it receives from management and its own judgment and experience.

The Compensation Committee has adopted a policy requiring its consultant to be independent of Company management. The Committee performs an annual assessment of the consultant's independence to determine whether the consultant is independent. The Committee assessed Frederic W. Cook & Co. Inc.'s independence in December 2014 and confirmed that the firm's work has not raised any conflict of interest and the firm is independent under the policy.

2014 Compensation Decisions

This section discusses the specific decisions made by the Compensation Committee in fiscal 2014 or with respect to fiscal 2014 compensation.

Investor Engagement

At our 2014 Annual Meeting, 80% of shares cast voted in favor of the advisory vote on executive compensation. We maintain a robust shareholder engagement program, speaking with most of our fifteen largest investors and contacting over two-thirds of our largest 100 investors, seeking input on compensation and governance matters. To enable the Board and the Compensation Committee to consider direct shareholder feedback, the Compensation Committee is updated on these conversations with investors and participates directly in a number of them. Based on this engagement, the Committee understands that a number of shareholders are focused on the alignment of pay and performance as well as the absolute level of executive compensation, particularly for the Chief Executive Officer.

The Committee remains committed to pay for performance and believes that recent compensation demonstrates this alignment. The Company's extraordinary financial performance in fiscal 2014 led to an increase in Mr. Iger's total compensation for fiscal 2014 over 2013, and an increase in total compensation for executive officers in the aggregate. This followed a decrease in total compensation for fiscal 2013 compared to fiscal 2012, despite growth in diluted earnings per share, net income attributable to shareholders and segment operating income growth of 8% in that period.

Employment Agreements

Employment Agreement with Mr. Iger

In light of the strong performance of the Company during Mr. Iger's tenure as Chief Executive Officer, and reflecting the confidence shareholders have expressed in Mr. Iger's leadership, the Board began discussions with Mr. Iger in fiscal 2014 to persuade him to extend his tenure as Chief Executive Officer by two years, through June 2018.

These efforts culminated on October 2, 2014, when the Board voted to amend Mr. Iger's employment agreement to extend the period during which Mr. Iger would remain employed by the Company and serve as Chairman and Chief Executive Officer from June 30, 2016 to June 30, 2018, on terms recommended by the Compensation Committee. Except as described below and in "*Compensation Tables Potential Payments and Rights on Termination and Change in Control*," the remaining terms of the Mr. Iger's employment agreement were unchanged.

The amendment provides that Mr. Iger's annual compensation for the extended employment period will be determined on the same basis as his annual compensation for fiscal 2016. His annual salary remains unchanged, as does his target annual incentive under the Company's Management Incentive Bonus Program. His target equity award value for fiscal year 2017 and 2018 also will be the same, and will have the same terms and conditions as for fiscal year 2016. The agreement further provides that Mr. Iger may retire any time after June 30, 2016 with at least six months advance written notice to the Company.

To provide an incentive for Mr. Iger to agree to extend his tenure and stay through the end of the term, the Board offered Mr. Iger the opportunity to earn a special incentive retention award tied to the attainment of cumulative adjusted operating income for fiscal years 2014 through 2018, which the Board believes would, if attained, result in meaningful incremental shareholder value. Specifically, Mr. Iger has the opportunity to receive a cash award if the Company's five-year cumulative adjusted operating income exceeds $76.01 billion. The amount of the award will increase to the extent that the aggregate adjusted operating income exceeds this threshold, in accordance with the following table, with amounts payable at results between the stated performance levels determined by linear interpolation:

Less than $76.010	$0
$76.389	$10

$76.771	$20
$77.154	$30
$77.539	$40
$77.925	$50
$78.314 or more	$60

To receive any award, Mr. Iger must remain employed by the Company through June 30, 2018, except that a portion may be paid if (i) he dies, (ii) he terminates employment due to disability, (iii) the Company exercises its right to terminate other than for cause, or (iv) Mr. Iger terminates for good reason. Payments in these cases will be pro-rated for the length of his service and will depend on achievement of the cumulative adjusted operating income levels as described under "*Compensation Tables Potential Payments and Rights on Termination or Change in Control*," beginning on page 46. The impact of termination on Mr. Iger's equity awards is also described in that section, and was not changed under the new agreement.

