

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2019

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission File Number 1-6682

HASBRO, INC.

(Exact name of registrant as specified in its charter)

Rhode Island
(State of Incorporation)

05-0155090
(I.R.S. Employer Identification No.)

1027 Newport Avenue, Pawtucket, Rhode Island 02861
(Address of Principal Executive Offices, Including Zip Code)

(401) 431-8697
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer
Emerging growth Company

Accelerated filer
Smaller reporting Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of Common Stock, par value \$.50 per share, outstanding as of April 22, 2019 was 125,854,116.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Thousands of Dollars Except Share Data)
(Unaudited)

	March 31, 2019	April 1, 2018	December 30, 2018
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,196,634	1,598,944	1,182,371
Accounts receivable, less allowance for doubtful accounts of \$12,100 \$94,300 and \$9,100	638,417	612,698	1,188,052
Inventories	491,751	517,439	443,383
Prepaid expenses and other current assets	305,056	292,756	268,698
Total current assets	2,631,858	3,021,837	3,082,504
Property, plant and equipment, less accumulated depreciation of \$484,200 \$436,600 and \$462,700			
	395,624	262,418	256,473
Other assets			
Goodwill	485,528	573,574	485,881
Other intangible assets, net of accumulated amortization of \$747,800 \$911,300 and \$721,700	682,063	210,904	693,842
Other	739,700	660,339	744,288
Total other assets	1,907,291	1,444,817	1,924,011
Total assets	\$ 4,934,773	4,729,072	5,262,988
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	\$ 13,409	21,611	9,740
Accounts payable	234,262	256,433	333,521
Accrued liabilities	701,054	574,482	931,063
Total current liabilities	948,725	852,526	1,274,324
Long-term debt	1,695,462	1,693,977	1,695,092
Other liabilities	636,055	611,210	539,086
Total liabilities	3,280,242	3,157,713	3,508,502
Shareholders' equity			
Preference stock of \$2.50 par value. Authorized 5,000,000 shares; none issued	-	-	-
Common stock of \$0.50 par value. Authorized 600,000,000 shares; issued 209,694,630 at March 31, 2019, April 1, 2018, and December 30, 2018	104,847	104,847	104,847
Additional paid-in capital	1,269,230	1,053,368	1,275,059
Retained earnings	4,125,686	4,090,637	4,184,374
Accumulated other comprehensive loss	(282,339)	(292,395)	(294,514)
Treasury stock, at cost; 83,830,809 shares at March 31, 2019; 84,706,373 shares at April 1, 2018; and 83,565,598 shares at December 30, 2018	(3,562,893)	(3,385,098)	(3,515,280)
Total shareholders' equity	1,654,531	1,571,359	1,754,486
Total liabilities and shareholders' equity	\$ 4,934,773	4,729,072	5,262,988

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(Thousands of Dollars Except Per Share Data)
(Unaudited)

	Quarter Ended	
	March 31, 2019	April 1, 2018
Net revenues	\$ 732,510	716,341
Costs and expenses:		
Cost of sales	259,987	255,187
Royalties	59,888	69,652
Product development	56,260	57,384
Advertising	76,604	68,016
Amortization of intangibles	11,816	6,478
Program production cost amortization	6,575	12,034
Selling, distribution and administration	225,253	328,009
Total costs and expenses	<u>696,383</u>	<u>796,760</u>
Operating profit (loss)	<u>36,127</u>	<u>(80,419)</u>
Non-operating (income) expense:		
Interest expense	22,314	22,809
Interest income	(7,682)	(6,248)
Other income, net	(8,100)	(8,592)
Total non-operating expense, net	<u>6,532</u>	<u>7,969</u>
Earnings (loss) before income taxes	29,595	(88,388)
Income tax expense	2,868	24,104
Net earnings (loss)	<u>\$ 26,727</u>	<u>(112,492)</u>
Net earnings (loss) per common share:		
Basic	<u>\$ 0.21</u>	<u>(0.90)</u>
Diluted	<u>\$ 0.21</u>	<u>(0.90)</u>
Cash dividends declared per common share	<u>\$ 0.68</u>	<u>0.63</u>

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Earnings (Loss)
(Thousands of Dollars)
(Unaudited)

	Quarter Ended	
	March 31, 2019	April 1, 2018
Net earnings (loss)	\$ 26,727	(112,492)
Other comprehensive earnings (loss):		
Foreign currency translation adjustments	6,993	12,829
Unrealized holding gains (losses) on available-for-sale securities, net of tax	265	(143)
Net gains (losses) on cash flow hedging activities, net of tax	6,592	(25,270)
Changes in unrecognized pension amounts, net of tax	-	(26,058)
Reclassifications to earnings (loss), net of tax:		
Net (gains) losses on cash flow hedging activities	(2,814)	5,355
Amortization of unrecognized pension and postretirement amounts	1,139	1,820
Total other comprehensive earnings (loss), net of tax	12,175	(31,467)
Comprehensive earnings (loss)	\$ 38,902	(143,959)

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Thousands of Dollars)
(Unaudited)

	Three Months Ended	
	March 31, 2019	April 1, 2018
Cash flows from operating activities:		
Net earnings (loss)	\$ 26,727	(112,492)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation of plant and equipment	27,028	26,221
Amortization of intangibles	11,816	6,478
Program production cost amortization	6,575	12,034
Deferred income taxes	11,795	(16,437)
Stock-based compensation	5,285	10,291
Other non-cash items	(3,503)	(4,971)
Change in operating assets and liabilities net of acquired balances:		
Decrease in accounts receivable	558,888	808,367
Increase in inventories	(50,109)	(76,516)
Increase in prepaid expenses and other current assets	(33,934)	(78,540)
Program production costs	(17,728)	(11,398)
Decrease in accounts payable and accrued liabilities	(273,955)	(297,669)
Net deemed repatriation tax	-	75,805
Other	(4,391)	(23,434)
Net cash provided by operating activities	<u>264,494</u>	<u>317,739</u>
Cash flows from investing activities:		
Additions to property, plant and equipment	(25,201)	(28,235)
Other	(1,800)	2,007
Net cash utilized by investing activities	<u>(27,001)</u>	<u>(26,228)</u>
Cash flows from financing activities:		
Net proceeds from (repayments of) other short-term borrowings	3,419	(133,698)
Purchases of common stock	(47,479)	(38,126)
Stock-based compensation transactions	2,335	19,518
Dividends paid	(79,274)	(70,781)
Payments related to tax withholding for share-based compensation	(11,880)	(52,637)
Deferred acquisition payments	(87,500)	-
Net cash utilized by financing activities	<u>(220,379)</u>	<u>(275,724)</u>
Effect of exchange rate changes on cash	<u>(2,851)</u>	<u>1,923</u>
Increase in cash and cash equivalents	<u>14,263</u>	<u>17,710</u>
Cash and cash equivalents at beginning of year	<u>1,182,371</u>	<u>1,581,234</u>
Cash and cash equivalents at end of period	<u>\$ 1,196,634</u>	<u>1,598,944</u>
Supplemental information		
Cash paid during the period for:		
Interest	\$ 28,576	28,699
Income taxes	\$ 13,019	42,481

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Shareholders' Equity
(Thousands of Dollars)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Shareholders' Equity
Balance, December 31, 2017	\$ 104,847	1,050,605	4,260,222	(239,425)	(3,346,292)	\$ 1,829,957
Net earnings (loss)	-	-	(112,492)	-	-	(112,492)
Impact of adoption of ASU 2018-02	-	-	21,503	(21,503)	-	-
Other comprehensive loss	-	-	-	(31,467)	-	(31,467)
Stock-based compensation transactions	-	(7,528)	-	-	(15)	(7,543)
Purchases of common stock	-	-	-	-	(38,791)	(38,791)
Stock-based compensation expense	-	10,291	-	-	-	10,291
Dividends declared	-	-	(78,596)	-	-	(78,596)
Balance, April 1, 2018	<u>\$ 104,847</u>	<u>1,053,368</u>	<u>4,090,637</u>	<u>(292,395)</u>	<u>(3,385,098)</u>	<u>\$ 1,571,359</u>
Balance, December 30, 2018	\$ 104,847	1,275,059	4,184,374	(294,514)	(3,515,280)	\$ 1,754,486
Net earnings	-	-	26,727	-	-	26,727
Other comprehensive earnings	-	-	-	12,175	-	12,175
Stock-based compensation transactions	-	(11,114)	-	-	1,569	(9,545)
Purchases of common stock	-	-	-	-	(49,182)	(49,182)
Stock-based compensation expense	-	5,285	-	-	-	5,285
Dividends declared	-	-	(85,415)	-	-	(85,415)
Balance, March 31, 2019	<u>\$ 104,847</u>	<u>1,269,230</u>	<u>4,125,686</u>	<u>(282,339)</u>	<u>(3,562,893)</u>	<u>\$ 1,654,531</u>

See accompanying notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Condensed Notes to Consolidated Financial Statements
(Thousands of Dollars and Shares Except Per Share Data)
(Unaudited)

(1) Basis of Presentation

In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all normal and recurring adjustments necessary to present fairly the consolidated financial position of Hasbro, Inc. and all majority-owned subsidiaries ("Hasbro" or the "Company") as of March 31, 2019 and April 1, 2018, and the results of its operations and cash flows and shareholder's equity for the periods then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Actual results could differ from those estimates.

The quarters ended March 31, 2019 and April 1, 2018 were each 13-week periods.

The results of operations for the quarter are not necessarily indicative of results to be expected for the full year, nor were those of the comparable 2018 period representative of those actually experienced for the full year 2018.

These condensed consolidated financial statements have been prepared without audit, pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Certain information and disclosures normally included in the consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The Company filed with the SEC audited consolidated financial statements for the fiscal year ended December 30, 2018 in its Annual Report on Form 10-K ("2018 Form 10-K"), which includes all such information and disclosures and, accordingly, should be read in conjunction with the financial information included herein.

Recently Adopted Accounting Standards

The Company's accounting policies are the same as those described in Note 1 to the Company's consolidated financial statements in its 2018 Form 10-K with the exception of the accounting policies related to leases and derivatives and hedging.

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2016-02 (ASU 2016-02), *Leases (Topic 842)*, which requires lessees to recognize a right-of-use asset and a lease liability for virtually all leases. The liability is based on the present value of lease payments and the asset is based on the liability. For income statement purposes, a dual model was retained requiring leases to be either classified as operating or finance. Operating leases result in straight-line expense while finance leases result in a front-loaded expense pattern. Certain other quantitative and qualitative disclosures are also required. ASU 2016-02 is required for public companies for fiscal years beginning after December 15, 2018. ASU 2016-02 as originally issued required modified retrospective adoption. In July 2018, the FASB issued ASU 2018-11, which provides an alternative transition method in addition to the existing method by allowing entities to apply ASU 2016-02 as of the adoption date and recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. The Company adopted ASU-2016-02 on December 31, 2018 using the retrospective basis as provided in ASU 2018-11. No cumulative effect was recorded to retained earnings. The Company also elected certain practical expedients as provided under the standard. These included (i) the election not to reassess whether contracts existing at the adoption date contain a lease under the new definition of a lease under the standard; (ii) the election not to reassess the lease classification for existing leases as of the adoption date; (iii) the election not to reassess whether previously capitalized initial direct costs would qualify for capitalization under the standard; (iv) the election to use hindsight in determining the relevant lease terms for use in the capitalization of the lease liability; and (v) the election to use hindsight in reviewing the right-of-use assets for impairment. For all leases, the terms were evaluated, including extension and renewal options as well as the lease payments associated with the leases. As a result of the adoption of the standard, in the first quarter of 2019, the Company recorded right-of-use assets of \$121,230 and lease liabilities of \$139,520. The Company's results of operations were not impacted by this standard. The adoption of this standard did not have an impact on the Company's cash flows. For further details, see Note 10.

In August 2017, the FASB issued Accounting Standards Update No. 2017-12 (ASU 2017-12), *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The amendments expand and refine hedge accounting for both non-financial and financial risk components and align the recognition and presentation of the effects of the hedging instrument and the underlying hedged item in the financial statements. The impact of the standard includes elimination of the requirement to separately measure and recognize hedge ineffectiveness and requires the presentation of fair value adjustments to hedging instruments to be included in the same income statement line as the hedged item. For public companies, this standard is effective for annual reporting periods beginning after December 15, 2018, and early adoption is permitted. The Company adopted ASU 2017-12 in the first quarter of 2019 and the adoption of this standard did not have a material impact on the Company's results or consolidated financial statements.

Recently Issued Accounting Pronouncements

In March 2019, the FASB issued Accounting Standards Update No. 2019-02 (ASU 2019-02) *Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350) - Improvements to Accounting for Costs of Films and License Agreements for Program Materials*. The amendments in this update align cost capitalization of episodic television series production costs with that of film production cost capitalization. In addition, this update addresses impairment testing procedures with regard to film groups, when a film or license agreement is expected to be monetized with other films and/or license agreements. The intention of this update is to align accounting treatment with changes in production and distribution models within the entertainment industry and to provide increased transparency of information provided to users of financial statements about produced and licensed content. For public companies, this standard is effective for annual reporting periods beginning after December 15, 2019, and early adoption is permitted. The Company is currently evaluating the standard and the impact, if any, to its consolidated financial statements.

(2) Revenue Recognition

Revenue Recognition

Revenue is recognized when control of the promised goods is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for transferring those goods. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable.

Contract Assets and Liabilities

Within our Entertainment, Licensing and Digital segment, the Company may receive royalty payments from licensees in advance of the licensees' subsequent sales to their customers, or in advance of the Company's performance obligation being satisfied. In addition, the Company may receive payments from its digital gaming business in advance of the recognition of the revenues. The Company defers revenues on these advanced payments until its performance obligation is satisfied. The aggregate deferred revenues are recorded as liabilities and were \$47,678, \$7,940, and \$50,759 as of March 31, 2019, April 1, 2018, and December 30, 2018, respectively, and the changes in deferred revenues are not material to the Company's consolidated statement of operations for the quarters ended March 31, 2019 and April 1, 2018, respectively. The Company records contract assets in the case of minimum guarantees that are being recognized ratably over the term of the respective license periods. At March 31, 2019 and April 1, 2018, these contract assets were not material to the Company's consolidated balance sheets.

Disaggregation of revenues

The Company disaggregates its revenues from contracts with customers by segment: US and Canada, International, Entertainment, Licensing and Digital, and Global Operations. The Company further disaggregates revenues within its International segment by major geographic region: Europe, Latin America, and Asia Pacific. Finally, the Company disaggregates its revenues by brand portfolio into four brand categories: Franchise brands, Partner brands, Hasbro gaming, and Emerging brands. We believe these collectively depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See Note 12, Segment Reporting, for further information.

(3) Earnings (Loss) Per Share

Net earnings (loss) per share data for the quarters ended March 31, 2019 and April 1, 2018 were computed as follows:

Quarter	2019		2018	
	Basic	Diluted	Basic	Diluted
Net earnings (loss)	\$ 26,727	26,727	(112,492)	(112,492)
Average shares outstanding	126,287	126,287	125,073	125,073
Effect of dilutive securities:				
Options and other share-based awards	-	529	-	-
Equivalent Shares	126,287	126,816	125,073	125,073
Net earnings (loss) per common share	\$ 0.21	0.21	(0.90)	(0.90)

For the quarters ended March 31, 2019 and April 1, 2018, options and restricted stock units totaling 1,693 and 3,191, respectively, were excluded from the calculation of diluted earnings per share because to include them would have been anti-dilutive. Of the 2018 amount 1,993 would have been included in the calculation of diluted shares had the Company not had a net loss in the first quarter of 2018. Assuming that these awards and options were included, under the treasury stock method, they would have resulted in an additional 1,022 shares being included in the diluted earnings per share calculation for the quarter ended April 1, 2018.

(4) Other Comprehensive Earnings (Loss)

Components of other comprehensive earnings (loss) are presented within the consolidated statements of comprehensive earnings (loss). The following table presents the related tax effects on changes in other comprehensive earnings (loss) for the quarters ended March 31, 2019 and April 1, 2018.

	Quarter Ended	
	March 31, 2019	April 1, 2018
Other comprehensive earnings (loss), tax effect:		
Tax (expense) benefit on unrealized holding (gains) losses	\$ (77)	41
Tax (expense) benefit on cash flow hedging activities	(3)	5,980
Tax benefit on changes in unrecognized pension amounts	-	7,565
Reclassifications to earnings, tax effect:		
Tax expense (benefit) on cash flow hedging activities	346	(794)
Tax benefit on unrecognized pension and postretirement amounts reclassified to the consolidated statements of operations	(331)	(528)
Total tax effect on other comprehensive earnings (loss)	\$ (65)	12,264

Changes in the components of accumulated other comprehensive earnings (loss) for the three months ended March 31, 2019 and April 1, 2018 are as follows:

	Pension and Postretirement Amounts	Gains (Losses) on Derivative Instruments	Unrealized Holding Gains (Losses) on Available- for-Sale Securities	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss
2019					
Balance at December 30, 2018	\$ (143,134)	1,549	(744)	(152,185)	(294,514)
Current period other comprehensive earnings (loss)	1,139	3,778	265	6,993	12,175
Balance at March 31, 2019	\$ (141,995)	5,327	(479)	(145,192)	(282,339)
2018					
Balance at December 31, 2017	\$ (110,971)	(32,827)	1,034	(96,661)	(239,425)
Adoption of ASU 2018-02	(18,065)	(3,660)	222	-	(21,503)
Current period other comprehensive earnings (loss)	(24,238)	(19,915)	(143)	12,829	(31,467)
Balance at April 1, 2018	\$ (153,274)	(56,402)	1,113	(83,832)	(292,395)

Gains (Losses) on Derivative Instruments

At March 31, 2019, the Company had remaining net deferred gains on foreign currency forward contracts, net of tax, of \$24,290 in accumulated other comprehensive loss ("AOCE"). These instruments hedge payments related to inventory purchased in the first quarter of 2019 or forecasted to be purchased during the remainder of 2019 through 2022, intercompany expenses expected to be paid or received during 2019, television and movie production costs paid in 2019, and cash receipts for sales made at the end of the first quarter of 2019 or forecasted to be made in the remainder of 2019 and, to a lesser extent, 2020 through 2021. These amounts will be reclassified into the consolidated statements of operations upon the sale of the related inventory or recognition of the related sales or expenses.

In addition to foreign currency forward contracts, the Company entered into hedging contracts on future interest payments related to the long-term notes due in 2021 and 2044. At the date of debt issuance, these contracts were terminated and the fair value on the date of settlement was deferred in AOCE and is being amortized to interest expense over the life of the related notes using the effective interest rate method. At March 31, 2019, deferred losses, net of tax of \$18,963 related to these instruments remained in AOCE. For the quarters ended March 31, 2019 and April 1, 2018, losses of \$450, were reclassified from AOCE to net earnings.

Of the amount included in AOCE at March 31, 2019, the Company expects net gains of approximately \$16,761 to be reclassified to the consolidated statements of operations within the next 12 months. However, the amount ultimately realized in earnings is dependent on the fair value of the hedging instruments on the settlement dates.

(5) Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, short-term borrowings, accounts payable and certain accrued liabilities. At March 31, 2019, April 1, 2018 and December 30, 2018, the carrying cost of these instruments approximated their fair value. The Company's financial instruments at March 31, 2019, April 1, 2018 and December 30, 2018 also include certain assets and liabilities measured at fair value (see Notes 7 and 9) as well as long-term borrowings. The carrying costs, which are equal to the outstanding principal amounts, and fair values of the Company's long-term borrowings as of March 31, 2019, April 1, 2018 and December 30, 2018 are as follows:

	March 31, 2019		April 1, 2018		December 30, 2018	
	Carrying Cost	Fair Value	Carrying Cost	Fair Value	Carrying Cost	Fair Value
6.35% Notes Due 2040	\$ 500,000	548,200	500,000	585,400	500,000	535,000
3.50% Notes Due 2027	500,000	479,450	500,000	468,000	500,000	457,350
5.10% Notes Due 2044	300,000	285,990	300,000	299,460	300,000	272,640
3.15% Notes Due 2021	300,000	301,440	300,000	300,480	300,000	297,600
6.60% Debentures Due 2028	109,895	129,445	109,895	128,006	109,895	123,346
Total long-term debt	\$ 1,709,895	1,744,525	1,709,895	1,781,346	1,709,895	1,685,936
Less: Deferred debt expenses	14,433	-	15,918	-	14,803	-
Long-term debt	\$ 1,695,462	1,744,525	1,693,977	1,781,346	1,695,092	1,685,936

The fair values of the Company's long-term debt are considered Level 3 fair values (see Note 7 for further discussion of the fair value hierarchy) and are measured using the discounted future cash flows method. In addition to the debt terms, the valuation methodology includes an assumption of a discount rate that approximates the current yield on a similar debt security. This assumption is considered an unobservable input in that it reflects the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability. The Company believes that this is the best information available for use in the fair value measurement.

(6) Income Taxes

The Company and its subsidiaries file income tax returns in the United States and various state and international jurisdictions. In the normal course of business, the Company is regularly audited by U.S. federal, state and local, and international tax authorities in various tax jurisdictions.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act made broad and complex changes to the U.S. tax code including, but not limited to, reducing the U.S. federal corporate tax rate and requiring a one-time tax on certain unrepatriated earnings of foreign subsidiaries.

