



WALT DISNEY Parks and Resorts U.S.

June 24, 2020

Dear Master Services Joint Council:

As you know, the Company and the Council on June 23, 2020, reached a binding Memorandum of Understanding (MOU) after hours of bargaining over the past three weeks, including 10 bargaining sessions with the full council. The MOU covers topics ranging from recall process to health and safety measures associated with the return to work. With that MOU in place, we expect the Council to engage with the Company in good faith, and to abide by the terms of our agreement. The Company intends to do the same.

With that said, we are confused by your June 23 letter given the hours of productive bargaining and several individual meetings and health and safety walks with each affiliate in order to thoroughly evaluate each line of business.

It is disappointing that less than 24 hours after reaching agreement on both the process to bring Cast back to work and on health and safety measures — including additional sick pay and stringent workplace guidelines — the council has responded in this way.

In response to the specific issues raised in your letter, the Company has directly addressed the following with the union countless times:

- **COVID-19 Testing:** The existing COVID-19 testing is not viable as a screening tool and not recommended by the FDA to be used in this way. Given the current range of false negatives, as high as 38% in the most infectious period of COVID-19, testing Cast Members can give a false sense of security. The best way to prevent the spread of COVID-19 according to the CDC and WHO is to focus on physical distancing, wearing effective face coverings and hand washing and sanitization. This continues to be where we are focusing as well.
- **Sick Pay:** The Company has agreed to extend sick pay for Cast Members asked by Disney to self-isolate for business-related exposure, or in the event of a confirmed COVID-19 diagnosis. These measures are in addition to the Company's already existing paid sick leave policies.
- **Face Coverings and Enforcement:** We have been crystal clear that we will enforce our policy requiring the wearing of face coverings by Cast and Guests and our Resort leaders and security personnel will support Cast Members on this front. We also will activate a dedicated team of Cast whose primary job will be to engage with and remind Guests to comply with all of our health and safety protocols.

We have established a health and safety committee at the senior most levels of the Company to establish our global response strategy, and engaged countless safety advisors and experts to help craft our deliberate approach to a responsible reopening of the Disneyland Resort. And in the last month, we have successfully reopened parks in Shanghai and Hong Kong using similar detailed and robust health and safety protocols for Cast and Guests. Throughout bargaining we have provided the council with details about our plans for extensive health and safety measures.

These include:

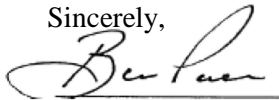
- Reduced capacity at our theme parks
- Temperature checks for Cast before they leave home (thermometers provided) and prior to entering the workplace
- Temperature checks for Guests prior to entering our parks and Downtown Disney
- Increased cleaning and disinfecting
- Changes to accommodate physical distancing
- Requiring face coverings for Cast and Guests
- Encouraging contactless payments options
- Easy access to handwashing and hand sanitizer for Cast and Guests

The Company's intent to reopen was clear from discussions at the table, as well as from public facing announcements and in the MOU signed by Master Services Council and the Company. But never once during our countless hours of negotiations did any member of your council ask us to not open, which makes sense as such a decision falls squarely within our Management Rights. These counterproductive tactics are inconsistent with your obligation to engage with the Company in good faith, and could impact thousands of Cast Members, which causes us to question your overall motives.

As we have made clear in both our meetings and in our signed MOU, we have committed to ongoing dialogue regarding health and safety measures as this unprecedented situation continues to evolve. And in close coordination with government, health care officials and our own Company health and safety experts, once we have government approval, we look forward to welcoming our Cast and Guests back to the Disneyland Resort.

As agreed, we are available for ongoing discussions on health and safety measures.

Sincerely,



Bill Pace, Director Labor Relations
Victoria Pearce, Sr. Manager, Labor Relations