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Performance Goals

The Compensation Committee sets performance goals for each fiscal year early in that year, and evaluates performance against those goals after the fiscal year has ended to arrive at its compensation decisions.

Setting Goals

Financial Performance

In December 2013, the Compensation Committee selected the following financial measures and relative weights for calculating the portion of the named executive officers' bonuses that is based on financial performance:

- segment operating income (25.0%)
- earnings per share (28.6%)
- after-tax free cash flow (21.4%)
- return on invested capital (25.0%)

These are the same measures used in recent years, and the Committee selected them because it believes successful performance against these measures promotes the creation of long-term shareholder value. The Committee places slightly more weight on earnings per share and slightly less weight on after-tax free cash flow because, between the two, it believes earnings per share is somewhat more closely related to shareholder value.

The Committee also established performance ranges for each of the measures in December 2013. These ranges are used to determine the multiplier that is applied to 70% of each named executive officer's target bonus. The overall financial performance multiple is equal to the weighted average of the performance multiples for each of the four measures. The performance multiple for each measure is zero if performance is below the bottom of the range and varies from 35% at the low end of the range to a maximum of 200% at the top end of the range. In light of the goals established for the year and expected economic conditions, the Committee believes the top of each range represents extraordinary performance and the bottom represents disappointing performance. The target for 70% of an executive's bonus that is tied to these measures generally cannot be achieved unless there is meaningful growth across the four financial measures on a weighted basis.

In establishing ranges for fiscal 2014, the Committee considered the Company's performance in recent years, including record revenue, net income and earnings per

share in each of the three years ending with fiscal 2013. The following table shows actual performance in fiscal 2013 and the target ranges chosen by the Committee for fiscal 2014 (dollars in millions except per share amounts):

Segment Operating Income*	$10,724	$9,687-$12,623
Adjusted earnings per share*	$3.39	$3.03-$4.19
After-tax free cash flow**	$7,519	$3,615-$9,531
Return on Invested Capital***	10.5%	9.0%-11.7%

*
For purposes of the annual performance-based bonuses, "segment operating income" and "adjusted earnings per share" are calculated as set forth in Annex A.

**
For purposes of the annual performance-based bonuses, "after-tax free cash flow" was defined as cash provided by operations less investments in parks, resorts and other properties, all on an equity basis (i.e., including Euro Disney, Hong Kong Disneyland and Shanghai Disney Resort on a basis that reflects actual ownership percentage rather than on a consolidated basis).

***
For purposes of the annual performance-based bonuses "return on invested capital" was defined as the aggregate segment operating income less corporate and unallocated shared expenses (both on an after tax basis), divided by average net assets (including net goodwill) invested in operations, all on an equity basis (i.e., including Euro Disney, Hong Kong Disneyland and Shanghai Disney Resort on a basis that reflects actual ownership percentage rather than on a consolidated basis).

Other Performance Factors

The Committee also established other performance factors for fiscal 2014 in December 2013. The Committee established the following factors based on the recommendation of Mr. Iger and the strategic objectives of the Company:

- Foster quality, creativity and innovation in how we create, market and distribute all of our products
- Drive long-term growth internationally, particularly through recent acquisitions and initiatives
- Manage efficiency across all areas of spending
- Invest in our people including an emphasis on diversity, leadership and improved communications

Evaluating Performance

After the fiscal year ended, the Compensation Committee reviewed the overall performance of the Company. Driven by strong performance across all segments, the Company delivered exceptional financial results in fiscal year 2014 and unusually strong shareholder returns relative to both the S&P 500 and its Media Peers. Data detailing this performance is set forth in the proxy statement summary beginning on page 1.

The exceptional financial performance drove growth in each of the four financial measures used to determine 70% of each named executive officer's bonus award. Segment operating income grew 21.3% off of 7.6% growth in fiscal 2013, adjusted earnings per share grew 27.4% off of 10.4% growth in the prior year, and return on invested capital grew 160 basis points to 12.1%. After-tax free cash flow grew 0.8% to

$7.6 billion, which represented continued strong performance off of the 57.7% increase in fiscal 2013. Achievement of these results generated a performance factor equal to the maximum of 200% for each of the measures except after-tax free cash flow, which generated a factor of 134%. The weighted financial performance factor was 186%.