On December 22, 2017, Staff Accounting Bulletin No. 118 ("SAB 118") established a one-year measurement period to complete the accounting for the ASC 740 income tax effects of the Tax Act. An entity recognizes the impact of those amounts for which the accounting is complete. For matters that have not been completed, provisional amounts are recorded to the extent they can be reasonably estimated. For amounts for which a reasonable estimate cannot be determined, no adjustment is made until such estimate can be completed.

As a result, the Company recorded a one-time tax expense of \$47,800 in the first quarter of 2018 which reversed certain discrete benefits recorded in 2017 as well as increased our provisional deemed repatriation tax liability.

The Company is no longer subject to U.S. federal income tax examinations for years before 2013. With few exceptions, the Company is no longer subject to U.S. state or local and non-U.S. income tax examinations by tax authorities in its major jurisdictions for years before 2012. The Company is currently under income tax examination in several U.S. state and local and non-U.S. jurisdictions.

(7) Fair Value of Financial Instruments

The Company measures certain financial instruments at fair value. The fair value hierarchy consists of three levels: Level 1 fair values are based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access; Level 2 fair values are those based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities; and Level 3 fair values are based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Accounting standards permit entities to measure many financial instruments and certain other items at fair value and establish presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar assets and liabilities. The Company has elected the fair value option for certain available-for-sale investments. At March 31, 2019, April 1, 2018 and December 30, 2018, these investments totaled \$24,188, \$24,584 and \$23,913, respectively, and are included in prepaid expenses and other current assets in the consolidated balance sheets. The Company recorded net gains of \$550 and \$448 on these investments in other income, net for the quarters ended March 31, 2019 and April 1, 2018, respectively, related to the change in fair value of such instruments.

At March 31, 2019, April 1, 2018 and December 30, 2018, the Company had the following assets and liabilities measured at fair value in its consolidated balance sheets (excluding assets for which the fair value is measured using net asset value per share):

	Fair Value Measurements Using:			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2019				
Assets:				
Available-for-sale securities	\$ 975	975	-	-
Derivatives	32,296	-	32,296	-
Total assets	\$ 33,271	975	32,296	-
Liabilities:				
Derivatives	\$ 45	-	45	-
Option agreement	23,144	-	-	23,144
Total liabilities	\$ 23,189	-	45	23,144
April 1, 2018				
Assets:				
Available-for-sale securities	\$ 2,941	2,941	-	-
Derivatives	2,960	-	2,960	-
Total assets	\$ 5,901	2,941	2,960	-
Liabilities:				
Derivatives	\$ 39,428	-	39,428	-
Option agreement	23,665	-	-	23,665
Total liabilities	\$ 63,093	-	39,428	23,665
December 30, 2018				
Assets:				
Available-for-sale securities	\$ 914	914	-	-
Derivatives	26,076	-	26,076	-
Total assets	\$ 26,990	914	26,076	-
Liabilities:				
Derivatives	\$ 1,610	-	1,610	-
Option agreement	23,440	-	-	23,440
Total Liabilities	\$ 25,050	-	1,610	23,440

Available-for-sale securities include equity securities of one company quoted on an active public market.

The Company's derivatives consist of foreign currency forward contracts and zero-cost collar options. The Company used current forward rates of the respective foreign currencies to measure the fair value of these contracts. The Company's option agreement relates to an equity method investment in Discovery Family Channel ("Discovery"). The option agreement is included in other liabilities at March 31, 2019, April 1, 2018 and December 30, 2018, and is valued using an option pricing model based on the fair value of the related investment. Inputs used in the option pricing model include the volatility and fair value of the underlying company which are considered unobservable inputs as they reflect the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability. The Company believes that this is the best information available for use in the fair value measurement. There were no changes in these valuation techniques during the three-month period ended March 31, 2019.

The following is a reconciliation of the beginning and ending balances of the fair value measurements of the Company's financial instruments which use significant unobservable inputs (Level 3):

	2019	2018
Balance at beginning of year	\$ (23,440)	(23,980)
Gain from change in fair value	296	315
Balance at end of first quarter	<u>\$ (23,144)</u>	<u>(23,665)</u>

In addition to the above, the Company has three investments for which the fair value is measured using net asset value per share. At March 31, 2019, April 1, 2018 and December 30, 2018, these investments had fair values of \$24,188, \$24,584 and \$23,913, respectively. Two of the investments have net asset values that are predominantly based on underlying investments which are traded on an active market and are redeemable within 45 days. The third investment invests in hedge funds which are generally redeemable on a quarterly basis with 30 – 90 days' notice.

(8) Pension and Postretirement Benefits

The components of the net periodic cost of the Company's defined benefit pension and other postretirement plans for the quarters ended March 31, 2019 and April 1, 2018 are as follows:

	Quarter Ended			
	Pension		Postretirement	
	March 31, 2019	April 1, 2018	March 31, 2019	April 1, 2018
Service cost	\$ 1,037	685	178	188
Interest cost	2,205	4,016	316	292
Expected return on assets	(2,038)	(5,205)	-	-
Net amortization and deferrals	1,698	2,977	5	42
Net periodic benefit cost	<u>\$ 2,902</u>	<u>2,473</u>	<u>499</u>	<u>522</u>

During the three months ended March 31, 2019, the Company made cash contributions of \$230 to its defined benefit pension plans. During fiscal 2019, the Company expects to make cash contributions to its defined benefit pension plans of approximately \$1,600 in the aggregate.

In February 2018, the Compensation Committee of the Company's Board of Directors approved a resolution to terminate the Company's U.S. defined benefit pension plan ("Plan"). During the first quarter of 2018 the Company commenced the plan termination process and expects to complete the transfer of the Plan's assets to a third-party administrator in the third quarter of 2019. The decision to terminate the Plan follows the 2015 decision to freeze benefits being accrued covering union employees after the sale of the Company's manufacturing facility in East Longmeadow, MA. Benefits covering non-union employees were frozen in December 2007. Upon settlement of the pension liability, which is expected to occur in the second quarter of 2019, the Company will reclassify the related pension losses currently recorded to accumulated other comprehensive loss, to the consolidated statements of operations. As of March 31, 2019, the Company had unrecognized losses related to the Plan of \$141,578. The Company will recognize this loss upon termination of the Plan, adjusted for the total required payout to plan participants which will be determined based on employee elections and market conditions present at the time of termination.

In connection with the decision to terminate the Plan, the Company remeasured the projected benefit obligation in the first quarter of 2018 based on the expected Plan termination costs. This remeasurement utilized a discount rate of 3.2% compared to the discount rate of 3.7% utilized in the December 31, 2017 measurement and resulted in an increase in the projected benefit obligation of \$35,192 with offsetting amounts recorded to accumulated other comprehensive losses and deferred taxes.

(9) Derivative Financial Instruments

Hasbro uses foreign currency forward contracts to mitigate the impact of currency rate fluctuations on firmly committed and projected future foreign currency transactions. These over-the-counter contracts, which hedge future currency requirements related to purchases of inventory, product sales and other cross-border transactions not denominated in the functional currency of the business unit, are primarily denominated in United States and Hong Kong dollars, and Euros. All contracts are entered into with a number of counterparties, all of which are major financial institutions. The Company believes that a default by a single counterparty would not have a material adverse effect on the financial condition of the Company. Hasbro does not enter into derivative financial instruments for speculative purposes.

Cash Flow Hedges

The Company uses foreign currency forward contracts to reduce the impact of currency rate fluctuations on firmly committed and projected future foreign currency transactions. All of the Company's designated foreign currency forward contracts are considered to be cash flow hedges. These instruments hedge a portion of the Company's currency requirements associated with anticipated inventory purchases, product sales and other cross-border transactions in 2019 through 2022.

At March 31, 2019, April 1, 2018 and December 30, 2018, the notional amounts and fair values of the Company's foreign currency forward contracts designated as cash flow hedging instruments were as follows:

	March 31, 2019		April 1, 2018		December 30, 2018	
	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Hedged transaction						
Inventory purchases	\$ 486,999	21,649	718,925	(31,453)	468,305	15,089
Sales	263,221	8,358	375,441	7,323	298,194	11,232
Royalties and Other	26,422	190	178,896	(11,602)	26,341	(304)
Total	\$ 776,642	30,197	1,273,262	(35,732)	792,840	26,017

The Company has a master agreement with each of its counterparties that allows for the netting of outstanding forward contracts. The fair values of the Company's foreign currency forward contracts designated as cash flow hedges are recorded in the consolidated balance sheets at March 31, 2019, April 1, 2018 and December 30, 2018 as follows:

	March 31, 2019	April 1, 2018	December 30, 2018
Prepaid expenses and other current assets			
Unrealized gains	\$ 22,737	458	21,718
Unrealized losses	(2,008)	(405)	(972)
Net unrealized gains	<u>\$ 20,729</u>	<u>53</u>	<u>20,746</u>
Other assets			
Unrealized gains	\$ 9,752	5,996	6,173
Unrealized losses	(239)	(3,089)	(843)
Net unrealized gains	<u>\$ 9,513</u>	<u>2,907</u>	<u>5,330</u>
Accrued liabilities			
Unrealized gains	\$ -	8,218	77
Unrealized losses	(45)	(30,826)	(136)
Net unrealized losses	<u>\$ (45)</u>	<u>(22,608)</u>	<u>(59)</u>
Other liabilities			
Unrealized gains	\$ -	2,846	-
Unrealized losses	-	(18,930)	-
Net unrealized losses	<u>\$ -</u>	<u>(16,084)</u>	<u>-</u>

Net gains (losses) on cash flow hedging activities have been reclassified from other comprehensive earnings (loss) to net earnings for the quarters ended March 31, 2019 and April 1, 2018 as follows:

	Quarter Ended	
	March 31, 2019	April 1, 2018
Statements of Operations Classification		
Cost of sales	\$ 2,614	(3,891)
Net revenues	878	332
Other	118	(1,423)
Net realized gains (losses)	<u>\$ 3,610</u>	<u>(4,982)</u>

Undesignated Hedges

The Company also enters into foreign currency forward contracts to minimize the impact of changes in the fair value of intercompany loans due to foreign currency changes. The Company does not use hedge accounting for these contracts as changes in the fair values of these contracts are substantially offset by changes in the fair value of the intercompany loans. As of March 31, 2019, April 1, 2018 and December 30, 2018 the total notional amounts of the Company's undesignated derivative instruments were \$293,326, \$132,945 and \$452,773, respectively.

At March 31, 2019, April 1, 2018 and December 30, 2018, the fair values of the Company's undesignated derivative financial instruments were recorded in the consolidated balance sheets as follows:

	March 31, 2019	April 1, 2018	December 30, 2018
Prepaid expenses and other current assets			
Unrealized gains	\$ 2,391	-	-
Unrealized losses	(337)	-	-
Net unrealized gains	\$ 2,054	-	-
Accrued liabilities			
Unrealized gains	\$ -	383	1,269
Unrealized losses	-	(1,119)	(2,820)
Net unrealized losses	-	(736)	(1,551)
Total unrealized gains (losses), net	\$ 2,054	(736)	(1,551)

The Company recorded net gains (losses) of \$4,809 and \$(6,700) on these instruments to other income, net for the quarters ended March 31, 2019 and April 1, 2018, respectively, relating to the change in fair value of such derivatives, substantially offsetting gains and losses from the change in fair value of intercompany loans to which the contracts relate.

For additional information related to the Company's derivative financial instruments see Notes 5 and 7.

(10) Leases

The Company occupies offices and uses certain equipment under various operating lease arrangements. The Company has no finance leases. These leases have remaining lease terms of 1 year to 19 years, some of which include either, options to extend lease terms while others include options to terminate current lease terms at certain times, subject to notice requirements set out in the lease agreement. Payments under certain of the lease agreements may be subject to adjustment based on a consumer price index or other inflationary indices. The lease liability for such lease agreements as of the adoption date was based on fixed payments as of the adoption date. Any adjustments to these payments based on the related indices will be recorded to expense as incurred. Leases with an expected term of 12 months or less are not capitalized. Payments under such leases are expensed as incurred. The Company capitalizes non-lease components for equipment leases, but expenses non-lease components as incurred for real estate leases.

For the quarter ended March 31, 2019, operating lease expense was \$8,942. Expense related to short-term leases (expected terms less than 12 months) and variable lease payments were not material in the first quarter of 2019.

Supplemental information related to the Company's leases for the quarter ended March 31, 2019 is as follows:

	Quarter Ended	
	March 31,	
	2019	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	9,574
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$	23,680
 Weighted Average Remaining Lease Term		
Operating leases		6.7 years
Weighted Average Discount Rate		
Operating leases		4.5%

The following is a reconciliation of future undiscounted cash flows to the operating liabilities, and the related right of use assets, included in our Consolidated Balance Sheets as of March 31, 2019:

	March 31,	
	2019	
2019 (excluding the three months ended March 31, 2019)	\$	26,972
2020		33,756
2021		29,487
2022		27,260
2023		22,093
2024 and thereafter		46,277
Total future lease payments		185,845
Less imputed interest		26,968
Present value of future operating lease payments		158,877
Less current portion of operating lease liabilities ⁽¹⁾		29,534
Non-current operating lease liability ⁽²⁾		129,343
Operating lease right-of-use assets, net ⁽³⁾	\$	141,075

(1) Included in Accrued liabilities on the consolidated balance sheets.

(2) Included in Other liabilities on the consolidated balance sheets.

(3) Included in Property, plant, and equipment on the consolidated balance sheets.

(11) Segment Reporting

Hasbro is a global play and entertainment company with a broad portfolio of brands and entertainment properties spanning toys, games, licensed products ranging from traditional to high-tech and digital, and film and television entertainment. The Company's segments are (i) U.S. and Canada, (ii) International, (iii) Entertainment, Licensing and Digital and (iv) Global Operations.

The U.S. and Canada segment includes the marketing and selling of action figures, arts and crafts and creative play products, electronic toys and related electronic interactive products, fashion and other dolls, infant products, play sets, preschool toys, plush products, sports action blasters and accessories, vehicles and toy-related specialty products, as well as traditional board games, and trading card and role-playing games primarily within the United States and Canada. Within the International segment, the Company markets and sells both toy and game products in markets outside of the U.S. and Canada, primarily in the European, Asia Pacific, and Latin and South American regions. The Company's Entertainment, Licensing and Digital segment includes the Company's consumer products licensing, digital gaming, movie and television entertainment operations. The Global Operations segment is responsible for sourcing finished products for the Company's U.S. and Canada and International segments. During the first quarter of 2019, the Company realigned its financial reporting segments to include all digital gaming businesses within the re-named Entertainment, Licensing and Digital reporting segment. As a result of the realignment, U.S. and Canada and the former Entertainment and Licensing segment results for the first quarter of 2018 have been restated to reflect the change.

Segment performance is measured at the operating profit level. Included in Corporate and Eliminations are certain corporate expenses, including the elimination of intersegment transactions and certain assets benefiting more than one segment. Intersegment sales and transfers are reflected in management reports at amounts approximating cost. Certain shared costs, including global development and marketing expenses and corporate administration, are allocated to segments based upon expenses and foreign exchange rates fixed at the beginning of the year, with adjustments to actual expenses and foreign exchange rates included in Corporate and Eliminations. The accounting policies of the segments are the same as those referenced in note 1.

Results shown for the quarter are not necessarily representative of those which may be expected for the full year 2019, nor were those of the comparable 2018 period representative of those actually experienced for the full year 2018. Similarly, such results are not necessarily those which would be achieved were each segment an unaffiliated business enterprise.

Information by segment and a reconciliation to reported amounts for the quarters ended March 31, 2019 and April 1, 2018 are as follows:

Net revenues	Quarter Ended			
	March 31, 2019		April 1, 2018	
	External	Affiliate	External	Affiliate
U.S. and Canada	\$ 357,851	1,849	353,913	2,133
International	282,649	41	287,945	62
Entertainment, Licensing and Digital	91,994	1,974	74,405	3,576
Global Operations (a)	16	229,425	78	253,320
Corporate and Eliminations (b)	-	(233,289)	-	(259,091)
	<u>\$ 732,510</u>	<u>-</u>	<u>716,341</u>	<u>-</u>

As a result of the realignment of the Company's financial reporting segments, revenues of \$10,384 from the first quarter of 2018, were reclassified from the U.S. and Canada segment to the Entertainment, Licensing and Digital segment to conform to current year presentation.

Operating profit (loss)	Quarter Ended	
	March 31, 2019	April 1, 2018
U.S. and Canada	\$ 13,532	(26,620)
International	(30,411)	(56,088)
Entertainment, Licensing and Digital	30,020	17,143
Global Operations (a)	1,254	2,176
Corporate and Eliminations (b)	21,732	(17,030)
	<u>\$ 36,127</u>	<u>(80,419)</u>

As a result of the realignment of the Company's financial reporting segments, operating profit of \$3,237 for the first quarter of 2018 was reclassified from the U.S. and Canada segment to the Entertainment, Licensing and Digital segment to conform to current year presentation.

	March 31, 2019	April 1, 2018	December 30, 2018
Total assets			
U.S. and Canada	\$ 2,600,873	2,735,206	2,898,816
International	2,019,800	2,033,928	2,229,053
Entertainment, Licensing and Digital	804,288	683,251	621,595
Global Operations (a)	706,701	3,293,265	3,197,847
Corporate and Eliminations (b)	(1,196,889)	(4,016,578)	(3,684,323)
	<u>\$ 4,934,773</u>	<u>4,729,072</u>	<u>5,262,988</u>

(a) The Global Operations segment derives substantially all of its revenues, and thus its operating results, from intersegment activities.

(b) Certain long-term assets, including property, plant and equipment, goodwill and other intangibles, which benefit multiple operating segments, are included in Corporate and Eliminations. Allocations of certain expenses related to these assets to the individual operating segments are done at the beginning of the year based on budgeted amounts. Any differences between actual and budgeted amounts are reflected in Corporate and Eliminations because allocations are translated from the U.S. Dollar to local currency at budgeted rates when recorded. Corporate and Eliminations also includes the elimination of inter-company balance sheet amounts.

The following table represents consolidated International segment net revenues by major geographic region for the quarters ended March 31, 2019 and April 1, 2018.

	Quarter Ended	
	March 31, 2019	April 1, 2018
Europe	\$ 153,379	155,562
Latin America	62,777	65,961
Asia Pacific	66,493	66,422
Net revenues	<u>\$ 282,649</u>	<u>287,945</u>

The following table presents consolidated net revenues by brand portfolio for the quarters ended March 31, 2019 and April 1, 2018.

	Quarter Ended	
	March 31, 2019	April 1, 2018
Franchise Brands	\$ 393,574	361,706
Partner Brands	171,989	200,592
Hasbro Gaming	107,565	105,227
Emerging Brands	59,382	48,816
Total	<u>\$ 732,510</u>	<u>716,341</u>

Hasbro's total gaming category, including all gaming net revenues, most notably MAGIC: THE GATHERING and MONOPOLY, totaled \$243,390 and \$203,542 for the quarters ended March 31, 2019, and April 1, 2018, respectively.

(12) Restructuring Actions

During 2018, the Company announced a comprehensive restructuring plan which consists of re-designing its go-to market strategy and re-shaping its organization to become a more responsive, innovative and digitally-driven play and entertainment company. As the global consumer landscape, shopping behaviors and the retail environment continue to evolve, the Company continues to transform and reimagine its business to make sure it has the right talent and capabilities to stay competitive. This includes adding new capabilities based on our understanding of the consumer and how our retailers are going to market, while also changing many of the ways we organize across our Brand Blueprint. As part of this process the Company took certain actions, which will continue through 2019. The actions primarily included headcount reduction aimed at right-sizing the Company's cost-structure and giving it the ability to add required new talent in the future.

In the first quarter of 2018, the Company recorded a pre-tax severance expense of \$17,349, primarily outside of the U.S., related to this 2018 restructuring program. During the fourth quarter of 2018, the Company recorded an additional \$72,000 of pre-tax severance charges related to the program. These charges were included within selling, distribution and administration costs on the Consolidated Statements of Operations for the year ended December 30, 2018 and reported within Corporate and Eliminations. No additional charges were taken in the first quarter of 2019. The detail of activity related to the program is as follows:

Remaining amounts to be paid as of December 30, 2018	\$ 69,192
Payments made in first quarter of 2019	(7,620)
Remaining amounts as of March 31, 2019	\$ 61,572

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Quarterly Report on Form 10-Q, including the following section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements expressing management's current expectations, goals, objectives and similar matters. These forward-looking statements may include statements concerning the Company's product and entertainment plans, anticipated product and entertainment performance, business opportunities and strategies, financial and business goals, expectations for achieving the Company's goals and objectives, cost savings and efficiency enhancing initiatives and other objectives, anticipated uses of cash, and the timing of the completion of the termination of the Company's pension plan. See Item 1A, in Part II of this report and Item 1A, in Part I of the Annual Report on Form 10-K for the year ended December 30, 2018 ("2018 Form 10-K"), for a discussion of factors which may cause the Company's actual results or experience to differ materially from that anticipated in these forward-looking statements. The Company undertakes no obligation to revise the forward-looking statements in this report after the date of the filing. Unless otherwise specifically indicated, all dollar or share amounts herein are expressed in millions of dollars or shares, except for per share amounts.