The following chart shows actual performance with respect to each of these measures relative to the ranges established at the beginning of the fiscal year and the resulting performance factor used in calculating the aggregate financial performance goal multiple. (Dollars in millions except per share amounts.)

In comparing actual performance for fiscal 2014 to the performance ranges, the Compensation Committee excluded the impacts of the after tax effects of income recorded in connection with the settlement of litigation, gains from the sale of real estate and other investment gains and the after tax effects of a currency devaluation and restructuring and impairment charges.

The Committee also evaluated performance of each executive officer against the other performance factors

established at the beginning of the year. While based on the individual factors for each executive discussed below, the evaluations took into account the benefits realized in fiscal 2014 from the successful execution of the Company's long-term strategy to develop quality entertainment, respond to technological change and promote growth of our international business.

Individual Compensation Decisions

The following table summarizes compensation decisions made by the Committee with respect to each of the named executive officers. The Committee established the calendar year salary for each named executive officer early in the fiscal year. The final bonus award was calculated after the fiscal year ended using the financial performance factor of 186% described above and the other performance factors determined by the Committee described below applied to the target bonus opportunity for that executive, which was established by the Committee early in the fiscal year. The dollar value of the equity award was determined early in the fiscal year.

Salary	Performance-Based Bonus	Equity Awards

Robert A. Iger	$2,500,000	$12,000,000	186%	200%	$22,810,000	$16,678,730	114,884		435,220
James A. Rasulo	$1,770,000	$3,540,000	186%	200%	$6,730,000	$5,500,000	22,731	22,731	114,815
Alan N. Braverman	$1,400,000	$2,800,000	186%	200%	$5,325,000	$3,000,000	12,399	12,399	62,627
Kevin A. Mayer	$935,000	$1,168,750	186%	200%	$2,222,000	$2,000,000	8,266	8,266	41,751
M. Jayne Parker	$730,000	$912,500	186%	200%	$1,735,000	$2,000,000	8,266	8,266	41,751

* Multiplied by 70% of the target amount.

** Multiplied by 30% of the target amount.

*** The number of restricted stock units and options was calculated from the dollar value of the award as described in the table on page 32.

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The compensation set forth above and described below differs from the total compensation reported in the Summary Compensation Table as follows:

The dollar value of equity awards differs from the aggregate dollar value for equity awards reported in the Summary Compensation Table and the Fiscal 2014 Grants of Plan Based Awards Table because the dollar value reported in this table for performance-based restricted stock units is equal to the grant-date share price multiplied by the number of target shares granted. This amount is less than the amount reported in the other tables, which report the cost used for accounting purposes and which adjusts for the probability that strong performance will increase the number of units vesting over the target number of units. The Committee generally uses the dollar value included in the table above to determine awards because employment agreement provisions regarding equity awards are based on this value.

The compensation set forth above does not include the change in pension value and nonqualified

deferred compensation earnings as the change in pension value does not reflect decisions made by the Committee during the fiscal year.

The compensation set forth above does not include perquisites and benefits and other compensation as these items are generally determined by contract and do not reflect decisions made by the Committee during the fiscal year.

The Committee's determination on each of these matters was based on the recommendation of Mr. Iger (except in the case of his own compensation), the parameters established by the executive's employment agreement and the factors described below. In addition, in determining equity awards, the Committee considered its overall long-term incentive guidelines for all executives, which attempt to balance in the context of the competitive market for executive talent, the benefits of incentive compensation tied to performance of the Company's common stock with the dilutive effect of equity compensation awards.

Mr. Iger

Salary	Mr. Iger's 2014 salary was unchanged from his 2013 salary and is equal to the amount set in his employment agreement.
Performance-based Bonus	Target Bonus Mr. Iger's fiscal 2014 target bonus amount was unchanged from fiscal 2013 and is equal to the amount set in his employment agreement Other Performance Factor The Committee applied a factor of 200% with respect to other performance factors for Mr. Iger in fiscal 2014 compared to a factor of 115% in fiscal 2013. This factor reflected the Committee's judgment that Mr. Iger's leadership in articulating and implementing the Company's long-term strategy was a substantial driver of the extraordinary results in fiscal 2014 and continued to position the Company for future growth. Key accomplishments demonstrating this leadership included: Extraordinary creative successes in the Company's entertainment offerings, including the record-setting animated movie *Frozen* and the new franchise *Guardians of the Galaxy* from Marvel, and the successful management of the franchise value of that content throughout the Company's businesses to drive long-term returns;

The continued successful integration of Lucasfilm franchises throughout the Company's business and the development of *Star Wars: The Force Awakens*;

Continued development and expansion of scope of Shanghai Disney Resort, which is a key element in the Company's long-term strategy to expand its presence in the Asian market;

The acquisition of Maker Studios to establish a leading presence in short-form online content and integrate its technology and programming expertise across the enterprise;

Successes in the completion of the expansion of Fantasyland and the launch of MyMagic+ to all guests at Walt Disney World.

Achievement of annual profitability at the Interactive segment for the first time driven by the success of *Infinity* and *Tsum Tsum*;

Continued strong leadership and development of executive talent; and

Achievement of the highest ranking among media and entertainment companies in several independent studies including Forbes' Most Valuable Brands, Interbrand's Best Global Brands and Fortune's Most Admired Companies.

Equity Award Value

The Committee determined that the accounting cost of the equity award to Mr. Iger should be unchanged from the accounting cost of the award Mr. Iger received in fiscal 2013. The equity award value of $16,678,730 is the value (using the stock price on the equity award date of the target number of performance units to calculate the value) of an award that has an *accounting cost* equal to the accounting cost of the award Mr. Iger received in fiscal 2013.

Mr. Iger's employment agreement provides that restricted stock units awarded after October 2, 2011, will have the performance test for units awarded in fiscal 2012 unless the Committee revises the test in a way that does not materially diminish the value of the grant to Mr. Iger or the opportunity for such awards to become vested. Although the Committee established a new performance test in November 2012 that diminishes the opportunity for such awards to vest, Mr. Iger voluntarily agreed to accept awards that are subject to the newly established performance test. As discussed in prior proxy statements, the Committee separately determined that the value of the awards to Mr. Iger in fiscal 2013 and 2014 would be adjusted to provide an equivalent probability of vesting as measured by the accounting cost of his awards such that the accounting cost of awards would be equivalent to the cost of awards under the test that was in effect for fiscal 2012.

Mr. Rasulo

Salary

The Committee increased Mr. Rasulo's 2013 salary by 4% to $1,770,000 to reflect changes in the market for executive talent and his continued outstanding performance.

Performance-based Bonus

Target Bonus

Mr. Rasulo's target bonus for fiscal 2014 is equal to two times his fiscal year end salary, as set forth in his employment agreement.

Other Performance Factor

The Committee applied a factor of 200% with respect to other performance factors for Mr. Rasulo in fiscal 2014 compared to a factor of 115% in fiscal 2013. The determination this year reflected Mr. Iger's recommendation and Mr. Rasulo's accomplishments during the year including:

- Effective management of efficiency across multiple areas of spending including leadership of a company-wide project that significantly reduced overhead costs over the past two years;
- Leadership of multiple initiatives to build direct to consumer capabilities across the Company through data analysis and the use of business intelligence technology;
- Maintaining a strong balance sheet, including successful debt offerings and negotiation of the recapitalization of Disneyland Paris;
- Continued reorganization and consolidation of corporate functions including sourcing and procurement, product integrity, cash forecasting, collections and corporate financial decision support;

Supported the acquisition and integration of Maker Studios, opening a new content and distribution platform for the Company; and

Management of the Disney Citizenship group, furthering outreach in philanthropy, conservation and healthy living and resulting in continued national recognition for the Company in this arena.

Equity Award Value	The equity award value for Mr. Rasulo is equal to 3.1 times his fiscal year end salary (compared to the anticipated value of three times his fiscal year end salary set forth in his employment agreement) based on Mr. Iger's recommendation and Mr. Rasulo's continued outstanding performance.