EXECUTIVE SUMMARY

Hasbro, Inc. ("Hasbro" or the "Company") is a global play and entertainment company dedicated to Creating the World's Best Play Experiences. The Company strives to do this through deep consumer engagement and the application of consumer insights, the use of immersive storytelling to build brands, product innovation and development of global business reach. Hasbro applies these principles to leverage its owned and controlled brands, including Franchise Brands BABY ALIVE, MAGIC: THE GATHERING, MONOPOLY, MY LITTLE PONY, NERF, PLAY-DOH and TRANSFORMERS, Emerging Brands POWER RANGERS and LITTLEST PET SHOP as well as the brands of our partners included in our Partner Brands portfolio. From toys and games, to television, movies, digital gaming and other forms of digital entertainment and a comprehensive consumer products licensing program, Hasbro fulfills the fundamental need for play and connection for children and families around the world. The Company's entertainment labels, Allspark Pictures and Allspark Animation, create entertainment-driven brand storytelling across mediums, including television, film, digital and more.

Each of these principles is executed globally in alignment with Hasbro's strategic plan, its brand blueprint. At the center of this blueprint, Hasbro re-imagines, re-invents and re-ignites its owned and controlled brands and imagines, invents and ignites new brands, through product innovation, immersive entertainment offerings, including television and motion pictures, digital gaming and a broad range of consumer products. As the global consumer landscape, shopping behaviors and the retail environment continue to evolve, we continue to transform and reimagine our business strategy. This transformation includes changing many of the ways we organize across our brand blueprint, re-shaping us to become a better equipped and adaptive, digitally-driven organization, including investing in the development of an omni-channel retail presence. More recently the Company has also focused on adding new capabilities through the on-boarding of new skill sets and talent to lead in today's converged retail environment based on Hasbro's understanding of the consumer and how its retailers are going to market.

Hasbro generates revenue and earns cash by developing, marketing and selling products based on global brands in a broad variety of consumer goods categories and distribution of television programming based on the Company's properties, as well as through the out-licensing of rights for third parties to use its properties in connection with products, including digital media and games and other consumer products. Hasbro also leverages its competencies to develop and market products based on well-known licensed brands including, but not limited to, BEYBLADE, DISNEY PRINCESS and DISNEY FROZEN, DISNEY'S DESCENDANTS, MARVEL, SESAME STREET, STAR WARS, and DREAMWORKS' TROLLS. MARVEL, STAR WARS, DISNEY PRINCESS, DISNEY FROZEN and DISNEY'S DESCENDANTS are owned by The Walt Disney Company.

The Company's business is separated into three principal business segments: U.S. and Canada, International and Entertainment, Licensing and Digital. The U.S. and Canada segment markets and sells both toy and game products primarily in the United States and Canada. The International segment consists of the Company's European, Asia Pacific and Latin and South American toy and game marketing and sales operations. The Company's Entertainment, Licensing and Digital segment includes the Company's consumer products licensing, owned and licensed digital gaming, and movie and television entertainment operations. During the first quarter of 2019, the Company realigned its financial reporting segments to include all digital gaming businesses within the re-named Entertainment, Licensing and Digital reporting segment. As a result of the realignment, U.S. and Canada and the former Entertainment and Licensing segment results for the first quarter of 2018 have been restated to reflect the change. In addition to these three primary segments, the Company's product sourcing operations are managed through its Global Operations segment.

First quarter 2019 highlights:

- First quarter net revenues increased 2% to \$732.5 million from \$716.3 million in the first quarter of 2018.
 - Net revenues in the U.S. and Canada and Entertainment, Licensing and Digital segments increased 1% and 24%, respectively, while the International segment net revenues decreased 2% during the first quarter of 2019 compared to the first quarter of 2018. International segment net revenues were unfavorably impacted by \$23.4 million in foreign currency translation.
 - Net revenues from Franchise Brands increased 9%, Hasbro Gaming net revenues increased 2%, Emerging Brands grew 22%, while Partner Brands net revenues declined by 14%, during the first quarter of 2019 compared to the first quarter of 2018.
 - Operating profit increased to \$36.1 million, or 4.9% of net revenues, in the first quarter of 2019 compared to an operating loss of \$80.4 million in the first quarter of 2018.
 - First quarter 2018 operating profit was negatively impacted by \$70.4 million of costs related to the Toys"R"Us bankruptcy and severance costs of \$17.3 million associated with an organizational restructuring.
 - Net earnings were \$26.7 million, or \$0.21 per diluted share, in the first quarter of 2019 compared to a net loss of \$112.5 million, or \$0.90 per diluted share, in the first quarter of 2018.
 - The first quarter of 2018 was impacted by U.S. tax reform, resulting in a net charge of \$47.8 million based on additional guidance and regulations issued in the first quarter of 2018.
-

Amounts Returned to Shareholders

The Company is committed to returning excess cash to its shareholders through quarterly dividends and share repurchases. Hasbro increased the quarterly dividend rate from \$0.63 per share to \$0.68 per share effective for the dividend payable in May 2019. In addition to the dividend, the Company returns cash through its share repurchase program. As part of this initiative, from 2005 to 2018, the Company's Board of Directors (the "Board") adopted nine successive share repurchase authorizations with a cumulative authorized repurchase amount of \$4,325.0 million. The ninth authorization was approved in May 2018 for \$500 million. During the first quarter of 2019, Hasbro repurchased approximately 0.6 million shares at a total cost of \$49.2 million and at an average price of \$84.90 per share. As of March 31, 2019, the Company had \$378.8 million remaining under these authorizations. Share repurchases are subject to market conditions, the availability of funds and other uses of funds.

SUMMARY OF FINANCIAL PERFORMANCE

The components of the results of operations, stated as a percentage of net revenues, are illustrated below for the quarters ended March 31, 2019 and April 1, 2018.

	Quarter Ended			
	March 31, 2019		April 1, 2018	
	100.0	%	100.0	%
Net revenues				
Costs and expenses:				
Cost of sales	35.5		35.6	
Royalties	8.2		9.7	
Product development	7.7		8.0	
Advertising	10.5		9.5	
Amortization of intangibles	1.6		0.9	
Program production cost amortization	0.9		1.7	
Selling, distribution and administration	30.8		45.8	
Operating profit (loss)	4.9		(11.2)	
Interest expense	3.0		3.2	
Interest income	(1.0)		(0.9)	
Other income, net	(1.2)		(1.2)	
Earnings (loss) before income taxes	4.0		(12.3)	
Income tax expense	0.4		3.4	
Net earnings (loss)	3.6	%	(15.7)	%

RESULTS OF OPERATIONS – CONSOLIDATED

Consolidated net revenues for the first quarter of 2019 increased 2% compared to the first quarter of 2018 and included the impact of an unfavorable \$24.3 million foreign currency translation as a result of weaker currencies in the European, Latin American and Asia Pacific markets in 2019 compared to 2018.

Operating profit for the first quarter of 2019 was \$36.1 million, or 4.9% of net revenues, compared to an operating loss of \$80.4 million for the first quarter of 2018. Operating profit results during the first quarter of 2019 included an unfavorable \$2.9 million impact from foreign exchange translation. Operating profit in the first quarter of 2018 was negatively impacted by the loss of revenues and incremental bad debt expense associated with the Toys“R”Us liquidations in the U.S. and U.K., as well as severance costs associated with the Company’s 2018 restructuring program.

The quarters ended March 31, 2019 and April 1, 2018 were each 13-week periods. Net earnings increased to \$26.7 million for the first quarter of 2019 compared to a net loss of \$112.5 million for the first quarter of 2018. Diluted earnings per share increased to \$0.21 for the first quarter of 2019, from a diluted loss per share of \$0.90 in the first quarter of 2018. The net loss for the quarter ended April 1, 2018 included incremental bad debt expense and other costs, net of tax, of \$61.4 million, or \$0.49 per diluted share, related to Toys“R”Us, \$15.7 million net of tax, or \$0.12 per diluted share, of severance costs related to the Company’s 2018 restructuring program, and net tax expense of \$47.8 million, or \$0.38 per diluted share, related to U.S. tax reform and additional guidance issued in the first quarter of 2018.

The following table presents net revenues by brand portfolio for the quarters ended March 31, 2019 and April 1, 2018.

	Quarter Ended		
	March 31, 2019	April 1, 2018	% Change
Franchise Brands	\$ 393.6	361.7	9%
Partner Brands	172.0	200.6	-14%
Hasbro Gaming	107.6	105.2	2%
Emerging Brands	59.4	48.8	22%
Total	\$ 732.5	716.3	2%

FRANCHISE BRANDS: Net revenues in the Franchise Brands portfolio increased 9% in the first quarter of 2019 compared to the first quarter of 2018. Higher net revenues from MAGIC: THE GATHERING, PLAY-DOH, TRANSFORMERS and MONOPOLY products were partially offset by lower net revenues from NERF and MY LITTLE PONY products during the first quarter of 2019.

PARTNER BRANDS: Net revenues from the Partner Brands portfolio decreased 14% in the first quarter of 2019 compared to the first quarter of 2018. Partner Brands net revenues are reliant on related entertainment, including television and movie releases. Several of the Company's Partner Brands have theatrical releases debuting throughout 2019, including MARVEL'S *AVENGERS: END GAME* in April, DISNEY'S *ALADDIN* expected in May, *FROZEN II* expected in November, as well as *STAR WARS: THE RISE OF SKYWALKER* expected in December. During the first quarter of 2019, net revenue declines from MARVEL and STAR WARS products and to a lesser extent, DISNEY FROZEN and DREAMWORKS' TROLLS products, were partially offset by net revenue increases from BEYBLADE products as well as net revenue from the introduction of the Company's UGLYDOLLS product line ahead of the planned second quarter 2019 theatrical release, *UGLYDOLLS*.

HASBRO GAMING: Net revenues in the Hasbro Gaming portfolio increased 2% in the first quarter of 2019 compared to the first quarter of 2018. Higher net revenues from DUEL MASTERS, CONNECT 4, and TWISTER products were partially offset by declines in SPEAKOUT and certain other Hasbro Gaming products in the first quarter of 2019.

Net revenues for Hasbro's total gaming category, including the Hasbro Gaming portfolio as reported above and all other gaming revenue, most notably MAGIC: THE GATHERING and MONOPOLY, which are included in the Franchise Brands portfolio, totaled \$243.4 million for the first quarter of 2019, an increase of 20%, as compared to \$203.5 million in the first quarter of 2018.

EMERGING BRANDS: Net revenues from the Emerging Brands portfolio increased 22% during the first quarter of 2019 compared to the first quarter of 2018. Contributing to net revenue increases during the first quarter of 2019 were the introduction of the Company's POWER RANGERS product line, contributions from certain quick strike initiative products, as well as net revenue increases from FURREAL FRIENDS and SUPER SOAKER products. These increases were only partially offset by declines in LITTLEST PET SHOP and certain other Emerging Brands products during the first quarter of 2019.

SEGMENT RESULTS

Most of the Company's net revenues and operating profit are derived from its three principal business segments: the U.S. and Canada segment, the International segment and the Entertainment, Licensing and Digital segment. The results of these operations are discussed in detail below.

As a result of the realignment of the Company's financial reporting segments, 2018 net revenues and operating profit were reclassified from the U.S. and Canada segment to the Entertainment, Licensing and Digital segment to conform to current year presentation.

The table below presents net external revenues and operating profit for the Company's U.S. and Canada segment and Entertainment, Licensing and Digital segment for each 2018 quarter and the 2018 fiscal year, restated for the reclassification.

	Quarter Ended				Fiscal Year
	April 1, 2018	July 1, 2018	Sept. 30, 2018	Dec. 30, 2018	Dec. 30, 2018
Net Revenues					
U.S. and Canada segment	\$ 353.9	\$ 448.4	\$ 912.2	\$ 661.1	\$ 2,375.7
Entertainment, Licensing and Digital segment	74.4	75.5	96.8	109.6	356.3
Operating Profit (Loss)					
U.S. and Canada segment	\$ (26.6)	\$ 73.1	\$ 223.1	\$ 100.7	\$ 370.2
Entertainment, Licensing and Digital segment	17.1	21.8	37.1	(46.9)	29.1

The following table presents net external revenues and operating profit data for the Company's three principal segments for the quarters ended March 31, 2019 and April 1, 2018:

	Quarter Ended		% Change
	March 31, 2019	April 1, 2018	
Net Revenues*			
U.S. and Canada segment	\$ 357.9	\$ 353.9	1%
International segment	282.6	287.9	-2%
Entertainment, Licensing and Digital segment	92.0	74.4	24%
Operating Profit (Loss)*			
U.S. and Canada segment	\$ 13.5	\$ (26.6)	151%
International segment	(30.4)	(56.1)	46%
Entertainment, Licensing and Digital segment	30.0	17.1	75%

*For the quarter ended April 1, 2018, revenues of \$10.4 million, and operating profit of \$3.2 million, were reclassified from the U.S. and Canada segment to the Entertainment, Licensing and Digital segment.

U.S. and Canada Segment

The U.S. and Canada segment net revenues for the first quarter of 2019 increased 1% compared to the first quarter of 2018. Foreign currency translation did not have a significant impact on this segment's net revenues. Net revenues grew in the Franchise Brands, Emerging Brands and to a lesser extent, the Hasbro Gaming portfolio. These increases were partially offset by net revenue declines in the Partner Brands portfolio during the first quarter of 2019.

In the Franchise Brands portfolio, net revenue increases from PLAY-DOH, MAGIC: THE GATHERING, TRANSFORMERS and MONOPOLY products were partially offset by lower net revenues from NERF, MY LITTLE PONY and BABY ALIVE products. In the Partner Brands portfolio, lower net revenues from STAR WARS, MARVEL, DREAMWORKS' TROLLS and DISNEY'S DESCENDANTS products were partially offset by net revenue increases from BEYBLADE products as well as net revenues from the introduction of UGLYDOLLS products during the first quarter of 2019. In the Hasbro Gaming portfolio, higher net revenues from DUEL MASTERS products were partially offset by decreased net revenues from SPEAK OUT, as well as other Hasbro Gaming brands products. In the Emerging Brands portfolio, the addition of net revenues from the Company's POWER RANGERS and certain quick strike initiative products, as well as net revenue increases from FURREAL FRIENDS and SUPERSOAKER products, contributed to net revenue increases during the first quarter of 2019. These increases were partially offset by declines in LITTLEST PET SHOP and certain other Emerging Brands products during the first quarter of 2019.

U.S. and Canada segment operating profit for the first quarter of 2019 was \$13.5 million, compared to segment operating losses of \$26.6 million, for the first quarter of 2018. The operating loss for the first quarter of 2018 included expenses of \$52.3 million related to the Toys"R"Us liquidation in the U.S. Absent these 2018 expenses, first quarter 2019 operating profit declined \$12.2 million due to unfavorable product mix, higher intangible asset amortization associated with the POWER RANGERS acquisition and start-up expenses associated with a new U.S. warehouse, as well as higher product development costs during the first quarter of 2019.

International Segment

International segment net revenues declined 2% to \$282.6 million in the first quarter of 2019 from \$287.9 million in the first quarter of 2018. The following table presents net revenues by geographic region for the Company's International segment for the quarters ended March 31, 2019 and April 1, 2018.

	Quarter Ended			% Change
	March 31, 2019		April 1, 2018	
Europe	\$	153.4	155.5	-1%
Latin America		62.8	66.0	-5%
Asia Pacific		66.5	66.4	0%
Net revenues	\$	282.6	287.9	-2%

The decline in International segment net revenues during the first quarter of 2019 was driven by an unfavorable foreign currency translation of \$23.4 million related to the Company's European, Latin American and Asia Pacific regions. Absent the impact of foreign exchange, International segment net revenues increased \$18.1 million or 6% during the first quarter of 2019. International segment net revenues from Hasbro Gaming and Emerging Brands grew, Franchise Brands net revenues remained flat, while net revenues from Partner Brands declined during the first quarter of 2019 compared to the first quarter of 2018. In the Franchise Brands portfolio, higher net revenues from MONOPOLY, TRANSFORMERS and MAGIC: THE GATHERING products were offset by lower net revenues from NERF and MY LITTLE PONY products. The declines in Partner Brands were driven by lower sales of MARVEL and STAR WARS products as well as lower sales of DISNEY PRINCESS and DISNEY FROZEN products. In the Hasbro Gaming portfolio, higher net revenues from TWISTER and CONNECT 4 products were partially offset by lower net revenues from certain other Hasbro Gaming brands. In the Emerging Brands portfolio, contributions from certain quick strike initiative products were partially offset by lower net revenues from LITTLEST PET SHOP products in the first quarter of 2019.

International segment operating losses were \$30.4 million for the first quarter of 2019, compared to operating losses of \$56.1 million for the first quarter of 2018. The 2018 operating loss for the first quarter of 2018 included expenses of \$11.2 million related to the Toys“R”Us liquidation in the United Kingdom. Absent these 2018 expenses, first quarter 2019 operating profit improved \$14.5 million, driven by higher sales volume, cost-saving initiatives, lower royalty costs as a result of decreased revenues from Partner Brands, and favorable cost translation rates, all partially offset by higher intangible amortization associated with the POWER RANGERS acquisition.

Entertainment, Licensing and Digital Segment

Entertainment, Licensing and Digital segment net revenues increased 24% to \$92.0 million for the first quarter of 2019, compared to \$74.4 million for the first quarter of 2018. Revenue growth was driven by *MAGIC: THE GATHERING ARENA* and higher consumer products licensing revenues.

Entertainment, Licensing and Digital segment operating profit increased to \$30 million for the first quarter of 2019, from \$17.1 million for the first quarter of 2018. Overall, the increase in Entertainment, Licensing and Digital segment operating profit was primarily due to increased revenues noted above as well as lower program amortization costs, partially offset by higher advertising, development and administration costs for *MAGIC: THE GATHERING* digital gaming initiatives.

Global Operations

The Global Operations segment operating profit of \$1.3 million for the first quarter of 2019 compared to an operating profit of \$2.2 million for the first quarter of 2018. The decrease in operating profit is primarily attributable to lower sourcing volume in the first quarter of 2019 compared to the first quarter of 2018.

Corporate and Eliminations

The operating profit in Corporate and Eliminations totaled \$21.7 million for the first quarter of 2019 compared to an operating loss of \$17.0 million for the first quarter of 2018. Operating costs in the first quarter of 2018 included severance charges of \$17.3 million and Toys“R”Us related costs of \$7.0 million. The increase in operating profit was driven by cost-saving initiatives and lower stock compensation expense.

OPERATING COSTS AND EXPENSES

The Company's costs and expenses, stated as percentages of net revenues, are illustrated below for the quarters ended March 31, 2019 and April 1, 2018.

	Quarter Ended	
	March 31, 2019	April 1, 2018
Cost of sales	35.5 %	35.6 %
Royalties	8.2	9.7
Product development	7.7	8.0
Advertising	10.5	9.5
Amortization of intangibles	1.6	0.9
Program production cost amortization	0.9	1.7
Selling, distribution and administration	30.8	45.8

Cost of sales increased 2% from \$255.2 million, or 35.6% of net revenues, for the first quarter of 2018 to \$260.0 million, or 35.5% of net revenues for the first quarter of 2019. Costs of sales increased in dollars primarily due to higher sales volumes compared to the first quarter of 2018. As a percent of net revenues, cost of sales was consistent with the first quarter of 2018.

Royalty expense for the first quarter of 2019 was \$59.9 million, or 8.2% of net revenues, compared to \$69.7 million, or 9.7% of net revenues, for the first quarter of 2018. In the first quarter of 2018, royalty expense included accelerated royalty charges incurred as a result of the loss of Toys“R”Us product sales. Absent these charges 2018 royalty expense was \$62.7 million or 8.7% of net revenues. Fluctuations in royalty expense are generally related to the volume of entertainment-driven products sold in a given period, especially if there is a major motion picture release. In the first quarter of 2019, the decrease in royalty expense both in dollars and as a percentage of revenues was driven primarily by declines in Partner Brand net revenues.

Product development expense for the first quarter of 2019 was \$56.3 million, or 7.7% of net revenues, compared to \$57.4 million, or 8.0% of net revenues, for the first quarter of 2018. The decline in dollars, and as a percent of sales, was driven by lower global spending offset by increased investment in the Company’s Wizards of the Coast business.

Advertising expense for the first quarter of 2019 was \$76.6 million, or 10.5% of net revenues, compared to \$68.0 million, or 9.5% of net revenues, for the first quarter of 2018. The advertising expense increase in both dollars, and as a percent of net revenues, was driven by higher costs associated with the launch of the Company’s digital and e-sports initiatives, primarily *MAGIC: THE GATHERING ARENA*.

Amortization of intangibles was \$11.8 million, or 1.6% of net revenues for the first quarter of 2019 compared to \$6.5 million, or 0.9% of net revenues, for the first quarter of 2018. The increase reflects amortization related to the POWER RANGERS property rights acquired during the second quarter of 2018.

Program production cost amortization decreased to \$6.6 million or 0.9% of net revenues, for the first quarter of 2019 from \$12.0 million, or 1.7% of net revenues, for the first quarter of 2018. Program production costs are capitalized as incurred and amortized using the individual-film-forecast method. The decrease in dollars, and as a percent of net revenues, reflects lower television programming cost amortization from lower television programing revenues during the first quarter of 2019 as well as lower amortization expense of MY LITTLE PONY movie production costs.

For the first quarter of 2019, the Company’s selling, distribution and administration expenses decreased to \$225.3 million, or 30.8% of net revenues, from \$328.0 million, or 45.8% of net revenues, for the first quarter of 2018. In the first quarter of 2018, the Company’s selling, distribution and administration expenses included \$60.3 million of bad debt and other expenses related to Toys“R”Us, as well as \$17.3 million of severance costs related to the Company’s 2018 restructuring program. Absent these expenses, selling, distribution and administration expenses in the first quarter of 2018 were \$250.4 million or 35.0% of net revenues. The remainder of the decrease was driven by cost-savings initiatives, lower stock compensation expense as well as other general cost decreases in the first quarter of 2019. These decreases were partially offset by increased expenses related to the Company’s start-up of a new Midwestern U.S. warehouse, as well as expense increases in support of the Company’s Wizards of the Coast business.