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Mr. Braverman

Salary	The Committee increased Mr. Braverman's 2014 salary by 8% to $1,400,000 to reflect changes in the market for executive talent and his continued outstanding performance.
Performance-based Bonus	Target Bonus Mr. Braverman's target bonus for fiscal 2014 is equal to two times his fiscal year end salary, as set forth in his employment agreement. Other Performance Factor The Committee applied a factor of 200% with respect to other performance factors for Mr. Braverman in fiscal 2014 compared to a factor of 115% in fiscal 2013. The determination this year reflected Mr. Iger's recommendation and Mr. Braverman's accomplishments during the year including: Continued leadership of the Company's legal positions on significant litigation matters including upholding the Company's intellectual property rights in connection with the *Aereo* decision in the United States Supreme Court; Oversight of due diligence on significant acquisitions, including Maker Studios; Continued oversight and enhancement of the Company's compliance function; Development and implementation of uniform Company policies around the collection and use of consumer data to manage both legal privacy and brand risks; and Launch of the Company's pro bono legal program, including assistance in adoptions and legal assistance to non-profits that serve underprivileged children.
Equity Award Value	The equity award value for Mr. Braverman is equal to 2.1 times his fiscal year end salary (compared to the anticipated value of two times his fiscal year end salary set forth in his employment agreement) based on Mr. Iger's recommendation and Mr. Braverman's continued outstanding performance.

Mr. Mayer

Salary	The Committee increased Mr. Mayer's salary by 4% to $935,000 to reflect changes in the market for executive talent and his continued outstanding performance.

Performance-based Bonus	**Target Bonus** Mr. Mayer's target bonus for fiscal 2014 is equal to 1.25 times his fiscal year end salary, as set forth in his employment agreement. **Other Performance Factor** The Committee applied a factor of 200% with respect to other performance factors for Mr. Mayer in fiscal 2014 compared to a factor of 115% in fiscal 2013. The determination this year reflected Mr. Iger's recommendation and Mr. Mayer's accomplishments during the year including: Successful completion of the acquisition of Maker Studios; Providing strategic advice with respect to the restructuring of the Interactive segment, resulting in significant cost reductions; Launch of the Disney Accelerator initiative and successful engagement of technology-driven media and entertainment start-ups; and Leadership of a review of key industry dynamics and consumer behavior and application of them to the Company's corporate growth strategy including investment opportunities and potential acquisition targets.
Equity Award Value	The annual equity award value for Mr. Mayer is equal to 2.1 times his fiscal year end salary (compared to the anticipated value of two times his fiscal year end salary set forth in his employment agreement) based on Mr. Iger's recommendation and Mr. Mayer's continued outstanding performance.

Ms. Parker

Salary	The Committee increased Ms. Parker's salary by 4% to $730,000, to reflect changes in the market for executive talent and her continued outstanding performance.
Performance-based Bonus	Target Bonus Ms. Parker's target bonus for fiscal 2014 is equal to 1.25 times her fiscal year end salary, as set forth in her employment agreement. Other Performance Factor The Committee applied a factor of 200% with respect to other performance factors for Ms. Parker in fiscal 2014 compared to a factor of 115% in fiscal 2013. The determination this year reflected Mr. Iger's recommendation and Ms. Parker's accomplishments during the year including: Continued development of the human relations function including enhanced integration of talent strategies, realization of greater cost efficiencies, development of a new performance and succession planning strategy and harmonization of compensation and benefit programs across the Company; Leadership of an employee survey with record levels of participation and meaningful improvement across critical focus areas; Enhancement of recruitment practices including increased diversity at the executive level and expanded hiring of veterans; Implementation of strategic health care changes designed to provide market competitive options, improve health care services, promote health and wellness and lower overall cost increases; and Continued integration of strong global security practices responsive to potential terrorist and criminal threats, data security threats and protection of intellectual property.
Equity Award Value	The equity award value for Ms. Parker is equal to 2.7 times her fiscal year end salary (compared to the anticipated value of two times her fiscal year end salary set forth in her employment agreement) based on Mr. Iger's recommendation, Ms. Parker's continued outstanding performance and the market for executive talent.

Compensation Committee Report

The Compensation Committee has:

(1) reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with management; and

(2) based on this review and discussion, recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's proxy statement relating to the 2015 Annual Meeting of shareholders.