NON-OPERATING (INCOME) EXPENSE

Interest expense in the first quarter of 2019 totaled \$22.3 million compared to \$22.8 million in the first quarter of 2018 driven by lower levels of short-term borrowing in 2019 compared to 2018.

Interest income was \$7.6 million in the first quarter of 2019 compared to \$6.2 million in the first quarter of 2018. Higher average interest rates in 2019 compared to 2018 contributed to the increase.

Other income, net of \$8.1 million for the first quarter of 2019 compared to \$8.6 million in the first quarter of 2018. The decrease in the first quarter was driven by lower earnings from the Company's joint venture with Discovery as well as higher pension expense, partially offset by higher foreign exchange gains in 2019 compared to 2018.

INCOME TAXES

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act made broad and complex changes to the U.S. tax code including, but not limited to, reducing the U.S. federal corporate tax rate and requiring a one-time tax on certain unrepatriated earnings of foreign subsidiaries.

On December 22, 2017, Staff Accounting Bulletin No. 118 ("SAB 118") established a one-year measurement period to complete the accounting for the income tax effects of the Tax Act according to standards provided by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 740, Accounting for Income Taxes (ASC 740). An entity recognizes the impact of those amounts for which the accounting is complete. For matters that have not been completed, provisional amounts are recorded to the extent they can be reasonably estimated. For amounts for which a reasonable estimate cannot be determined, no adjustment is made until such estimate can be completed. For the first quarter of 2018, the Company obtained additional information affecting the provisional amount initially recorded in the fourth quarter of 2017. As a result, the Company recorded a one-time tax expense of \$47.8 million which reversed certain discrete benefits recorded in 2017 as well as increased our provisional deemed repatriation tax liability.

Income tax expense totaled \$2.9 million on pre-tax earnings of \$29.6 million in the first quarter of 2019 compared to income tax expense of \$24.1 million on pre-tax loss of \$88.4 million in the first quarter of 2018. Both periods were impacted by discrete tax events including the accrual of potential interest and penalties on uncertain tax positions. During the first quarter of 2019, favorable discrete tax adjustments were a net benefit of \$2.6 million compared to a net expense of \$34.9 million in the first quarter of 2018. The favorable discrete tax adjustments for the first quarter of 2019 primarily relate to expiration of statutes of limitations for uncertain tax positions. Absent discrete items, the tax rate for the first quarters of 2019 and 2018 were 18.5% and 16.5%, respectively. The increase in the tax rate of 18.5% for the first quarter of 2019 is primarily due to the mix of jurisdictions where the Company earned its profits.

OTHER INFORMATION

Business Seasonality and Shipments

Historically, the Company's revenue pattern has shown the second half of the year to be more significant to its overall business than the first half. The Company expects that this concentration will continue, particularly as more of its business has shifted to larger customers with order patterns concentrated in the second half of the year around the holiday season. The concentration of sales in the second half of the year increases the risk of (a) underproduction of popular items, (b) overproduction of less popular items, and (c) failure to achieve tight and compressed shipping schedules.

The Company's business is characterized by customer order patterns which vary from year to year largely because of differences each year in the degree of consumer acceptance of product lines, product availability, marketing strategies and inventory policies of retailers, the dates of theatrical releases of major motion pictures for which the Company sells products, and changes in overall economic conditions. As a result, comparisons of the Company's unshipped orders on any date with those at the same date in a prior year are not necessarily indicative of the Company's expected sales for the year. Moreover, quick response inventory management practices result in fewer orders being placed significantly in advance of shipment and more orders being placed for immediate delivery. Although the Company may receive orders from customers in advance, it is a general industry practice that these orders are subject to amendment or cancellation by customers prior to shipment and, as such, the Company does not believe that these unshipped orders, at any given date, are indicative of future sales.

Accounting Pronouncement Updates

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update 2016-02 (ASU 2016-02), *Leases (Topic 842)*, which requires lessees to recognize a right-of-use asset and a lease liability for virtually all leases. The liability is based on the present value of lease payments and the asset is based on the liability. For income statement purposes, a dual model was retained requiring leases to be either classified as operating or finance. Operating leases result in straight-line expense while finance leases result in a front-loaded expense pattern. Certain other quantitative and qualitative disclosures are also required. ASU 2016-02 is required for public companies for fiscal years beginning after December 15, 2018. ASU 2016-02 as originally issued required modified retrospective adoption. In July 2018, the FASB issued ASU 2018-11, which provides an alternative transition method in addition to the existing method by allowing entities to apply ASU 2016-02 as of the adoption date and recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. The Company adopted ASU-2016-02 on December 31, 2018 using the retrospective basis as provided in ASU 2018-11. No cumulative effect was recorded to retained earnings. The Company also elected certain practical expedients as provided under the standard. These included (i) the election not to reassess whether contracts existing at the adoption date contain a lease under the new definition of a lease under the standard; (ii) the election not to reassess the lease classification for existing leases as of the adoption date; (iii) the election not to reassess whether previously capitalized initial direct costs would qualify for capitalization under the standard; (iv) the election to use hindsight in determining the relevant lease terms for use in the capitalization of the lease liability; and (v) the election to use hindsight in reviewing the right-of-use assets for impairment. For all leases, the terms were evaluated, including extension and renewal options as well as the lease payments associated with the leases. As a result of the adoption of the standard, in the first quarter of 2019, the Company recorded right-of-use assets of \$121.2 million and lease liabilities of \$139.5 million. The Company’s results of operations were not impacted by this standard. The adoption of this standard did not have an impact on the Company’s cash flows. For further details, see Note 10 to the consolidated financial statements, which are included in Part I of this Form 10-Q.

In August 2017, the FASB issued Accounting Standards Update No. 2017-12 (ASU 2017-12), *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The amendments expand and refine hedge accounting for both nonfinancial and financial risk components and align the recognition and presentation of the effects of the hedging instrument and the underlying hedged item in the financial statements. The impact of the standard includes elimination of the requirement to separately measure and recognize hedge ineffectiveness and requires the presentation of fair value adjustments to hedging instruments to be included in the same income statement line as the hedged item. For public companies, this standard is effective for annual reporting periods beginning after December 15, 2018, and early adoption is permitted. The Company adopted ASU 2017-12 in the first quarter of 2019 and the adoption of this standard did not have a material impact on the Company’s results or consolidated financial statements.

Recently Issued Accounting Pronouncements

In March 2019, the FASB issued Accounting Standards Update No. 2019-02 (ASU 2019-02) *Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350) - Improvements to Accounting for Costs of Films and License Agreements for Program Materials*. The amendments in this update align cost capitalization of episodic television series production costs with that of film production cost capitalization. In addition, this update addresses impairment testing procedures with regard to film groups, when a film or license agreement is expected to be monetized with other films and/or license agreements. The intention of this update is to align accounting treatment with changes in production and distribution models within the entertainment industry and to provide increased transparency of information provided to users of financial statements about produced and licensed content. For public companies, this standard is effective for annual reporting periods beginning after December 15, 2019, and early adoption is permitted. The Company is currently evaluating the standard and the impact, if any, to its consolidated financial statements.

Recent Securities and Exchange Commission Rulings

In August 2018, the U.S. Securities and Exchange Commission (“SEC”) issued a final ruling amending numerous SEC rules covering a diverse group of topics. One noteworthy rule change expands disclosure requirements related to changes in shareholders’ equity by extending to interim periods, the annual requirement of SEC Regulation S-X, Rule 3-04, of presenting changes in stockholders’ equity. An analysis of changes in stockholders’ equity in the form of a reconciliation is required for the current and comparative year-to-date interim periods effective for all filings submitted on or after November 5, 2018. As a result of the adoption of this ruling, the Company has included a statement of stockholders’ equity for the current quarter and comparative prior quarter, in Part I, Item 1 of this Form 10-Q.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically generated a significant amount of cash from operations. In the first quarter of 2019 and 2018 the Company funded its operations and liquidity needs primarily through cash flows from operations, and, when needed, used borrowings under its available lines of credit.

The Company believes that the funds available to it, including cash expected to be generated from operations and funds available through its available lines of credit and commercial paper program, are adequate to meet its working capital needs for the remainder of 2019. However, unexpected events or circumstances such as material operating losses or increased capital or other expenditures or inability to otherwise access the commercial paper market, may reduce or eliminate the availability of external financial resources. In addition, significant disruptions to credit markets may also reduce or eliminate the availability of external financial resources. Although management believes the risk of nonperformance by the counterparties to the Company’s financial facilities is not significant, in times of severe economic downturn in the credit markets it is possible that one or more sources of external financing may be unable or unwilling to provide funding to the Company.

As of March 31, 2019, the Company’s cash and cash equivalents totaled \$1,196.6 million. Prior to 2017, deferred income taxes had not been provided on the majority of undistributed earnings of international subsidiaries as such earnings were considered indefinitely reinvested by the Company. The Tax Act provided significant changes to the U.S. tax system including the elimination of the ability to defer U.S. income tax on unrepatriated earnings by imposing a one-time mandatory deemed repatriation tax on undistributed foreign earnings. As of March 31, 2019, the Company has recorded a total liability of \$273.2 million related to this tax, \$14.5 million is reflected in current liabilities while the remaining long-term payable related to the Tax Act of \$258.7 million is presented within other liabilities, non-current on the Consolidated Balance Sheets. As permitted by the Tax Act, the Company will pay the transition tax in annual interest-free installments through 2025. As a result, the related earnings in foreign jurisdictions are available with greater investment flexibility. The majority of the Company’s cash and cash equivalents held outside of the United States as of March 31, 2019 is denominated in the U.S. dollar.

Because of the seasonality in the Company’s cash flow, management believes that on an interim basis, rather than discussing only its cash flows, a better understanding of its liquidity and capital resources can be obtained through a discussion of the various balance sheet categories as well. Also, as several of the major categories, including cash and cash equivalents, accounts receivable, inventories and short-term borrowings, fluctuate significantly from quarter to quarter, due to the seasonality of its business, management believes that a comparison to the comparable period in the prior year is generally more meaningful than a comparison to the prior year-end.

The table below outlines key financial information pertaining to our consolidated balance sheets including the period-over-period changes.

	March 31, 2019	April 1, 2018	%
			Change
Cash and cash equivalents	\$ 1,196.6	1,598.9	-25%
Accounts receivable, net	638.4	612.7	4%
Inventories	491.8	517.4	-5%
Prepaid expenses and other current assets	305.1	292.8	4%
Other assets	739.7	660.3	12%
Accounts payable and accrued liabilities	935.3	830.9	13%
Other liabilities	636.1	611.2	4%

Accounts receivable increased 4% to \$638.4 million at March 31, 2019, compared to \$612.7 million at April 1, 2018. Absent the \$37.3 million impact of foreign currency translation, accounts receivable increased approximately 10% compared to revenue growth, absent foreign currency, of 6% in the first quarter of 2019 compared to 2018. Accounts receivable, net at April 1, 2018 included a \$77.0 million allowance for doubtful accounts related to Toys“R”Us, which was settled and written-off in the fourth quarter of 2018. Days sales outstanding increased to 79 days at March 31, 2019 from 78 days at April 1, 2018, as a result of the timing of collections.

Inventories decreased 5% to \$491.8 million at March 31, 2019 from \$517.4 million at April 1, 2018. Absent the \$28.4 million impact of foreign exchange, inventories at March 31, 2019 increased slightly as a result of higher inventories in the U.S. as the Company continues to clear though higher than normal inventories levels remaining from the fourth quarter of 2018, offset by inventory reductions in the Company’s European and Latin America markets.

Prepaid expenses and other current assets increased 4% to \$305.1 million at March 31, 2019 from \$292.8 million at April 1, 2018. Absent the \$9.3 million impact of foreign currency translation, prepaid expenses increased approximately 7%. The increase was due to higher accrued royalty income, higher unrealized gains on foreign exchange contracts and accrued foreign tax credits related to certain television and movie productions costs. These increases were partially offset by lower prepaid advertising balances due to the timing of payments in 2019 compared to 2018 and, lower prepaid taxes, both value-added taxes and income taxes.

Other assets increased approximately 12% to \$739.7 million at March 31, 2019 from \$660.3 million at April 1, 2018. The increase was primarily related to higher capitalized movie and television production costs, net of related production rebates, primarily for the Company’s share of costs related to *BUMBLEBEE*, the 2018 theatrical release produced jointly with Paramount Pictures, as well as higher long-term receivable related to third-party production studio rebates and the long-term portion of a multi-year digital distribution agreement for Hasbro television programming entered into in the third quarter of 2018. These increases were partially offset by a lower balance in the Company’s investment in Discovery Family Channel as a result of dividend distributions and lower long-term royalty advance balances.

Accounts payable and accrued liabilities increased 13% to \$935.3 million at March 31, 2019 from \$830.9 million at April 1, 2018. Increases include higher severance charges related to the Company’s 2018 restructuring program, higher deferred revenue balances primarily related to *MAGIC: THE GATHERING ARENA* and other digital gaming initiatives, as well as the Company’s current lease liability balance of \$29.5 million included in accrued liabilities beginning in the first quarter of 2019 as the result of the adoption of ASU 2016-02, and the \$12.5 million remaining liability due to Saban Properties related to the Power Rangers acquisition. These increases were partially offset by lower accounts payable balances and a lower liability for foreign currency forward contracts as the result of a strengthening U.S. dollar against certain foreign currencies in 2019.

Other liabilities increased 4% to \$636.1 million at March 31, 2019 from \$611.2 million at April 1, 2018. The increase is primarily due to the adoption of ASU 2016-02 in 2019 which requires the recognition of the long-term lease liability balance, which was \$129.3 million as of March 31, 2019. This increase was partially offset by a decrease in the liability for uncertain tax positions reflecting changes in management judgement and lower long-term pension balances.

Cash Flow

Net cash provided by operating activities in the first quarter of 2019 was \$264.5 million compared to \$317.7 million in the first quarter of 2018. The reduction in cash flow from operations primarily reflects higher collections of accounts receivable balances in the first quarter of 2018 due to the higher ending balances in the prior fiscal year-end period.

Net cash utilized by investing activities was \$27.0 million in the first quarter of 2019 compared to \$26.2 million in the first quarter of 2018. Additions to property, plant and equipment were \$25.2 million in the first quarter of 2019 compared to \$28.2 million in the first quarter of 2018.

Net cash utilized by financing activities was \$220.4 million in the first quarter of 2019 compared to \$275.7 million in the first quarter of 2018. Net proceeds from short-term borrowings were \$3.4 million in the first quarter of 2019 compared to net repayments of short-term borrowings of \$133.7 million in the first quarter of 2018. Cash payments related to purchases of the Company's common stock were \$47.5 million in the first quarter of 2019 compared to \$38.1 million in the first quarter of 2018. At March 31, 2019, the Company had \$378.8 million remaining available under its current share repurchase authorization approved by the Board of Directors. Dividends paid in the first quarter of 2019 totaled \$79.3 million compared to \$70.8 million in the first quarter of 2018 reflecting a higher dividend rate on the February 2019 dividend payment compared to the February 2018 dividend payment. During the first quarter of 2019, related to the 2018 POWER RANGERS acquisition, the Company paid \$87.5 million to Saban Properties which consisted of a \$75.0 million deferred purchase price payment and \$12.5 million released from escrow. As of March 31, 2019, \$12.5 million remains held in escrow and is scheduled to be paid to Saban Properties in June 2019. Financing activities in the first quarter of 2019 and 2018 include payments of \$11.9 million and \$52.6 million, respectively, relating to tax payments made to tax authorities for which shares were withheld from employees' share-based payment awards.

Sources and Uses of Cash

The Company has an agreement with a group of banks for a commercial paper program (the "Program"). Under the Program, at the request of the Company and subject to market conditions, the banks may either purchase from the Company, or arrange for the sale by the Company, of unsecured commercial paper notes. Under the Program the Company may issue notes from time to time up to an aggregate principal amount outstanding at any given time of \$1,000.0 million. The maturities of the notes may vary but may not exceed 397 days. The notes are sold under customary terms in the commercial paper market and are issued at a discount to par, or alternatively, sold at par and bear varying interest rates based on a fixed or floating rate basis. The interest rates vary based on market conditions and the ratings assigned to the notes by the credit rating agencies at the time of issuance. Subject to market conditions, the Company intends to utilize the Program as its primary short-term borrowing facility and does not intend to sell unsecured commercial paper notes in excess of the available amount under the revolving credit agreement discussed below. If, for any reason, the Company is unable to access the commercial paper market, the Company intends to use the revolving credit agreement to meet the Company's short-term liquidity needs. At March 31, 2019, the Company had no outstanding borrowings related to the Program.

The Company has a revolving credit agreement (the "Agreement"), which provides it with a \$1,100.0 million committed borrowing facility. The Agreement contains certain financial covenants setting forth leverage and coverage requirements, and certain other limitations typical of an investment grade facility, including with respect to liens, mergers and incurrence of indebtedness. The Agreement also provides for a potential additional incremental commitment increase of up to \$500.0 million. The Company was in compliance with all covenants as of and for the quarter ended March 31, 2019. The Company had no borrowings outstanding under its committed revolving credit facility at March 31, 2019. However, the Company had letters of credit outstanding under this facility as of March 31, 2019 of approximately \$1.5 million. Amounts available and unused under the committed line, as of March 31, 2019 were approximately \$1,098.5 million. The Company also has other uncommitted lines from various banks, of which approximately \$26.0 million was utilized at March 31, 2019, including \$12.6 million of outstanding letters of credit and \$13.4 million of outstanding borrowings.

The Company has principal amounts of long-term debt at March 31, 2019 of \$1,709.9 million, due at varying times from 2021 through 2044. The Company also had letters of credit of approximately \$14.0 million and purchase commitments of approximately \$496.1 million outstanding at March 31, 2019.

Other contractual obligations and commercial commitments, as detailed in the Company's Annual Report on Form 10-K for the year ended December 30, 2018, did not materially change outside of payments made in the normal course of business and as otherwise set forth in this report. The table of contractual obligations and commercial commitments, as detailed in the Company's Annual Report on Form 10-K for the year ended December 30, 2018 does not include certain tax liabilities related to uncertain tax positions

The Company believes that cash from operations, and, if necessary, its committed line of credit and other borrowing facilities, will allow the Company to meet its obligations over the next twelve months.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. As such, management is required to make certain estimates, judgments and assumptions that it believes are reasonable based on the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods presented. The significant accounting policies which management believes are the most critical to aid in fully understanding and evaluating the Company's reported financial results include recoverability of goodwill and income taxes. These critical accounting policies are the same as those detailed in the 2018 Form 10-K.

FINANCIAL RISK MANAGEMENT

The Company is exposed to market risks attributable to fluctuations in foreign currency exchange rates, primarily as the result of sourcing products priced in U.S. dollars, Hong Kong dollars and Euros while marketing those products in more than twenty currencies. Results of operations may be affected primarily by changes in the value of the U.S. dollar, Hong Kong dollar, Euro, British pound sterling, Brazilian real, Russian ruble and Mexican peso and, to a lesser extent, other currencies in Latin American and Asia Pacific countries.

To manage this exposure, the Company has hedged a portion of its forecasted foreign currency transactions for fiscal years 2019 through 2022 using foreign exchange forward contracts and zero-cost collar options. The Company is also exposed to foreign currency risk with respect to its net cash and cash equivalents or short-term borrowing positions in currencies other than the U.S. dollar. The Company believes, however, that the ongoing risk on the net exposure should not be material to its financial condition. In addition, the Company's revenues and costs have been, and will likely continue to be, affected by changes in foreign currency rates. A significant change in foreign exchange rates can materially impact the Company's revenues and earnings due to translation of foreign-denominated revenues and expenses. The Company does not hedge against translation impacts of foreign exchange. From time to time, affiliates of the Company may make or receive intercompany loans in currencies other than their functional currency. The Company manages this exposure at the time the loan is made by using foreign exchange contracts. Other than as set forth above, the Company does not hedge foreign currency exposures.

The Company reflects all forward and option contracts at their fair value as an asset or liability on the consolidated balance sheets. The Company does not speculate in foreign currency exchange contracts. At March 31, 2019, these contracts had net unrealized gains of \$32.3 million, of which \$22.8 million of unrealized gains are recorded in prepaid expenses and other current assets, and \$9.5 million of unrealized gains are recorded in other assets. Included in accumulated other comprehensive loss at March 31, 2019 are deferred gains, net of tax, of \$24.3 million, related to these derivatives.

At March 31, 2019, the Company had fixed rate long-term debt of \$1,709.9 million. Of this long-term debt, \$600 million represents the aggregate issuance of long-term debt in May 2014 which consists of \$300 million of 3.15% Notes Due 2021 and \$300 million of 5.10% Notes Due 2044. Prior to the debt issuance, the Company entered into forward-starting interest rate swap agreements with a total notional value of \$500 million to hedge the anticipated underlying U.S. Treasury interest rate. These interest rate swaps were matched with this debt issuance and were designated and effective as hedges of the change in future interest payments. At the date of debt issuance, the Company terminated these interest rate swap agreements and their fair value at the date of issuance was recorded in accumulated other comprehensive loss and is being amortized through the consolidated statements of operations using an effective interest rate method over the life of the related debt. Included in accumulated other comprehensive loss at March 31, 2019 are deferred losses, net of tax, of \$19.0 million related to these derivatives.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The information required by this item is included in Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and is incorporated herein by reference.

Item 4. Controls and Procedures.

The Company maintains disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31, 2019. Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

There were no changes in the Company's internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Exchange Act, during the quarter ended March 31, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

On or about September 28, 2018, a putative securities class action complaint was filed against the Company and certain of our officers and/or directors (the "Defendants") in the U.S. District Court for the District of Rhode Island, on behalf of all purchasers of Hasbro common stock between April 24, 2017 and October 23, 2017, inclusive. The complaint alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, alleging that Defendants purportedly made materially false and misleading statements in connection with the financial condition of Toys"R"Us, Inc. and its impact on the Company, as well as the financial impact on the Company's business of economic conditions in the United Kingdom and Brazil. Defendants deny liability and intend to vigorously defend the action.

The Company is currently party to certain other legal proceedings, none of which it believes to be material to its business or financial condition.

Item 1A. Risk Factors.

This Quarterly Report on Form 10-Q contains "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, concerning management's expectations, goals, objectives, and similar matters. These forward-looking statements may include statements concerning the Company's product and entertainment plans, anticipated product and entertainment performance, business opportunities and strategies, financial and business goals, expectations for achieving the Company's goals and objectives, cost savings and efficiency enhancing initiatives and other objectives, anticipated uses of cash, and the timing of the completion of the termination of the Company's pension plan. These statements may be identified by the use of forward-looking words or phrases such as "anticipate," "believe," "could," "expect," "intend," "look forward," "may," "planned," "potential," "should," "will," and "would" or any variations of words with similar meanings. These forward-looking statements are inherently subject to known and unknown risks and uncertainties.

The Company's actual results or experience may differ materially from those expected or anticipated in the forward-looking statements. The Company has included, under Item 1A, Part I of its Annual Report on Form 10-K, for the year ended December 30, 2018 (the "Annual Report"), a discussion of factors which may impact these forward-looking statements. In furtherance, and not in limitation, of the more detailed discussion set forth in the Annual Report, specific factors that might cause such a difference include, but are not limited to:

- the Company's ability to successfully develop and grow its franchise and key partner brands, which constitute a substantial majority of the Company's total revenues;
 - the Company's ability to successfully re-imagine, re-invent and re-ignite its existing brands, products and product lines, including through the use of immersive entertainment experiences and progressive technology integrating digital and analog play, to keep them fresh and relevant and to maintain and further their success;
 - the Company's ability to successfully design, develop, produce, introduce, market and sell innovative new brands, products, product lines and entertainment offerings in a timely and cost-effective manner, which achieve and sustain interest from retailers and consumers and keep pace with changes in consumer preferences and technology and the increasing sophistication of today's children;
 - the Company's ability to offer products that (i) expand consumer demand for its product offerings and do not significantly compete with the Company's other existing product offerings and (ii) consumers want to purchase and select over competitors' products;
 - the success of the Company's key partner brands, and the Company's ability to maintain and extend solid relationships with its key partners;
 - successful brand and/or product introductions from competitors that capture market share and sales from the Company;
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- the Company's ability to source and ship products in a timely and cost-effective manner and customers' and consumers' acceptance and purchase of those products in quantities and at prices that will be sufficient to profitably recover the Company's costs for developing, marketing and selling those products;
 - the Company's ability to successfully evolve and transform its business to address a changing global consumer landscape and retail environment, one in which online shopping and digital first marketing are becoming more and more critical and traditional retailers face challenges from disintermediation, and difficulties or delays the Company may experience in successfully implementing and developing new capabilities and making the changes to its business that are required to be successful under these changing marketplace conditions;
 - recessions, other economic downturns, challenging economic conditions, unfavorable changes in exchange rates or economic uncertainty affecting one or more of the Company's significant markets including, without limitation, the United Kingdom, Brazil and Russia, which can negatively impact the financial health of the Company's customers and consumers, and which can result in lower employment levels, lower consumer disposable income and lower consumer spending, including lower retailer inventories and spending on purchases of the Company's products;
 - currency fluctuations, including movements in foreign exchange rates, which can lower the Company's net revenues and earnings, and significantly impact the Company's costs;
 - other economic and public health conditions or regulatory changes in the markets in which the Company and its customers and suppliers operate, which could create delays or increase the Company's costs, such as higher commodity prices, labor costs or higher transportation costs, or outbreaks of diseases;
 - other risks associated with international operations, including in emerging markets which have unique consumer preferences and business climates;
 - delays, increased costs, lack of consumer acceptance or other difficulties associated with the development and offering of our or our partners' entertainment, digital or media initiatives;
 - the risk that the market appeal of the Company's licensed products will be less than expected or that sales revenue generated by these products will be insufficient to cover the minimum guaranteed royalties or other commitments;
 - the concentration of the Company's customers, potentially increasing the negative impact to the Company of difficulties, including bankruptcies, experienced by any of the Company's customers or changes in their purchasing or selling patterns;
 - an adverse change in purchasing policies or promotional programs, or the bankruptcy or other economic difficulties or lack of success, of one or more of the Company's significant retailers comprising its relatively concentrated retail customer base, which could negatively impact the Company's revenues or bad debt exposure;
 - the impact of the bankruptcy of Toys"R"Us in the U.S., Canada and the United Kingdom, and the subsequent liquidation of the Toys"R"Us business in the U.S. and the United Kingdom, as well as the economic difficulty of Toys"R"Us in other markets, or the bankruptcy or lack of success of a smaller retail customer of the Company, such as Sears Holdings Corporation, any of which could negatively impact the Company's revenues, result in lost sales to customers, create bad debt expense and create other challenges for the Company and its financial performance as the Company attempts to recapture this lost business through other customers or channels, and any inability or delay of the Company in recapturing all of the lost business;
 - uncertainty as to the future of the Toys"R"Us business elsewhere in the world, and associated reductions in sales to Toys"R"Us or bad debt expenses;
 - the Company's ability to generate sales during the second half of the year, particularly during the relatively brief holiday shopping season, which is the period in which the Company derives a substantial portion of its revenues and earnings;
 - the inventory policies of the Company's retail and e-commerce customers, including potential decisions to lower their inventories, even if it results in lost sales, as well as the concentration of the Company's revenues in the second half of the year, which coupled with reliance by retailers on quick response inventory management techniques, increases the risk of underproduction of popular items, overproduction of less popular items and failure to achieve compressed shipping schedules;
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- the impact of retail inventory overhang in one or more of our key markets, which can reduce purchases of our products from our customers and lower our revenues and profitability;
 - our ability to evolve our business quickly and efficiently to respond to the challenges of today's converged retail environment;
 - work stoppages or disruptions which may impact the Company's ability to manufacture or deliver products in a timely and cost-effective manner;
 - concentration of manufacturing of the substantial majority of the Company's products by third party vendors in the People's Republic of China and the associated impact to the Company of social, economic or public health conditions and other factors affecting China, the movement of people and products into and out of China, the cost of producing products in China and the cost of exporting them to the Company's other markets or affecting the exchange rates for the Chinese Renminbi, including, without limitation, the potential application of tariffs or other trade restrictions to some or all of the goods manufactured for the Company in China and exported to other markets, which could significantly increase the price of the Company's products and substantially harm sales if applied to any significant amount of the Company's products;
 - the ability of the Company to successfully diversify sourcing of its products to reduce reliance on sources of supply in China;
 - the application of tariffs and other trade restrictions impacting the cost of producing our products and importing them into markets around the world for sale, which could significantly increase the price of the Company's products and substantially harm sales;
 - the ability of the Company to successfully develop, produce and distribute movies under its relationship with Paramount Pictures Corporation, and consumer interest in those movies and related merchandise;
 - consumer interest in and acceptance of programming and entertainment created by Hasbro Studios and/or Allspark Pictures, as well as products related to such programming and entertainment, and other factors impacting the financial performance of Hasbro Studios, Allspark Pictures and the Discovery Family Channel;
 - the ability to develop and distribute compelling entertainment, including television, movies and digital content, based on our brands, in a timely and financially profitable manner, and the success of that entertainment in driving consumer interest in and engagement with our brands;
 - the ability of the Company to hire and retain key officers and employees who are critical to the Company's success;
 - the ability of the Company to successfully protect its intellectual property rights;
 - the costs of complying with product safety and consumer protection requirements worldwide, including the risk that greater regulation in the future may increase such costs, may require changes in the Company's products and/or may impact the Company's ability to sell some products in particular markets in the absence of making changes to such products;
 - the risk that one of the Company's third-party manufacturers will not comply with applicable labor, consumer protection, product safety or other laws or regulations, or with aspects of the Company's Global Business Ethics Principles, and that such noncompliance will not be promptly detected, either of which could cause damage to the Company's reputation, harm sales of its products, result in product recalls and potentially create other liabilities for the Company;
 - the risk the Company will lose rights to a significant licensed property or properties, which will harm the Company's revenues and earnings;
 - the risk that the Company may face product recalls or product liability suits relating to products it manufactures or distributes which may have significant direct costs to the Company and which may also harm the reputation of the Company and its products, potentially harming future product sales;
 - the impact of competition on revenues, margins and other aspects of the Company's business, including the ability to offer Company products which consumers choose to buy instead of competitor's products, the ability to secure, maintain and renew popular licenses and the ability to attract and retain employees;
 - the risk that anticipated benefits of acquisitions or investments may not occur or be delayed or reduced in their realization;
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- the risk that any litigation or arbitration disputes or government and regulatory investigations could entail significant resources and expense and result in significant fines or other harm to the Company's business or reputation;
- the Company's ability to maintain or obtain external financing on terms acceptable to it in order to meet working capital needs;
- the risk that one or more of the counterparties to the Company's financing arrangements may experience financial difficulties or otherwise be unable or unwilling to allow the Company to access financing under such arrangements;
- unforeseen circumstances, such as severe softness in or collapse of the retail and/or banking environment that may result in a significant decline in revenues and operating results of the Company, thereby causing the Company to be in non-compliance with its debt covenants and the Company being unable to utilize borrowings under its revolving credit facility, a circumstance likely to occur when operating shortfalls would result in the Company being in the greatest need of such supplementary borrowings;
- market conditions, third party actions or approvals, the impact of competition and other factors that could delay or increase the cost of implementation of the Company's programs, or alter the Company's actions and reduce actual results;
- the risk that the Company may be subject to governmental penalties, fines, sanctions or additional taxes for failure to comply with applicable laws or regulations in any of the markets in which it operates, or that governmental regulations or requirements will require changes in the manner in which the Company does business and/or increase the costs of doing business;
- failure to operate our information systems and implement new technology effectively, as well as maintain the systems and processes designed to protect our electronic data and the data of our customers, consumers and employees, including the damage that could result from a breach of any of that data;
- changes in, or different interpretations of, income tax laws and rules, and changes in our geographic operating results, may impact our effective tax rate;
- the risk that the Company's reported goodwill may become impaired, requiring the Company to take a charge against its income;
- changes in foreign exchange rates and other potential regulations, increased costs and/or economic uncertainty associated with the United Kingdom ("UK") vote to leave the European Union ("EU"), commonly referred to as Brexit, may harm our sales and the profitability of our business in the UK and the EU; or
- other risks and uncertainties as are or may be detailed from time to time in the Company's public announcements and filings with the SEC, such as filings on Forms 8-K, 10-Q and 10-K.

The Company undertakes no obligation to revise the forward-looking statements contained in this Quarterly Report on Form 10-Q to reflect events or circumstances occurring after the date of the filing of this report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Repurchases Made in the Quarter (in whole dollars and number of shares)

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share per Unit (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 2019				
12/31/18 – 1/27/19	298,064	\$ 83.87	298,064	\$ 402,965,920
February 2019				
1/28/19 – 3/3/19	-	\$ -	-	\$ 402,965,920
March 2019				
3/4/19 – 3/31/19	281,110	\$ 85.98	281,110	\$ 378,795,443
Total	579,174	\$ 84.90	579,174	\$ 378,795,443

In May 2018, the Company announced that its Board of Directors authorized the repurchase of an additional \$500 million of common stock. Purchases of the Company's common stock may be made from time to time, subject to market conditions. These shares may be repurchased in the open market or through privately negotiated transactions. The Company has no obligation to repurchase shares under this authorization, and the timing, actual number, and value of the shares that are repurchased will depend on a number of factors, including the price of the Company's stock and the Company's generation of, and uses for, cash. The Company may suspend or discontinue the program at any time and there is no expiration date.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

- 3.1 [Restated Articles of Incorporation of the Company, \(Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.\)](#)
- 3.2 [Amendment to Articles of Incorporation, dated June 28, 2000, \(Incorporated by reference to Exhibit 3.4 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.\)](#)

- 3.3 [Amendment to Articles of Incorporation, dated May 19, 2003. \(Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2003, File No. 1-6682.\)](#)
 - 3.4 [Amended and Restated Bylaws of the Company, as amended. \(Incorporated by reference to Exhibit 3\(d\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, File No. 1-6682.\)](#)
 - 3.5 [Amendment to Amended and Restated Bylaws of the Company, as amended. \(Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated August 6, 2014, File No. 1-6682.\)](#)
 - 3.6 [Amendment to Amended and Restated Bylaws of the Company, as amended. \(Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated October 5, 2015, File No. 1-6682.\)](#)
 - 3.7 [Amendment to Amended and Restated Bylaws of the Company, as amended. \(Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated December 10, 2015, File No. 1-6682.\)](#)
 - 3.8 [Certificate of Designations of Series C Junior Participating Preference Stock of Hasbro, Inc. dated June 29, 1999. \(Incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.\)](#)
 - 3.9 [Certificate of Vote\(s\) authorizing a decrease of class or series of any class of shares. \(Incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2000, File No. 1-6682.\)](#)
 - 4.1 [Indenture, dated as of July 17, 1998, by and between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to Citibank, N.A. as Trustee. \(Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 14, 1998, File No. 1-6682.\)](#)
 - 4.2 [Indenture, dated as of March 15, 2000, by and between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. \(Incorporated by reference to Exhibit 4\(b\)\(i\) to the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 1999, File No. 1-6682.\)](#)
 - 4.3 [First Supplemental Indenture, dated as of September 17, 2007, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. \(Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 17, 2007, File No. 1-6682.\)](#)
 - 4.4 [Second Supplemental Indenture, dated as of May 13, 2009, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. \(Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 13, 2009, File No. 1-6682.\)](#)
 - 4.5 [Third Supplemental Indenture, dated as of March 11, 2010, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. \(Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 11, 2010, File No. 1-6682.\)](#)
 - 4.6 [Fourth Supplemental Indenture, dated May 13, 2014, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. \(Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 13, 2014, file No. 1-6682.\)](#)
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- 4.7 [Fifth Supplemental Indenture, dated September 13, 2017, between the Company and The Bank of New York Mellon Trust Company, N.A. as successor Trustee to the Bank of Nova Scotia Trust Company of New York. \(Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 13, 2017, file No. 1-6682.\)](#)
 - 10.1 [Form of 2019 Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. \(Applicable for Deborah Thomas, Steve Davis and Wiebe Tinga\).](#)
 - 10.2 [Form of 2019 Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan for Brian Goldner.](#)
 - 10.3 [Form of 2019 Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan for John Frascotti.](#)
 - 10.4 [Form of 2019 Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. \(Applicable for Deborah Thomas, Steve Davis and Wiebe Tinga\).](#)
 - 10.5 [Form of 2019 Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan for Brian Goldner.](#)
 - 10.6 [Form of 2019 Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan for John Frascotti.](#)
 - 10.7 [Form of 2019 Restricted Stock Unit Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan. \(Applicable for Deborah Thomas, Steve Davis and Wiebe Tinga\).](#)
 - 10.8 [Form of 2019 Restricted Stock Unit Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan for John Frascotti.](#)
 - 10.9 [Form of 2019 Non-Competition, Non-Solicitation and Confidentiality Agreement. \(Applicable for Deborah Thomas and Wiebe Tinga\).](#)
 - 10.10 [Hasbro, Inc. 2019 Performance Rewards Program.](#)
 - 31.1 [Certification of the Chief Executive Officer Pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934.](#)
 - 31.2 [Certification of the Chief Financial Officer Pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934.](#)
 - 32.1* [Certification of the Chief Executive Officer Pursuant to Rule 13a-14\(b\) under the Securities Exchange Act of 1934.](#)
 - 32.2* [Certification of the Chief Financial Officer Pursuant to Rule 13a-14\(b\) under the Securities Exchange Act of 1934.](#)
 - 101.INS XBRL Instance Document
 - 101.SCH XBRL Taxonomy Extension Schema Document
 - 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
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101.LAB XBRL Taxonomy Extension Labels Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

* Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HASBRO, INC.

(Registrant)

Date: May 1, 2019

By: /s/ Deborah Thomas

Deborah Thomas

Executive Vice President and
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

CERTIFICATION

I, Brian Goldner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hasbro, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2019

/s/ Brian Goldner
Brian Goldner
Chairman and Chief
Executive Officer

CERTIFICATION

I, Deborah Thomas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hasbro, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2019

/s/ Deborah Thomas
Deborah Thomas
Executive Vice President and
Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Executive Officer of Hasbro, Inc., a Rhode Island corporation (the "Company"), does hereby certify that to the best of the undersigned's knowledge:

- 1) the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, as filed with the Securities and Exchange Commission (the "10-Q Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the Company's 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brian Goldner

Brian Goldner
Chairman and Chief Executive Officer of Hasbro, Inc.

Dated: May 1, 2019

A signed original of this written statement required by Section 906 has been provided to Hasbro, Inc. and will be retained by Hasbro, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Financial Officer of Hasbro, Inc., a Rhode Island corporation (the "Company"), does hereby certify that to the best of the undersigned's knowledge:

- 1) the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, as filed with the Securities and Exchange Commission (the "10-Q Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in the Company's 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Deborah Thomas

Deborah Thomas

Executive Vice President and Chief Financial Officer of Hasbro, Inc.

Dated: May 1, 2019

A signed original of this written statement required by Section 906 has been provided to Hasbro, Inc. and will be retained by Hasbro, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

the number of shares of Common Stock (the "Shares"), described in Paragraph 3 below (the "Option"), subject to and upon the terms and conditions set forth in the Plan and the Non-Compete Agreement and the additional terms and conditions hereinafter set forth. The Option is evidenced by this Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan. For the avoidance of doubt, if the Optionee has not executed and delivered to the Company's designated contact the Non-Compete Agreement on or before _____, 2019 the Option represented by this Agreement will never take effect and will be null and void. **[The form of agreement for Mr. Davis does not include the non-compete language, as he is based in California.]**

2. By accepting this award the Optionee hereby acknowledges and agrees that (i) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Option, which would not have been granted to the Optionee otherwise. Additionally, the Optionee acknowledges and agrees that if the Optionee is or becomes subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this award and any shares that the Optionee may acquire in the future pursuant to this award, as well as any other equity-based incentive compensation the Optionee is granted after the Optionee becomes subject to the Stock Ownership Policy, the Optionee agrees that the Optionee will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Optionee's applicable requirement levels are met.

3. This Agreement relates to an Option to purchase the specified number of shares which have been communicated to the Optionee at an exercise price of \$ _____ per share (the "Exercise Price Per Share"). (Hereinafter, the term "Exercise Price" shall mean the Exercise Price Per Share multiplied by the number of shares being exercised.) Subject to the provisions of the Plan and of this Agreement, the Optionee shall be entitled to exercise the Option on a cumulative basis until the day preceding the seventh anniversary of the date of the grant in accordance with the following schedule:

<u>Period</u>	<u>Cumulative Percent of Option Exercisable</u>
_____ to _____	0%
_____ to _____	33 1/3%
_____ to _____	66 2/3%
_____ to _____	100%

In determining the number of shares exercisable in accordance with the above table, fractional shares shall be disregarded.

4. In the event that Optionee wishes to purchase any of the shares then purchasable under the Option as provided in Paragraph 3 hereof, Optionee shall deliver or shall transmit to the Company or to the Company's designee, in the manner designated by or on behalf of the Company, a notice in the form and/or in the manner designated by or on behalf of the Company or its designee, as the same may be amended or supplemented from time to time by or on behalf the Company, together with a check payable to Hasbro, Inc. or its designee, if applicable, (or accompanied by wire transfer to such account of the Company or its designee as the Company may designate) in United States dollars, in the aggregate amount of the Exercise Price, or shares of Common Stock held by the Optionee for at least six (6) months (duly endorsed to the Company or its designee, if applicable, or accompanied by an executed stock power, in each case with signatures guaranteed by a bank or broker if required by the Company or its designee) having a Fair Market Value (as defined in the Plan) equal to the Exercise Price, or a combination of such shares having a Fair Market Value less than the Exercise Price and a check in United States dollars for the balance of the Exercise Price.

Unless an Optionee shall have made advance alternative arrangements satisfactory to the Company, or to the Company's designee, each Optionee shall deliver to the Company or its designee, together with the required notice of exercise and payment of the



Exercise Price as aforesaid, a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee, if applicable, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of such exercise. Each Optionee shall consult with the Company or the Company's designee in advance of the exercise so as to determine the amount of withholding taxes due. An Optionee may also elect to satisfy any withholding taxes payable as a result of such exercise (the "Taxes"), in whole or in part, either (i) by having the Company or its designee withhold from the shares of Common Stock to be issued upon exercise of the Option or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Optionee and held by the Optionee for at least six (6) months (represented by stock certificates duly endorsed to the Company or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date of exercise is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of exercise.

In addition, the Optionee shall comply with such other requirements and provide such additional information and documentation as is reasonably required by the Company, or the Company's designee, to process any exercise of this option and resulting delivery of shares. As soon as practicable after receipt of the notice of exercise, Exercise Price, Taxes, and such other information and documentation as the Company or its designee shall require, the Company or its designee shall deliver or cause to be delivered to Optionee the shares in respect of which the Option was so exercised (less any shares deducted to pay Taxes in accordance with Optionee's election).