Members of the Compensation Committee

Susan E. Arnold (Chair)
Fred H. Langhammer
Aylwin B. Lewis
Monica C. Lozano

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Compensation Tables

Fiscal 2014 Summary Compensation Table

The following table provides information concerning the total compensation earned in fiscal 2012, fiscal 2013 and fiscal 2014 by the chief executive officer, the chief financial officer and the three other persons serving as executive officers at the end of fiscal 2014 who were the most highly compensated executive officers of the Company in fiscal 2014. These five officers are referred to as the named executive officers or NEOs in this proxy statement. Information regarding the amounts in each column follows the table.

Robert A. Iger	2014	$2,500,000	$8,943,204	$8,339,396	$22,810,000	$2,795,268	$1,109,150	$46,497,018
Chairman and Chief Executive	2013	2,500,000	8,804,278	8,478,239	13,570,000		968,538	34,321,055
Officer	2012	2,500,000	9,532,500	7,750,008	16,520,000	3,124,640	800,700	40,227,848
James A. Rasulo	2014	1,751,962	3,419,550	2,200,009	6,730,000	2,039,997	36,261	16,177,779
Senior Executive Vice President and	2013	1,649,231	3,118,894	2,039,996	3,850,000		37,912	10,696,033
Chief Financial Officer	2012	1,487,500	3,010,525	1,800,010	4,075,000	1,791,533	32,548	12,197,116
Alan N. Braverman	2014	1,374,231	1,865,250	1,200,017	5,325,000	760,263	60,544	10,585,305
Senior Executive Vice President,	2013	1,284,769	1,590,028	1,040,008	2,950,000		58,632	6,923,437

General Counsel and Secretary	2012	1,230,000	1,672,514	1,000,003	3,370,000	970,913	56,328	8,299,758
Kevin A. Mayer	2014	925,981	1,243,500	800,005	2,222,000	571,782	40,142	5,803,410
Executive Vice President,	2013	866,785	1,400,869	719,998	1,275,000		31,738	4,294,390
Corporate Strategy and Business Development	2012	763,552	1,010,249	604,001	1,307,000	486,821	35,517	4,207,140
M. Jayne Parker	2014	722,269	1,243,500	800,005	1,735,000	880,174	37,339	5,418,287
Executive Vice President and Chief	2013	687,308	856,177	560,005	990,000		40,425	3,133,915
Human Resources Officer	2012	643,750	936,625	560,005	1,105,000	705,057	38,680	3,989,117

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Stock awards for each fiscal year include awards subject to performance conditions that were valued based on the probability that performance targets will be achieved. Assuming the highest level of performance conditions are achieved, the grant date stock award values would be as follows:

2014	$ 12,509,144	$ 4,125,108	$2,250,109	$ 1,500,072	$ 1,500,072
2013	12,717,432	3,825,080	1,950,046	1,650,121	1,050,035
2012	11,625,000	3,375,028	1,875,015	1,132,566	1,050,028

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As described more fully under "Change in Pension Value and Nonqualified Deferred Compensation Earnings" below, changes in pension value were driven largely by changes in the discount rate applied to calculate the present value of future pension payments. In fiscal 2013, an increase in the discount rate caused the change in the pension value to be negative for each of the named executive officers. The changes in pension value in fiscal 2013 were $(531,988), $(309,208), $(164,742), $(138,062) and $(49,723) for Mr. Iger, Mr. Rasulo, Mr. Braverman, Mr. Mayer and Ms. Parker, respectively.

Salary. This column sets forth the base salary earned during each fiscal year, none of which was deferred.

Stock Awards. This column sets forth the grant date fair value of the restricted stock unit awards granted to the named executive officers during each fiscal year as part of the Company's long-term incentive compensation program. The grant date fair value of these awards was calculated by multiplying the number of units awarded by the average of the high and low trading price of the

Company's common stock on the grant date, subject to valuation adjustments for restricted stock unit awards subject to performance-based vesting conditions other than the test to assure deductibility under Section 162(m) of the Internal Revenue Code. The valuation adjustments, which reflect the fact that the number of shares received on vesting varies based on the level of performance achieved, were determined using a Monte Carlo simulation that determines the probability that the performance targets will be achieved. The grant date fair value of the restricted stock unit awards granted during fiscal 2014 is also included in the Fiscal 2014 Grants of Plan Based Awards table on page 38.