5. (a) If an Optionee who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at his or her Normal Retirement Date (as defined below), or an Optionee with at least one year of Credited Service of the Company suffers a permanent physical or mental disability (as defined below) or dies, in each case without the Optionee having fully exercised any Option granted to the Optionee, then the Optionee, the executor, administrator or trustee of the Optionee's estate, or the Optionee's legal representative, as the case may be, shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after such retirement, such disability, or in the case of death, the appointment and qualification of

such executor, administrator or trustee (except that in no event other than death may such Option be exercised later than the day preceding the seventh anniversary of the date of the grant of such Option). In each such case, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such retirement, disability or death. Thereafter, such Option, to the extent not so exercised during such one-year period shall be deemed to have expired regardless of the expiration date otherwise specified in Section 2 hereof.

(b) If an Optionee who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at an Early Retirement Date (as defined below), without the Optionee having fully exercised any Option granted to him or her, the Optionee shall have the right to exercise the unexercised portion of any Option theretofore granted, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement, for a period of not more than three (3) months after the date of early retirement (but in no event shall the exercise period extend beyond the day preceding the seventh anniversary of the date of grant of the Option). Thereafter, the Option, to the extent not exercised during such three-month period shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

(c) If an Optionee ceases to be employed by the Company or by a direct or indirect subsidiary of the Company for any reason other than the reasons set forth in subsections (a), (b) and (d) of this Section 5, he or she shall have the right to exercise the unexercised portion of any Option theretofore granted to Optionee, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of termination, for a period of not more than three (3) months after any such termination (but not, in any event, later than the day preceding the seventh anniversary date of the grant of such Option). Thereafter, such Option, to the extent not so exercised during such three-month period, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

For purposes of subsections (a) and (b) above:

* A year of "Credited Service" shall mean a calendar year in which the Optionee is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a subsidiary of the Company. A Optionee does not need to be, or have been, a participant in the Hasbro Pension Plan.

* "Early Retirement Date" shall mean: the day on which an Optionee who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (10) or more years of Credited Service, retires. An Optionee is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, and "early retirement" shall mean retirement by an eligible Optionee at the Early Retirement Date.

* "Normal Retirement Date" shall mean: the day on which an Optionee who has attained age sixty-five (65) with five (5) or more years of Credited Service, retires. An Optionee is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Optionee's attainment of age sixty-five (65) and completion of five (5) or more years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Optionee at the Normal Retirement Date.

* "permanent physical or mental disability" shall mean: an Optionee's inability to perform his or her job or any position which the Optionee can reasonably perform with his or her background and training by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration.

(d) Notwithstanding the foregoing, the Optionee acknowledges and agrees that this Option, and any and all rights the Optionee may have hereunder, including any rights with respect to any portion of this Option which may have vested in accordance with the Schedule set forth in Section 3 above, shall terminate immediately upon a termination of the Optionee's employment with the Company for cause or for any such other reason that casts such discredit on the Optionee as to make termination of the Option appropriate. Whether an Optionee has been terminated for cause or for such other reason that casts such discredit on the Optionee as to make termination of the Option appropriate will be determined by the Administrator in its sole discretion, and in making this determination the Administrator will not be limited by any definition of "Cause" which appears in the Plan. The Optionee's agreement to the terms in this Section 5(d) are a material condition to the grant of this Option and this Option would not be granted to the Optionee if the Optionee did not agree to such terms.

6. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Option.

7. This Option shall not be transferable by the Optionee, in whole or in part, except in accordance with Section 7 of the Plan, and shall be exercisable only as hereinbefore provided.

Any purported assignment, transfer, pledge, hypothecation or other disposition of the Option or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Option or any interest therein, shall be null and void and without effect.

8. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Optionee, Optionee's successors and permitted assigns, and the Company and its successors and assigns.

9. In connection with a Change in Control the Option will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

10. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

IN WITNESS WHEREOF, the Company and the Optionee have entered into this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Optionee hereby agrees to the terms of this Agreement with the same effect as if the Optionee had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Brian Goldner
Chairman and Chief Executive Officer

By: _____
Optionee



Plan or this Agreement are inconsistent with the terms of the Amended Employment Agreement (as defined below), the provisions of the Amended Employment Agreement shall govern if such agreement provides for more favorable treatment. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

2. By accepting this award the Optionee hereby acknowledges and agrees that (i) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Option, which would not have been granted to the Optionee otherwise. Additionally, the Optionee acknowledges and agrees that if the Optionee is or becomes subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this award and any shares that the Optionee may acquire in the future pursuant to this award, as well as any other equity-based incentive compensation the Optionee is granted after the Optionee becomes subject to the Stock Ownership Policy, the Optionee agrees that the Optionee will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Optionee's applicable requirement levels are met.

3. This Agreement relates to an Option to purchase the specified number of shares which have been communicated to the Optionee at an exercise price of \$_____ per share (the "Exercise Price Per Share"). (Hereinafter, the term "Exercise Price" shall mean the Exercise Price Per Share multiplied by the number of shares being exercised.) Subject to the provisions of the Plan and of this Agreement, the Optionee shall be entitled to exercise the Option on a

cumulative basis until the day preceding the seventh anniversary of the date of the grant in accordance with the following schedule:

<u>Period</u>	<u>Cumulative Percent of Option Exercisable</u>
_____ to _____	0%
_____ to _____	33 1/3%
_____ to _____	66 2/3%
_____ to _____	100%

In determining the number of shares exercisable in accordance with the above table, fractional shares shall be disregarded.

4. In the event that Optionee wishes to purchase any of the shares then purchasable under the Option as provided in Paragraph 3 hereof, Optionee shall deliver or shall transmit to the Company or to the Company's designee, in the manner designated by or on behalf of the Company, a notice in the form and/or in the manner designated by or on behalf of the Company or its designee, as the same may be amended or supplemented from time to time by or on behalf the Company, together with a check payable to Hasbro, Inc. or its designee, if applicable, (or accompanied by wire transfer to such account of the Company or its designee as the Company may designate) in United States dollars, in the aggregate amount of the Exercise Price, or shares of Common Stock held by the Optionee for at least six (6) months (duly endorsed to the Company or its designee, if applicable, or accompanied by an executed stock power, in each case with signatures guaranteed by a bank or broker if required by the Company or its designee) having a Fair Market Value (as defined in the Plan) equal to the Exercise Price, or a combination of such shares having a Fair Market Value less than the Exercise Price and a check in United States dollars for the balance of the Exercise Price.

Unless an Optionee shall have made advance alternative arrangements satisfactory to the Company, or to the Company's designee, each Optionee shall deliver to the Company or its designee, together with the required notice of exercise and payment of the Exercise Price as aforesaid, a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee, if applicable, as the Company may

designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of such exercise. Each Optionee shall consult with the Company or the Company's designee in advance of the exercise so as to determine the amount of withholding taxes due. An Optionee may also elect to satisfy any withholding taxes payable as a result of such exercise (the "Taxes"), in whole or in part, either (i) by having the Company or its designee withhold from the shares of Common Stock to be issued upon exercise of the Option or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Optionee and held by the Optionee for at least six (6) months (represented by stock certificates duly endorsed to the Company or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date of exercise is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of exercise.

In addition, the Optionee shall comply with such other requirements and provide such additional information and documentation as is reasonably required by the Company, or the Company's designee, to process any exercise of this option and resulting delivery of shares. As soon as practicable after receipt of the notice of exercise, Exercise Price, Taxes, and such other information and documentation as the Company or its designee shall require, the Company or its designee shall deliver or cause to be delivered to Optionee the shares in respect of which the Option was so exercised (less any shares deducted to pay Taxes in accordance with Optionee's election).

5. (a) If the Optionee retires at his Normal Retirement Date (as defined below), or the Optionee suffers a Disability (as defined below) or dies, in each case without the Optionee having fully exercised the Option granted to the Optionee, then the Optionee, the executor, administrator or trustee of the Optionee's estate, or the Optionee's legal representative, as the case may be, shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after such retirement, such Disability, or in the case of death, the appointment and qualification of such executor, administrator or trustee (except that in no event other than death may such Option be exercised later than the day preceding the seventh anniversary of the

date of the grant of such Option). In each such case, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such retirement, Disability or death. Thereafter, such Option, to the extent not so exercised during such one-year period shall be deemed to have expired regardless of the expiration date otherwise specified in Section 2 hereof.

(b) If the Optionee's employment with the Company is either (i) terminated by the Optionee for Good Reason (as defined below), or (ii) terminated by the Company without Cause (as defined below), without the Optionee having fully exercised the Option granted to the Optionee, then, upon the Release becoming effective, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such termination of employment, and the Optionee shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after the date of such termination of employment (except that in no event may such Option be exercised later than the day preceding the seventh anniversary of the date of the grant of such Option). Thereafter, such Option, to the extent not so exercised during such one-year period, shall be deemed to have expired regardless of the expiration date otherwise specified in Section 3 hereof. For the avoidance of doubt, if the Optionee's employment with the Company is either (i) terminated by the Optionee for Good Reason, or (ii) terminated by the Company without Cause, without the Optionee having fully exercised the Option granted to the Optionee, and the Release does not become effective, then the Option will be treated in accordance with the provisions of Section 4(d) below.

(c) If the Optionee retires at an Early Retirement Date (as defined below), without the Optionee having fully exercised any Option granted to him, the Optionee shall have the right to exercise the unexercised portion of any Option theretofore granted, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of

this Agreement, for a period of not more than three (3) months after the date of early retirement (but in no event shall the exercise period extend beyond the day preceding the seventh anniversary of the date of grant of the Option). Thereafter, the Option, to the extent not exercised during such three-month period, or such longer period as may have been approved by the Committee, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

(d) If the Optionee ceases to be employed by the Company or by a direct or indirect subsidiary of the Company for any reason other than the reasons set forth in subsections (a), (b) and (c) of this Section 5, he shall have the right to exercise the unexercised portion of any Option theretofore granted to Optionee, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of termination, for a period of not more than three (3) months after any such termination, but not, in any event, later than the day preceding the seventh anniversary date of the grant of such Option. Thereafter, such Option, to the extent not so exercised during such three-month period, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

For purposes of subsections (a), (b) and (c) above:

- * "Amended Employment Agreement" shall mean the Amended and Restated Employment Agreement between the Optionee and the Company, dated October 4, 2012, as such agreement may be amended from time to time.

 - * "Cause" shall have the meaning set forth in the Amended Employment Agreement.

 - * "Credited Service" shall mean a calendar year in which the Optionee is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or a subsidiary of the Company.

 - * "Disability" shall have the meaning set forth in the Amended Employment Agreement.
-

* "Early Retirement Date" shall mean: the day on which the Optionee retires after attaining age fifty-five (55), but not age sixty-five (65), with ten (10) or more years of Credited Service. The Optionee is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, and "early retirement" shall mean retirement by an eligible Optionee at the Early Retirement Date.

* "Good Reason" shall have the meaning set forth in the Amended Employment Agreement.

* "Normal Retirement Date" shall mean: the day on which the Optionee retires after attaining age sixty-five (65) with five (5) or more years of Credited Service. The Optionee is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Optionee's attainment of age sixty-five (65) and completion of five (5) or more years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Optionee at the Normal Retirement Date.

* "Release" shall have the meaning set forth in the Amended Employment Agreement.

6. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Option.

7. This Option shall not be transferable by the Optionee, in whole or in part, except in accordance with Section 7 of the Plan, and shall be exercisable only as hereinbefore provided. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Option or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Option or any interest therein, shall be null and void and without effect.

8. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Optionee, Optionee's successors and permitted assigns, and the Company and its successors and assigns.

9. In connection with a Change in Control the Option will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

10. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

IN WITNESS WHEREOF, the Company and the Optionee have entered into this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Optionee hereby agrees to the terms of this Agreement with the same effect as if the Optionee had signed this Agreement.

HASBRO, INC.

By: /s/Deborah Thomas
Deborah Thomas
Executive Vice President and
Chief Financial Officer

By: _____
Brian D. Goldner

the provisions of the Plan or this Agreement are inconsistent with the terms of the Employment Agreement (as defined below), the provisions of the Employment Agreement shall govern if such agreement provides for more favorable treatment. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

2. By accepting this award the Optionee hereby acknowledges and agrees that (i) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Option, and any shares the Optionee may acquire under this Option in the future or any of the proceeds of exercising this Option or selling any shares acquired pursuant to this Option, as well as any other incentive compensation the Optionee is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Option, which would not have been granted to the Optionee otherwise. Additionally, the Optionee acknowledges and agrees that if the Optionee is or becomes subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this award and any shares that the Optionee may acquire in the future pursuant to this award, as well as any other equity-based incentive compensation the Optionee is granted after the Optionee becomes subject to the Stock Ownership Policy, the Optionee agrees that the Optionee will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Optionee's applicable requirement levels are met.

3. This Agreement relates to an Option to purchase the specified number of shares which have been communicated to the Optionee at an exercise price of \$_____ per share (the "Exercise Price Per Share"). (Hereinafter, the term "Exercise Price" shall mean the Exercise Price Per Share multiplied by the number of shares being exercised.) Subject to the provisions of the Plan and of this Agreement, the Optionee shall be entitled to exercise the Option on a

cumulative basis until the day preceding the seventh anniversary of the date of the grant in accordance with the following schedule:

<u>Period</u>	<u>Cumulative Percent of Option Exercisable</u>
_____ to _____	0%
_____ to _____	33 1/3%
_____ to _____	66 2/3%
_____ to _____	100%

In determining the number of shares exercisable in accordance with the above table, fractional shares shall be disregarded.

4. In the event that Optionee wishes to purchase any of the shares then purchasable under the Option as provided in Paragraph 3 hereof, Optionee shall deliver or shall transmit to the Company or to the Company’s designee, in the manner designated by or on behalf of the Company, a notice in the form and/or in the manner designated by or on behalf of the Company or its designee, as the same may be amended or supplemented from time to time by or on behalf the Company, together with a check payable to Hasbro, Inc. or its designee, if applicable, (or accompanied by wire transfer to such account of the Company or its designee as the Company may designate) in United States dollars, in the aggregate amount of the Exercise Price, or shares of Common Stock held by the Optionee for at least six (6) months (duly endorsed to the Company or its designee, if applicable, or accompanied by an executed stock power, in each case with signatures guaranteed by a bank or broker if required by the Company or its designee) having a Fair Market Value (as defined in the Plan) equal to the Exercise Price, or a combination of such shares having a Fair Market Value less than the Exercise Price and a check in United States dollars for the balance of the Exercise Price.

Unless an Optionee shall have made advance alternative arrangements satisfactory to the Company, or to the Company’s designee, each Optionee shall deliver to the Company or its designee, together with the required notice of exercise and payment of the Exercise Price as aforesaid, a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee, if applicable, as the Company may



designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of such exercise. Each Optionee shall consult with the Company or the Company's designee in advance of the exercise so as to determine the amount of withholding taxes due. An Optionee may also elect to satisfy any withholding taxes payable as a result of such exercise (the "Taxes"), in whole or in part, either (i) by having the Company or its designee withhold from the shares of Common Stock to be issued upon exercise of the Option or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Optionee and held by the Optionee for at least six (6) months (represented by stock certificates duly endorsed to the Company or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date of exercise is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, if applicable, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of exercise.

In addition, the Optionee shall comply with such other requirements and provide such additional information and documentation as is reasonably required by the Company, or the Company's designee, to process any exercise of this option and resulting delivery of shares. As soon as practicable after receipt of the notice of exercise, Exercise Price, Taxes, and such other information and documentation as the Company or its designee shall require, the Company or its designee shall deliver or cause to be delivered to Optionee the shares in respect of which the Option was so exercised (less any shares deducted to pay Taxes in accordance with Optionee's election).

5. (a) If the Optionee retires at his Normal Retirement Date (as defined below), or the Optionee suffers a Disability (as defined below) or dies, in each case without the Optionee having fully exercised the Option granted to the Optionee, then the Optionee, the executor, administrator or trustee of the Optionee's estate, or the Optionee's legal representative, as the case may be, shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after such retirement, such Disability, or in the case of death, the appointment and qualification of such executor, administrator or trustee (except that in no event other than death may such Option be exercised later than the day preceding the seventh anniversary of the

date of the grant of such Option). In each such case, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such retirement, Disability or death. Thereafter, such Option, to the extent not so exercised during such one-year period shall be deemed to have expired regardless of the expiration date otherwise specified in Section 2 hereof.

(b) If, within 24 months following a Change in Control (as defined below), the Optionee's employment with the Company is either (i) terminated by the Optionee for Good Reason (as defined below), or (ii) terminated by the Company without Cause (as defined below), without the Optionee having fully exercised the Option granted to the Optionee, then, upon the Release becoming effective, the Option will be exercisable with respect to all or any part of the number of shares to which the Option relates, whether or not said Option was fully exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such termination of employment, and the Optionee shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after the date of such termination of employment (except that in no event may such Option be exercised later than the day preceding the seventh anniversary of the date of the grant of such Option). Thereafter, such Option, to the extent not so exercised during such one-year period, shall be deemed to have expired regardless of the expiration date otherwise specified in Section 3 hereof. If, prior to a Change in Control or more than 24 months following a Change in Control, the Optionee's employment with the Company is either (i) terminated by the Optionee for Good Reason or (ii) terminated by the Company without Cause, without the Optionee having fully exercised the Option granted to the Optionee, then, upon the Release becoming effective, the Option will be exercisable with respect to the unexercised portion of the Option, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of such termination of employment, and the Optionee shall have the right to exercise any Option under the Plan, for a period of not more than one (1) year after the date of such termination of

employment (except that in no event may such Option be exercised later than the day preceding the seventh anniversary of the date of the grant of such Option). Thereafter, such Option, to the extent not so exercised during such one-year period, shall be deemed to have expired regardless of the expiration date otherwise specified in Section 3 hereof. For the avoidance of doubt, if the Optionee's employment with the Company is either (i) terminated by the Optionee for Good Reason, or (ii) terminated by the Company without Cause, without the Optionee having fully exercised the Option granted to the Optionee, and the Release does not become effective, then the Option will be treated in accordance with the provisions of Section 4(d) below.

(c) If the Optionee retires at an Early Retirement Date (as defined below), without the Optionee having fully exercised any Option granted to him, the Optionee shall have the right to exercise the unexercised portion of any Option theretofore granted, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement, for a period of not more than three (3) months after the date of early retirement (but in no event shall the exercise period extend beyond the day preceding the seventh anniversary of the date of grant of the Option). Thereafter, the Option, to the extent not exercised during such three-month period, or such longer period as may have been approved by the Committee, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

(d) If the Optionee ceases to be employed by the Company or by a direct or indirect subsidiary of the Company for any reason other than the reasons set forth in subsections (a), (b) and (c) of this Section 5, he shall have the right to exercise the unexercised portion of any Option theretofore granted to Optionee, but only to the extent said Option was then exercisable in accordance with the schedule set forth in Section 3 of this Agreement as of the date of termination, for a period of not more than three (3) months after any such termination, but not, in any event, later than the day preceding the seventh anniversary date of the grant of such Option. Thereafter, such Option, to the extent not so exercised during such three-month period, shall be deemed to have expired, regardless of the expiration date otherwise specified in Section 3 hereof.

For purposes of subsections (a), (b) and (c) above:

- * “Cause” shall have the meaning set forth in the Employment Agreement.
 - * “Change in Control” shall have the meaning set forth in the Plan.
 - * “Credited Service” shall mean a calendar year in which the Optionee is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or a subsidiary of the Company.
 - * “Disability” shall have the meaning set forth in the Employment Agreement.
 - * “Early Retirement Date” shall mean: the day on which the Optionee retires after attaining age fifty-five (55), but not age sixty-five (65), with ten (10) or more years of Credited Service. The Optionee is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, and “early retirement” shall mean retirement by an eligible Optionee at the Early Retirement Date.
 - * “Employment Agreement” shall mean the Employment Agreement between the Optionee and the Company, dated August 1, 2018, as such agreement may be amended from time to time.
 - * “Good Reason” shall have the meaning set forth in the Employment Agreement.
 - * “Normal Retirement Date” shall mean: the day on which the Optionee retires after attaining age sixty-five (65) with five (5) or more years of Credited Service. The Optionee is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Optionee's attainment of age sixty-five (65) and completion of five (5) or more years of Credited Service, and “normal retirement” shall mean the retirement by an eligible Optionee at the Normal Retirement Date.
 - * “Release” shall have the meaning set forth in the Employment Agreement.
6. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Option.
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7. This Option shall not be transferable by the Optionee, in whole or in part, except in accordance with Section 7 of the Plan, and shall be exercisable only as hereinbefore provided. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Option or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Option or any interest therein, shall be null and void and without effect.

8. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Optionee, Optionee's successors and permitted assigns, and the Company and its successors and assigns.

9. In connection with a Change in Control the Option will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

10. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

IN WITNESS WHEREOF, the Company and the Optionee have entered into this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Optionee hereby agrees to the terms of this Agreement with the same effect as if the Optionee had signed this Agreement.

HASBRO, INC.

By: /s/Brian Goldner
Brian Goldner
Chairman and
Chief Executive Officer

By: _____
John Frascotti

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
CONTINGENT STOCK PERFORMANCE AWARD
(THREE PERFORMANCE METRICS _____)
_____, 2019 GRANT

AGREEMENT, made effective as of _____, 2019, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated contingent stock performance award recipient (the "Participant").