Option Awards. This column sets forth the grant date fair value of options to purchase shares of the Company's common stock granted to the named executive officers during each fiscal year. The grant-date fair value of these options was calculated using a binomial option pricing model. The assumptions used in estimating the fair value of these options are set forth in footnote 12 to the Company's Audited Financial Statements for fiscal 2014. The grant date fair value of the options granted during fiscal 2014 is also included in the Fiscal 2014 Grants of Plan Based Awards table on page 38.

Non-Equity Incentive Plan Compensation. This column sets forth the amount of compensation earned by the named executive officers under the Company's annual performance-based bonus program during each fiscal year. A description of the Company's annual performance-based bonus program is included in the discussion of *"2014 Total Direct Compensation"* in the *"Executive Compensation Program Structure"* section, and the determination of performance-based bonuses for fiscal 2014 is described in the *"2014 Compensation Decisions"* section, of the *Compensation Discussion and Analysis*, beginning on page 30.

Change in Pension Value and Nonqualified Deferred Compensation Earnings. This column reflects the aggregate change in the actuarial present value of each named executive officer's accumulated benefits under all defined benefit plans, including supplemental plans, during each fiscal year. The amounts reported in this column vary with a number of factors, including the discount rate applied to determine the value of future payment streams. The discount rate used pursuant to pension accounting rules to calculate the present value of future payments was 4.75% for fiscal 2011, 3.85% for fiscal 2012, 5.00% for fiscal 2013 and 4.40% for fiscal 2014. The decreases in fiscal 2012 and 2014 drove substantial increases in the present value of future payments, whereas the increase in fiscal 2013 drove a decline for that year noted in the footnote to the table. Neither the increase nor the decrease in pension value resulting from changes in the discount rate results in any increase or decrease in benefits payable to participants under the plan.

None of the named executive officers was credited with earnings on deferred compensation other than Mr. Iger, whose earnings on deferred compensation, which are disclosed below under "Deferred Compensation," were not payable at above market rates and therefore are not reported in this column.

All Other Compensation. This column sets forth all of the compensation for each fiscal year that we could not properly report in any other column of the table, including:

- the incremental cost to the Company of perquisites and other personal benefits;
- the amount of Company contributions to employee savings plans;
- the dollar value of insurance premiums paid by the Company with respect to excess liability insurance for the named executive officers; and
- the dollar amount of matching charitable contributions made to charities pursuant to the Company's charitable gift matching program, which is available to all regular US employees with at least one year of service.

The dollar amount of matching charitable contributions was $15,000, $15,000, $2,000 and $20,000 ($10,000 in calendar 2013 and $10,000 in calendar 2014) for Mr. Iger, Mr. Rasulo, Mr. Braverman and Mr. Mayer, respectively.

In accordance with the SEC's interpretations of its rules, this column also sets forth the incremental cost to the Company of certain items that are provided to the named executive officers for business purposes but which may not be considered integrally related to his or her duties.

The following table sets forth the incremental cost to the Company of each perquisite and other personal benefit that exceeded the greater of $25,000 or 10% of the total amount of perquisites and personal benefits for a named executive officer in fiscal 2014.

Robert A. Iger	$391,411	$ 614,582	$ 82,349	$ 1,088,342
James A. Rasulo			15,607	15,607
Alan N. Braverman			52,601	52,601
Kevin A. Mayer			14,760	14,760
M. Jayne Parker			31,432	31,432

The incremental cost to the Company of the items specified above was determined as follows:

Personal air travel: the actual catering costs, landing and ramp fees, fuel costs and lodging costs incurred by flight crew plus a per hour charge based on the average hourly maintenance costs for the aircraft during the year for flights that were purely personal in nature, and a pro rata portion of catering costs where personal guests accompanied a named executive officer on flights that were business in nature. Where a personal flight

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coincided with the repositioning of an aircraft following a business flight, only the incremental costs of the flight compared to an immediate repositioning of the aircraft are included. As noted on page 24, above, Mr. Iger is required for security reasons to use corporate aircraft for all of his personal travel.

Security: the actual costs incurred by the Company for providing security services and equipment.

The "Other" column in the table above includes, to the extent a named executive officer elected to receive any of these benefits, the incremental cost to the Company of the vehicle benefit, personal air travel where the cost to the Company was less than $25,000, reimbursement of up to $1,000 for wellness-related purposes such as fitness, nutrition and stress management, and