WHEREAS, the Participant is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, contingent upon and in consideration for the Participant having executed and delivered to the Company's designated contact no later than _____, 2019 a Non-Competition, Non-Solicitation and Confidentiality Agreement between the Participant and the Company in the form provided to the Participant by the Company, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), acting in accordance with the provisions of the Plan, is granting to Participant a contingent stock performance award dated _____, 2019 designed to reward the Participant for the Participant's efforts in contributing to the Company's achievement of certain stated financial goals, and

WHEREAS, the stock performance award provides the Participant with the ability to earn shares of the Company's common stock, par value \$.50 per share (the "Common Stock"), contingent on the Company's performance in achieving pre-established cumulative diluted earnings per share ("EPS"), cumulative net revenue ("Revenues") and average return on invested capital ("ROIC") performance targets over the period beginning on December 31, 2018 and ending on December 26, 2021 (the "Performance Period"), subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth. For purposes of this Agreement average ROIC shall be computed as Net Income divided by the sum of Short-Term Debt plus Long Term Debt plus Shareholder's Equity, averaged over the three fiscal years in the Performance Period.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the parties hereto agree as follows:

W I T N E S S E T H:

1. Contingent upon and in consideration for the Participant having executed and delivered to the Company's designated contact no later than _____, 2019 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Compete Agreement") between the Participant and the Company in the form provided to the Participant by the Company, the Company hereby grants to the Participant effective on _____, 2019, and pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a contingent stock performance award (the "Award") subject to and upon the terms and conditions set forth in the Plan and in the Non-Compete Agreement and the additional terms and conditions hereinafter set forth. The Award is evidenced by this Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan. For the avoidance of doubt, if the Participant has not executed and delivered to the Company's designated contact the Non-Compete Agreement on or before _____, 2019, the Award represented by this Agreement will never take effect and will be null and void. **[Mr. Davis' grant agreement does not contain the language with respect to a non-compete, as he is based in California.]**

2. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been granted to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the

terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met.

3. This Agreement relates to an Award providing the Participant with the potential ability to earn shares of the Company's common stock, par value \$.50 per share (the "Common Stock"), contingent on the Company's performance in achieving its pre-established cumulative EPS and Revenues and average ROIC targets over the Performance Period. The cumulative EPS, cumulative Revenues and ROIC targets for the Performance Period are set forth below:

EPS	\$ _____
Revenues	\$ _____
Average ROIC	_____ %

The threshold and maximum levels for cumulative EPS and Revenues and average ROIC contributing to shares being earned under this Award are set forth on Exhibit A to this Agreement. Except as is otherwise set forth in this Agreement, the Participant shall not have any ability to receive any shares of Common Stock pursuant to this Award until the Performance Period is completed. Following the end of the Performance Period, the Committee will determine the Company's cumulative EPS and Revenues and average ROIC over the Performance Period. The Committee will certify the Company's cumulative EPS, Revenues and average ROIC over the Performance Period as promptly as is reasonably possible following the completion of the Performance Period, but in no event later than 75 days following the completion of the Performance Period.

4. For purposes of this Award, the Company's EPS, Revenues and average ROIC over the Performance Period will be computed on a consolidated basis in the same manner used by the Company in computing its consolidated financial performance under generally accepted accounting principles ("GAAP"), except for the following deviations from GAAP: (i) each of the metrics will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$10 million in any fiscal year during the Performance Period, which costs or expenses are related to changes in accounting rules or the U.S. tax code that are effective after the date of this Agreement, (ii) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$10 million in any fiscal year during the Performance Period, which costs or expenses are related to acquisitions (whether paid for in cash, shares of the Company's stock, other property, or any combination thereof) or dispositions consummated by the Company during the Performance Period, (iii) EPS and ROIC

will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$10 million in any fiscal year during the Performance Period, which costs or expenses are related to any restructuring activities undertaken by the Company after the date of this Agreement, (iv) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses related to the termination of the Company's pension plan, (v) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$25 million in any fiscal year during the Performance Period, which costs or expenses relate to judgements, fines, penalties or expenses associated with litigations, arbitrations, or regulatory matters, or settlements of ongoing or potential disputes or regulatory matters, (vi) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses related to non-cash asset impairment charges in excess of \$25 million in any fiscal year during the Performance Period, and (vii)

5. The target number of shares of Common Stock which may be issuable under this Award in the event of 100% achievement of the pre-established cumulative EPS and Revenue and average ROIC measures over the Performance Period is the specified number of shares communicated to the Participant (the "Target Shares"). The tables appearing on Exhibit A to this Agreement set forth the contingent number of shares of Common Stock which the Participant may actually earn under this Award, as a percentage of the Target Shares, based upon certain performances by the Company in achieving the EPS, Revenues and average ROIC targets.

To compute the actual number of shares of Common Stock, if any, which may be earned by the Participant the respective cumulative EPS and Revenues and average ROIC performances of the Company, as certified by the Committee following completion of the Performance Period, are applied to the tables on Exhibit A. The appropriate boxes in the tables corresponding with the highest threshold achieved by the Company's actual cumulative EPS and Revenues and average ROIC performance, as so certified by the Committee, sets forth the number of shares of Common Stock, if any, as a percentage of the Target Shares, which are earned by the Participant over the Performance Period due to the Company's performance in achieving those metrics. The Company's achievement against its EPS metric is weighted at 34% in determining the final shares earned by the Participant. The Company's achievement against its Revenues metric is weighted at 33%, and the Company's achievement against its average ROIC metric is also weighted at 33%.

By way of illustration, if the Company's cumulative Revenues over the Performance Period are at least \$ _____ (but below \$ _____), the percentage of the Revenues target achieved is ____% and the percentage of the target number of contingent shares earned due to that performance is ____%. If the Company's cumulative EPS over the Performance Period is at least \$ _____ (but less than \$ _____), the percentage of the EPS target achieved is ____%, and the percentage of the target number of contingent shares earned due to that EPS performance is ____%. If the Company's average ROIC over the Performance Period is at least ____% (but less than ____%), the percentage of the average ROIC target achieved is ____%, and the percentage of the target number of contingent shares earned due to that ROIC performance is ____%. In that case, the Participant would earn $(.33 * \text{____\%}) + (.34 * \text{____\%}) + (.33 * \text{____\%})$, or ____% of the Target Shares of Common Stock subject to the Award. If the number of Target Shares of Common Stock subject to the Award was ____ shares, the Participant would earn ____ shares of Common Stock. If the number of shares earned is not a whole number, the Participant will earn the next highest whole number of shares.

6. Once the Company has determined the number of shares of Common Stock, if any, which have been earned by the Participant based on the cumulative EPS and Revenues and average ROIC performance of the Company, the Company or its designee will as promptly as possible thereafter, but in all events not later than the 15th day of the third month following the end of the calendar year in which the Performance Period ends, issue any such shares of Common Stock which have been deemed earned to the Participant.

7. The Participant shall consult with the Company or its designee in advance of the issuance of any shares pursuant to this Award so as to designate the manner in which the Participant wishes to pay any withholding taxes due, and any such Participant's designation must be made by the Participant affirmatively to the Company, in the manner specified by the Company, and on or before the date selected by the Company. Each Participant who elects to pay withholding taxes in cash shall deliver to the Company or its designee, a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of the Participant earning any shares under this Award or being issued any shares pursuant to the provisions below based on certain other events. Alternatively, a Participant may elect to satisfy the minimum

withholding taxes required by law payable as a result of the issuance of any shares pursuant to this Award (the "Taxes"), in whole or in part, either (i) by having the Company withhold from the shares of Common Stock to be issued pursuant to this Award or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Participant and held by the Participant for at least six (6) months (represented by stock certificates duly endorsed to the Company or its designee or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date the Participant has become entitled to such shares pursuant to this Award is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of issuance. If the Participant fails to timely elect to pay the withholding taxes in some other manner pursuant to the preceding provisions, or otherwise does not timely remit payment of the required withholding taxes, then the Participant's tax withholding requirements will be satisfied through the withholding of shares of Common Stock and to the extent a fractional share needs to be withheld, the Company or its designee will withhold the next highest number of full shares and will remit the value of the fraction of a share which exceeds the required withholding to the Participant. As soon as practicable after receipt of the withholding taxes and any other materials or information reasonably required by the Company or its designee, the Company or its designee shall deliver or cause to be delivered to the Participant, using the method of delivery determined by the Company or its designee, the shares payable pursuant to the Award (less any shares deducted to pay Taxes).

8. Until such time, if any, that actual shares of Common Stock become due and are issued to the Participant in accordance with the terms of this Agreement, the Participant will not have any dividend or voting rights with respect to any shares which may be issuable in the future pursuant to this Award. The Participant's rights under this Award shall be no greater than those of an unsecured general creditor of the Company, and nothing herein shall be construed as requiring the Company or any other person to establish a trust or to set aside assets to meet the Company's obligations hereunder.

9. (a) If a Participant who is an employee of the Company or of a direct or indirect subsidiary of the Company dies before the Performance Period is completed, then the Company will issue the number of shares of Common Stock to the executor, administrator or trustee of the Participant's estate, or the Participant's legal representative, as the case may be, that is computed by multiplying: (i) the number of shares of Common Stock which would have been issuable to the Participant pursuant to the Award assuming completion of the Performance Period and the Company's achievement over the Performance Period of cumulative EPS and Revenues and average ROIC equal to target in each case by (ii) a fraction, the numerator of which is the number of days from the start of the Performance Period to the date that the Participant died and the denominator of which is the total number of days in the Performance Period. This pro-rated target award will be payable as soon following the Participant's death as is reasonably practicable. If a Participant dies after the end of the Performance Period, but prior to the delivery of any shares of Common Stock issuable pursuant to this award, then the Company or its designee will issue to the Participant's estate, or the Participant's legal representative, as the case may be, the number of shares of Common Stock, if any, which would have otherwise been issuable to the Participant if the Participant had not died.

(b) If a Participant with at least one year of Credited Service of the Company suffers a permanent physical or mental disability (as defined below), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based on the Company's performance against its cumulative EPS and Revenues and average ROIC targets. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant became disabled and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(c) If a Participant who is an employee of the Company or of a direct or indirect subsidiary of the Company retires at either an Early Retirement Date or a Normal Retirement

Date (each as defined below), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based on the Company's performance against its cumulative EPS and Revenues and average ROIC targets. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant retired and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(d) If a Participant ceases to be employed by the Company or by a direct or indirect subsidiary of the Company before the end of the Performance Period for any reason other than the reasons set forth in subsections (a), (b) and (c) of this Section 9, including, without limitation, if the Participant's employment is terminated by the Company for cause or for such other reason that casts such discredit on the Participant as to make termination of the Participant's employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of Cause in the Plan), the Award will be forfeited and the Participant will not have any further rights under the Award, including, without limitation, any rights to receive shares of Common Stock.

For purposes of subsections (a), (b) and (c) above:

* A year of "Credited Service" shall mean a calendar year in which the Participant is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a subsidiary of the Company. A Participant does not need to be, or have been, a participant in the Hasbro Pension Plan.

* "Early Retirement Date" shall mean: the day on which a Participant who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (10) or more years of Credited Service, retires. A Participant is eligible for early retirement on the first

day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, and "early retirement" shall mean retirement by an eligible Participant at the Early Retirement Date.

* "Normal Retirement Date" shall mean: the day on which a Participant who has attained age sixty-five (65) with five (5) or more years of Credited Service, retires. A Participant is eligible for normal retirement on the first day of the calendar month coincidental with or immediately following the Participant's attainment of age sixty-five (65) and completion of five (5) or more years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Participant at the Normal Retirement Date.

* "permanent physical or mental disability" shall mean: a Participant's inability to perform his or her job or any position which the Participant can reasonably perform with his or her background and training by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration, all as determined by the Committee in its discretion.

10. In the event of a Change in Control (as defined in the Plan) prior to the end of the Performance Period, this Award will be treated in accordance with the provisions of the Plan applicable to a Change in Control, provided, however, that for purposes of computing the payment due to the Participant as a result of a termination of employment following a Change in Control under the terms set forth in the Plan, (i) the full number of Target Shares will be used (as opposed to the actual number of shares, if any, that may be issuable based on performance through the date of the termination of employment following the Change in Control) and (ii) no pro-ration of the Award will be applied to account for less than the full Performance Period having had elapsed as of the date of the termination of employment following a Change in Control.

11. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Award.

12. This Award shall not be transferable by the Participant, in whole or in part, except in accordance with Section 7 of the Plan. Any purported assignment, transfer, pledge,

hypothecation or other disposition of the Award or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Award or any interest therein, shall be null and void and without effect.

13. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Participant, Participant 's successors and permitted assigns, and the Company and its successors and assigns.

14. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

IN WITNESS WHEREOF, the Company and the Participant have entered this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Brian Goldner
Chairman and Chief Executive Officer

By: _____
Participant



HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
CONTINGENT STOCK PERFORMANCE AWARD
(THREE PERFORMANCE METRICS)
 _____, 2019 GRANT
BRIAN GOLDNER

AGREEMENT, made effective as of _____, 2019, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated contingent stock performance award recipient (the "Participant").

WHEREAS, the Participant is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), acting in accordance with the provisions of the Plan, is granting to Participant a contingent stock performance award dated _____, 2019 designed to reward the Participant for the Participant's efforts in contributing to the Company's achievement of certain stated financial goals, and

WHEREAS, the stock performance award provides the Participant with the ability to earn shares of the Company's common stock, par value \$.50 per share (the "Common Stock"), contingent on the Company's performance in achieving pre-established cumulative diluted earnings per share ("EPS"), cumulative net revenue ("Revenues") and average return on invested capital ("ROIC") performance targets over the period beginning on December 31, 2018 and ending on December 26, 2021 (the "Performance Period"), subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth. For purposes of this Agreement average ROIC shall be computed as Net Income divided by the sum of Short-Term Debt plus Long Term Debt plus Shareholder's Equity, averaged over the three fiscal years in the Performance Period.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the parties hereto agree as follows:

W I T N E S S E T H:

1. The Company hereby grants to the Participant effective on _____, 2019, and pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a contingent stock performance award (the "Award") subject to and upon the terms and conditions set forth in the Plan and the additional terms and conditions hereinafter set forth. The Award is evidenced by this Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern, provided that to the extent the provisions of the Plan or this Agreement are inconsistent with the terms of the Amended Employment Agreement (as defined below), the provisions of the Amended Employment Agreement shall govern if such agreement provides for more favorable treatment. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

2. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been granted to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or

payment of any equity awards granted until the Participant's applicable requirement levels are met.

3. This Agreement relates to an Award providing the Participant with the potential ability to earn shares of the Company's common stock, par value \$.50 per share (the "Common Stock"), contingent on the Company's performance in achieving its pre-established cumulative EPS and Revenues and average ROIC targets over the Performance Period. The cumulative EPS, cumulative Revenues and ROIC targets for the Performance Period are set forth below:

EPS	\$ _____
Revenues	\$ _____
Average ROIC	_____ %

The threshold and maximum levels for cumulative EPS and Revenues and average ROIC contributing to shares being earned under this Award are set forth on Exhibit A to this Agreement. Except as is otherwise set forth in this Agreement, the Participant shall not have any ability to receive any shares of Common Stock pursuant to this Award until the Performance Period is completed. Following the end of the Performance Period, the Committee will determine the Company's cumulative EPS and Revenues and average ROIC over the Performance Period. The Committee will certify the Company's cumulative EPS, Revenues and average ROIC over the Performance Period as promptly as is reasonably possible following the completion of the Performance Period, but in no event later than 75 days following the completion of the Performance Period.

4. For purposes of this Award, the Company's EPS, Revenues and average ROIC over the Performance Period will be computed on a consolidated basis in the same manner used by the Company in computing its consolidated financial performance under generally accepted accounting principles ("GAAP"), except for the following deviations from GAAP: (i) each of the metrics will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$10 million in any fiscal year during the Performance Period, which costs or expenses are related to changes in accounting rules or the U.S. tax code that are effective after the date of this Agreement, (ii) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$10 million in any fiscal year during the Performance Period, which costs or expenses are related to acquisitions (whether paid for in



cash, shares of the Company's stock, other property, or any combination thereof) or dispositions consummated by the Company during the Performance Period, (iii) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$10 million in any fiscal year during the Performance Period, which costs or expenses are related to any restructuring activities undertaken by the Company after the date of this Agreement, (iv) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses related to the termination of the Company's pension plan, (v) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$25 million in any fiscal year during the Performance Period, which costs or expenses relate to judgements, fines, penalties or expenses associated with litigations, arbitrations, or regulatory matters, or settlements of ongoing or potential disputes or regulatory matters, (vi) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses related to non-cash asset impairment charges in excess of \$25 million in any fiscal year during the Performance Period, and (vii)

5. The target number of shares of Common Stock which may be issuable under this Award in the event of 100% achievement of the pre-established cumulative EPS and Revenue and average ROIC measures over the Performance Period is the specified number of shares communicated to the Participant (the "Target Shares"). The tables appearing on Exhibit A to this Agreement set forth the contingent number of shares of Common Stock which the Participant may actually earn under this Award, as a percentage of the Target Shares, based upon certain performances by the Company in achieving the EPS, Revenues and average ROIC targets.

To compute the actual number of shares of Common Stock, if any, which may be earned by the Participant the respective cumulative EPS and Revenues and average ROIC performances of the Company, as certified by the Committee following completion of the Performance Period, are applied to the tables on Exhibit A. The appropriate boxes in the tables corresponding with the highest threshold achieved by the Company's actual cumulative EPS and Revenues and average ROIC performance, as so certified by the Committee, sets forth

the number of shares of Common Stock, if any, as a percentage of the Target Shares, which are earned by the Participant over the Performance Period due to the Company's performance in achieving those metrics. The Company's achievement against its EPS metric is weighted at 34% in determining the final shares earned by the Participant. The Company's achievement against its Revenues metric is weighted at 33%, and the Company's achievement against its average ROIC metric is also weighted at 33%.

By way of illustration, if the Company's cumulative Revenues over the Performance Period are at least \$_____ (but below \$_____), the percentage of the Revenues target achieved is _____% and the percentage of the target number of contingent shares earned due to that performance is _____%. If the Company's cumulative EPS over the Performance Period is at least \$_____ (but less than \$_____), the percentage of the EPS target achieved is _____%, and the percentage of the target number of contingent shares earned due to that EPS performance is _____%. If the Company's average ROIC over the Performance Period is at least _____% (but less than _____%), the percentage of the average ROIC target achieved is _____%, and the percentage of the target number of contingent shares earned due to that ROIC performance is _____%. In that case, the Participant would earn $(.33 * \text{_____}\%) + (.34 * \text{_____}\%) + (.33 * \text{_____}\%)$, or _____% of the Target Shares of Common Stock subject to the Award. If the number of Target Shares of Common Stock subject to the Award was _____ shares, the Participant would earn _____ shares of Common Stock. If the number of shares earned is not a whole number, the Participant will earn the next highest whole number of shares.

6. Once the Company has determined the number of shares of Common Stock, if any, which have been earned by the Participant based on the cumulative EPS and Revenues and average ROIC performance of the Company, the Company or its designee will as promptly as possible thereafter, but in all events not later than the 15th day of the third month following the end of the calendar year in which the Performance Period ends, issue any such shares of Common Stock which have been deemed earned to the Participant.

7. The Participant shall consult with the Company or its designee in advance of the issuance of any shares pursuant to this Award so as to designate the manner in which the

Participant wishes to pay any withholding taxes due, and any such Participant's designation must be made by the Participant affirmatively to the Company, in the manner specified by the Company, and on or before the date selected by the Company. Each Participant who elects to pay withholding taxes in cash shall deliver to the Company or its designee, a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of the Participant earning any shares under this Award or being issued any shares pursuant to the provisions below based on certain other events. Alternatively, a Participant may elect to satisfy the minimum withholding taxes required by law payable as a result of the issuance of any shares pursuant to this Award (the "Taxes"), in whole or in part, either (i) by having the Company withhold from the shares of Common Stock to be issued pursuant to this Award or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Participant and held by the Participant for at least six (6) months (represented by stock certificates duly endorsed to the Company or its designee or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date the Participant has become entitled to such shares pursuant to this Award is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of issuance. If the Participant fails to timely elect to pay the withholding taxes in some other manner pursuant to the preceding provisions, or otherwise does not timely remit payment of the required withholding taxes, then the Participant's tax withholding requirements will be satisfied through the withholding of shares of Common Stock and to the extent a fractional share needs to be withheld, the Company or its designee will withhold the next highest number of full shares and will remit the value of the fraction of a share which exceeds the required withholding to the

Participant. As soon as practicable after receipt of the withholding taxes and any other materials or information reasonably required by the Company or its designee, the Company or its designee shall deliver or cause to be delivered to the Participant, using the method of delivery determined by the Company or its designee, the shares payable pursuant to the Award (less any shares deducted to pay Taxes).

8. Until such time, if any, that actual shares of Common Stock become due and are issued to the Participant in accordance with the terms of this Agreement, the Participant will not have any dividend or voting rights with respect to any shares which may be issuable in the future pursuant to this Award. The Participant's rights under this Award shall be no greater than those of an unsecured general creditor of the Company, and nothing herein shall be construed as requiring the Company or any other person to establish a trust or to set aside assets to meet the Company's obligations hereunder.

9. (a) If the Participant's employment is terminated by death or because of Disability (as defined in the Amended and Restated Employment Agreement, dated October 4, 2012, between the Participant and the Company, as such agreement may be amended from time to time (hereafter referred to as the "Amended Employment Agreement")), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based upon the Company's performance against its cumulative EPS and Revenues and average ROIC targets, all over the Performance Period. That actual number of shares of Common Stock earned over the full Performance Period will then be issuable to the Participant in the same manner as shares are issued to other participants.

(b) If the Participant's employment is terminated at the election of the Company (or its successor, in the event there has been a Change in Control) without Cause or at the election of the Participant with Good Reason (as the terms Cause, Good Reason and Change in Control are defined in the Amended Employment Agreement, it being understood the Amended Employment

Agreement provides different definitions of Cause and Good Reason based upon whether the termination occurs within three (3) years following a Change in Control, or occurs outside such a window), and provided Participant executes a full and complete Release (as defined in the Amended Employment Agreement) which becomes effective, all in accordance with the Amended Employment Agreement, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based upon the Company's performance against its cumulative EPS and Revenues and average ROIC targets, all over the Performance Period. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period, if any, will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant's employment was terminated and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other participants. Notwithstanding the foregoing, the Plan shall govern the treatment of the Participant's Award in the case of the foregoing termination events if the Plan is more favorable to the Participant.

(c) If the Participant retires from employment with the Company before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based on the Company's performance against its cumulative EPS and Revenues and average ROIC targets. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant retired and the denominator of which is the total number of days in

the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(d) If the Participant's employment is terminated by the Company for Cause (as defined in the Amended Employment Agreement), then the Award will be forfeited and become null and void and the Participant will not have any further rights under the Award, including, without limitation, any rights to receive shares of Common Stock.

10. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Award.

11. This Award shall not be transferable by the Participant, in whole or in part, except in accordance with Section 7 of the Plan. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Award or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Award or any interest therein, shall be null and void and without effect.

12. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Participant, Participant's successors and permitted assigns, and the Company and its successors and assigns.

13. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

IN WITNESS WHEREOF, the Company and the Participant have entered this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Deborah Thomas
Deborah Thomas
Executive Vice President and
Chief Financial Officer

By: _____
Brian D. Goldner

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
CONTINGENT STOCK PERFORMANCE AWARD
(THREE PERFORMANCE METRICS
_____), 2019 GRANT
JOHN FRASCOTTI

AGREEMENT, made effective as of _____, 2019, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated contingent stock performance award recipient (the "Participant").

WHEREAS, the Participant is eligible to participate in the Company's Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), and

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board"), acting in accordance with the provisions of the Plan, is granting to Participant a contingent stock performance award dated _____, 2019 designed to reward the Participant for the Participant's efforts in contributing to the Company's achievement of certain stated financial goals, and

WHEREAS, the stock performance award provides the Participant with the ability to earn shares of the Company's common stock, par value \$.50 per share (the "Common Stock"), contingent on the Company's performance in achieving pre-established cumulative diluted earnings per share ("EPS"), cumulative net revenue ("Revenues") and average return on invested capital ("ROIC") performance targets over the period beginning on December 31, 2018 and ending on December 26, 2021 (the "Performance Period"), subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth. For purposes of this Agreement average ROIC shall be computed as Net Income divided by the sum of Short-Term Debt plus Long Term Debt plus Shareholder's Equity, averaged over the three fiscal years in the Performance Period.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the parties hereto agree as follows:

W I T N E S S E T H:

1. The Company hereby grants to the Participant effective on _____, 2019, and pursuant to the Plan, a copy of which is attached hereto as Appendix A and the provisions of which are incorporated herein as if set forth in full, a contingent stock performance award (the "Award") subject to and upon the terms and conditions set forth in the Plan and the additional terms and conditions hereinafter set forth. The Award is evidenced by this Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern, provided that to the extent the provisions of the Plan or this Agreement are inconsistent with the terms of the Employment Agreement (as defined below), the provisions of the Employment Agreement shall govern if such agreement provides for more favorable treatment. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

2. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any shares the Participant may acquire under this Award in the future or any of the proceeds of selling any shares acquired pursuant to this Award, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been granted to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or

payment of any equity awards granted until the Participant's applicable requirement levels are met.

3. This Agreement relates to an Award providing the Participant with the potential ability to earn shares of the Company's common stock, par value \$.50 per share (the "Common Stock"), contingent on the Company's performance in achieving its pre-established cumulative EPS and Revenues and average ROIC targets over the Performance Period. The cumulative EPS, cumulative Revenues and ROIC targets for the Performance Period are set forth below:

EPS	\$ _____
Revenues	\$ _____
Average ROIC	_____ %

The threshold and maximum levels for cumulative EPS and Revenues and average ROIC contributing to shares being earned under this Award are set forth on Exhibit A to this Agreement. Except as is otherwise set forth in this Agreement, the Participant shall not have any ability to receive any shares of Common Stock pursuant to this Award until the Performance Period is completed. Following the end of the Performance Period, the Committee will determine the Company's cumulative EPS and Revenues and average ROIC over the Performance Period. The Committee will certify the Company's cumulative EPS, Revenues and average ROIC over the Performance Period as promptly as is reasonably possible following the completion of the Performance Period, but in no event later than 75 days following the completion of the Performance Period.

4. For purposes of this Award, the Company's EPS, Revenues and average ROIC over the Performance Period will be computed on a consolidated basis in the same manner used by the Company in computing its consolidated financial performance under generally accepted accounting principles ("GAAP"), except for the following deviations from GAAP: (i) each of the metrics will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$10 million in any fiscal year during the Performance Period, which costs or expenses are related to changes in accounting rules or the U.S. tax code that are effective after the date of this Agreement, (ii) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$10 million in any fiscal year during the Performance Period, which costs or expenses are related to acquisitions (whether paid for in



cash, shares of the Company's stock, other property, or any combination thereof) or dispositions consummated by the Company during the Performance Period, (iii) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$10 million in any fiscal year during the Performance Period, which costs or expenses are related to any restructuring activities undertaken by the Company after the date of this Agreement, (iv) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses related to the termination of the Company's pension plan, (v) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses in excess of \$25 million in any fiscal year during the Performance Period, which costs or expenses relate to judgements, fines, penalties or expenses associated with litigations, arbitrations, or regulatory matters, or settlements of ongoing or potential disputes or regulatory matters, (vi) EPS and ROIC will be computed excluding the impact of any unusual, one-time, non-operating or other significant unbudgeted costs or expenses related to non-cash asset impairment charges in excess of \$25 million in any fiscal year during the Performance Period, and (vii)

5. The target number of shares of Common Stock which may be issuable under this Award in the event of 100% achievement of the pre-established cumulative EPS and Revenue and average ROIC measures over the Performance Period is the specified number of shares communicated to the Participant (the "Target Shares"). The tables appearing on Exhibit A to this Agreement set forth the contingent number of shares of Common Stock which the Participant may actually earn under this Award, as a percentage of the Target Shares, based upon certain performances by the Company in achieving the EPS, Revenues and average ROIC targets.

To compute the actual number of shares of Common Stock, if any, which may be earned by the Participant the respective cumulative EPS and Revenues and average ROIC performances of the Company, as certified by the Committee following completion of the Performance Period, are applied to the tables on Exhibit A. The appropriate boxes in the tables corresponding with the highest threshold achieved by the Company's actual cumulative EPS and Revenues and average ROIC performance, as so certified by the Committee, sets forth the number of shares of

Common Stock, if any, as a percentage of the Target Shares, which are earned by the Participant over the Performance Period due to the Company's performance in achieving those metrics. The Company's achievement against its EPS metric is weighted at 34% in determining the final shares earned by the Participant. The Company's achievement against its Revenues metric is weighted at 33%, and the Company's achievement against its average ROIC metric is also weighted at 33%.

By way of illustration, if the Company's cumulative Revenues over the Performance Period are at least \$_____ (but below \$_____), the percentage of the Revenues target achieved is ____% and the percentage of the target number of contingent shares earned due to that performance is ____%. If the Company's cumulative EPS over the Performance Period is at least \$_____ (but less than \$_____), the percentage of the EPS target achieved is ____%, and the percentage of the target number of contingent shares earned due to that EPS performance is ____%. If the Company's average ROIC over the Performance Period is at least ____% (but less than ____%), the percentage of the average ROIC target achieved is ____%, and the percentage of the target number of contingent shares earned due to that ROIC performance is ____%. In that case, the Participant would earn $(.33 * \text{____\%}) + (.34 * \text{____\%}) + (.33 * \text{____\%})$, or ____% of the Target Shares of Common Stock subject to the Award. If the number of Target Shares of Common Stock subject to the Award was ____ shares, the Participant would earn ____ shares of Common Stock. If the number of shares earned is not a whole number, the Participant will earn the next highest whole number of shares.

6. Once the Company has determined the number of shares of Common Stock, if any, which have been earned by the Participant based on the cumulative EPS and Revenues and average ROIC performance of the Company, the Company or its designee will as promptly as possible thereafter, but in all events not later than the 15th day of the third month following the end of the calendar year in which the Performance Period ends, issue any such shares of Common Stock which have been deemed earned to the Participant.

7. The Participant shall consult with the Company or its designee in advance of the issuance of any shares pursuant to this Award so as to designate the manner in which the

Participant wishes to pay any withholding taxes due, and any such Participant's designation must be made by the Participant affirmatively to the Company, in the manner specified by the Company, and on or before the date selected by the Company. Each Participant who elects to pay withholding taxes in cash shall deliver to the Company or its designee, a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee, as the Company may designate, in United States dollars, in the amount of any withholding required by law for any and all federal, state, local or foreign taxes payable as a result of the Participant earning any shares under this Award or being issued any shares pursuant to the provisions below based on certain other events. Alternatively, a Participant may elect to satisfy the minimum withholding taxes required by law payable as a result of the issuance of any shares pursuant to this Award (the "Taxes"), in whole or in part, either (i) by having the Company withhold from the shares of Common Stock to be issued pursuant to this Award or (ii) delivering to the Company or its designee shares of Common Stock already owned by the Participant and held by the Participant for at least six (6) months (represented by stock certificates duly endorsed to the Company or its designee or accompanied by an executed stock power in each case with signatures guaranteed by a bank or broker to the extent required by the Company or its designee), in each case in an amount whose Fair Market Value on the date the Participant has become entitled to such shares pursuant to this Award is either equal to the Taxes or less than the Taxes, provided that a check payable to Hasbro, Inc. or its designee, or a wire transfer to such account of the Company or its designee as the Company may designate, in United States dollars for the balance of the Taxes is also delivered to the Company, or its designee, at the time of issuance. If the Participant fails to timely elect to pay the withholding taxes in some other manner pursuant to the preceding provisions, or otherwise does not timely remit payment of the required withholding taxes, then the Participant's tax withholding requirements will be satisfied through the withholding of shares of Common Stock and to the extent a fractional share needs to be withheld, the Company or its designee will withhold the next highest number of full shares and will remit the value of the fraction of a share which exceeds the required withholding to the

Participant. As soon as practicable after receipt of the withholding taxes and any other materials or information reasonably required by the Company or its designee, the Company or its designee shall deliver or cause to be delivered to the Participant, using the method of delivery determined by the Company or its designee, the shares payable pursuant to the Award (less any shares deducted to pay Taxes).

8. Until such time, if any, that actual shares of Common Stock become due and are issued to the Participant in accordance with the terms of this Agreement, the Participant will not have any dividend or voting rights with respect to any shares which may be issuable in the future pursuant to this Award. The Participant's rights under this Award shall be no greater than those of an unsecured general creditor of the Company, and nothing herein shall be construed as requiring the Company or any other person to establish a trust or to set aside assets to meet the Company's obligations hereunder.

9. (a) If the Participant's employment is terminated by death or because of Disability (as defined in the Employment Agreement, dated August 1, 2018, between the Participant and the Company, as such agreement may be amended from time to time (hereafter referred to as the "Employment Agreement")), before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based upon the Company's performance against its cumulative EPS and Revenues and average ROIC targets, all over the Performance Period. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period, if any, will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant's employment was terminated and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other participants.

(b) If the Participant's employment is terminated at the election of the Company (or its successor, in the event there has been a Change in Control) without Cause or at the election of the Participant with Good Reason (as the terms Cause, Good Reason and Change in Control are defined in the Employment Agreement, it being understood the Employment Agreement provides different definitions of Cause and Good Reason based upon whether the termination occurs within two (2) years following a Change in Control, or occurs outside such a window), and provided Participant executes a full and complete Release (as defined in the Employment Agreement) which becomes effective, all in accordance with the Employment Agreement, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based upon the Company's performance against its cumulative EPS and Revenues and average ROIC targets, all over the Performance Period. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period, if any, will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant's employment was terminated and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other participants. Notwithstanding the foregoing, the Plan shall govern the treatment of the Participant's Award in the case of the foregoing termination events if the terms of the Plan are more favorable to the Participant.

(c) If the Participant retires from employment with the Company before the Performance Period is completed, then the Participant's Award will remain outstanding during the remaining portion of the Performance Period. At the end of the Performance Period the

Committee will compute how many, if any, shares of Common Stock would be issuable pursuant to the Award based on the Company's performance against its cumulative EPS and Revenues and average ROIC targets. That actual number of shares of Common Stock which would have been earned under the Award over the entire Performance Period will then be multiplied by a fraction the numerator of which is the number of days from the start of the Performance Period to the date that the Participant retired and the denominator of which is the total number of days in the Performance Period. This pro-rated number of shares will then be issuable to the Participant in the same manner as shares are issued to other Participants.

(d) If the Participant's employment is terminated by the Company for Cause (as defined in the Employment Agreement), then the Award will be forfeited and become null and void and the Participant will not have any further rights under the Award, including, without limitation, any rights to receive shares of Common Stock.

10. The adjustment provisions set forth in Section 8 of the Plan shall apply to this Award.

11. This Award shall not be transferable by the Participant, in whole or in part, except in accordance with Section 7 of the Plan. Any purported assignment, transfer, pledge, hypothecation or other disposition of the Award or any interest therein contrary to the provisions of the Plan, and the levy of any execution to, or the attachment or similar process upon, the Award or any interest therein, shall be null and void and without effect.

12. Subject to the applicable provisions of the Plan, and particularly to Section 7 of the Plan, this Agreement shall be binding upon and shall inure to the benefit of Participant, Participant's successors and permitted assigns, and the Company and its successors and assigns.

13. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Rhode Island and Providence Plantations and applicable Federal law.

IN WITNESS WHEREOF, the Company and the Participant have entered this Agreement effective as of the day and year first above written. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Brian Goldner
Chairman and
Chief Executive Officer

By: _____
John Frascotti

**RESTRICTED STOCK UNIT AGREEMENT
(WITH NON-COMPETE)
_____, 2019 GRANT**

THIS AGREEMENT, entered into effective as of the Grant Date (as defined in paragraph 1), is made by and between the Participant (as defined in paragraph 1) and Hasbro, Inc. (the "Company").

WHEREAS, the Company maintains the Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), a copy of which is annexed hereto as Exhibit A and the provisions of which are incorporated herein as if set forth in full, and the Participant has been selected by the Compensation Committee of the Board of Directors of the Company (the "Committee"), which administers the Plan, to receive an award of restricted stock units under the Plan;

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. Terms of Award. The following terms used in this Agreement shall have the meanings set forth in this paragraph 1:

A. The "Participant" is the designated restricted stock unit award recipient.

B. The "Grant Date" is _____, 2019.

C. The "Vesting Period" is the period beginning on the Grant Date and ending on _____, with the Participant becoming vested, subject to the terms of this Agreement, in one-third (33 1/3%) of the Stock Units and the Stock Unit Account on each of _____, _____, and _____ (each of such dates referred to hereafter as an "Annual Vesting Date").

D. Stock Units are notional shares of the Company's common stock, par value \$.50 per share ("Common Stock") granted under this Agreement and subject to the terms of this Agreement and the Plan.

E. Contingent upon and in consideration for the Participant having executed and delivered to the Company's designated contact no later than _____, 2019 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Compete Agreement") between the Participant and the Company in the form provided to the Participant by the Company, the Company hereby grants to the Participant effective on the Grant Date, pursuant to the Plan, the Stock Units. For the avoidance of doubt, if the Participant has not executed and delivered to the Company's designated contact the Non-Compete Agreement on or before _____, 2019, the grant of the Stock Units represented by this Agreement will never take effect and will be null and void.

[The grant agreement for Mr. Davis does not contain the non-compete language, as he is based in California.]

F. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been made to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met.

G. For record-keeping purposes only, the Company shall maintain an account with respect to this restricted stock unit award (a "Stock Unit Account") for the Participant where Stock Units related to this award shall be accumulated and accounted for by the Company. Without limiting the provisions of Section 8(b) of the Plan, in the event the Company pays a stock dividend or reclassifies or divides or combines its outstanding Common Stock then an appropriate adjustment shall be made in the number of Stock Units held in the Stock Unit Account. The Stock Unit Account will reflect notional fractional shares of Common Stock to the nearest hundredth of a share on a one Stock Unit for one share of Common Stock basis.

Other terms used in this Agreement are defined pursuant to paragraph 7 or elsewhere in this Agreement.

2. Award. The Participant is hereby granted the number of Stock Units set forth in paragraph 1.
 3. No Dividends and No Voting Rights. The Participant shall not be entitled to any (i) dividends, other than stock dividends (which will be reflected in an adjustment to the
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number of Units), or (ii) voting rights with respect to the Stock Units or the Stock Unit Account.

4. **Vesting and Forfeiture of Units.** Subject to earlier vesting (either in whole or in part as applicable) only in the situations and under the terms which are explicitly provided for in the following paragraphs, on each Annual Vesting Date the Participant shall become vested in the portion of the Stock Units and Stock Unit Account subject to this Agreement that is specified in Section 1.C. of this Agreement, provided that the Participant has remained employed and remains employed with the Company through and including the last day of the period ending on the applicable Annual Vesting Date.

A. If a Change in Control (as defined below), occurs prior to the end of the Vesting Period, then in connection with such Change in Control the Stock Units will be treated in the manner set forth in the Plan, as such Plan has been amended by the Company's shareholders through the date of such Change in Control.

B. The Participant shall otherwise become vested in a pro-rata portion of any then unvested Stock Units and Stock Unit Account subject to this Agreement as of the Participant's Date of Termination prior to the end of the Vesting Period, but only if the Participant's Date of Termination occurs by reason of either (i) the Participant's retirement at his or her Normal Retirement Date (as defined below) or Early Retirement Date (as defined below), or (ii) for a Participant who has at least one year of Credited Service (as defined below), the Participant's death or Participant's suffering a Permanent Physical or Mental Disability (as defined below). In the case of a Termination of Employment covered by this paragraph 4.B., the Participant will become entitled, as of the date of the Termination of Employment, to a portion of any then unvested Stock Units and Stock Unit Account subject to this Agreement, which portion is computed by multiplying the full number of any then unvested Stock Units subject to this Agreement by a fraction, the numerator of which is the number of days in the remaining Vesting Period after the most recent Annual Vesting Date that has been achieved, if any (i.e. the number of days elapsed since the Grant Date or any later Annual Vesting Date that has occurred) which have already elapsed as of the day of the Participant's Termination of Employment, inclusive of the actual day on which there is a Termination of Employment, and the denominator of which is the total number of days in the Vesting Period remaining since either the Grant Date or any later Annual Vesting Date that has occurred. The Participant will forfeit that portion of the Stock Unit Account which has not vested in accordance with the foregoing provision.

C. If the Participant's Date of Termination occurs prior to the end of the Vesting Period for any reason other than the reasons set forth in the preceding Section 4.B., including, without limitation, if the Participant's employment is terminated by the Company for cause or for such other reason that casts such discredit on the Participant as to make termination of the Participant's employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of Cause in the Plan), then the remaining award of Stock Units pursuant to this Agreement shall be forfeited and

terminate effective as of such Date of Termination, and the Participant shall not be entitled to any further stock pursuant to this award or any other benefits of this award.

D. The Stock Units and the Stock Unit Account may not be sold, assigned, transferred, pledged or otherwise encumbered, except to the extent otherwise provided by either the terms of the Plan or by the Committee.

5. Settlement in Shares of Common Stock. Provided that a portion of the Participant's interest in the Stock Units and the Stock Unit Account has vested in accordance with the provisions of Section 4 above, the Participant's Stock Unit Account, or applicable portion thereof, shall be converted into actual shares of Common Stock upon the date of such vesting. Such conversion: (i) if it occurs in connection with a termination of the Participant's employment following a Change in Control under the conditions set forth in the Plan, will occur upon the Date of Termination, (ii) will occur upon the Date of Termination, in the case that Section 4.B. is applicable, or (iii) will occur on the applicable Annual Vesting Date, in the case that the Participant has remained employed through the end of the applicable Annual Vesting Date. The conversion will occur on the basis of one share of Common Stock for every one Stock Unit which vests. Such shares of Common Stock shall be registered in the name of the Participant effective as of the date of conversion and delivered to the Participant within a reasonable time thereafter in the manner determined by the Company in the Company's election, which may be by electronic delivery of such shares of Common Stock to an account of the Participant or in such other manner as designated by the Company, subject to any different treatment called for or allowed by the terms of the Plan relating to a Change in Control. To the extent that there are notional fractional shares of Common Stock in a Stock Unit Account which have vested upon settlement, such notional fractional shares shall be rounded to the nearest whole share in determining the number of shares of Common Stock to be received upon conversion.

6. Income Taxes. The Participant shall pay to the Company promptly upon request, and in any event at the time the Participant recognizes taxable income in respect of the shares of Common Stock received by the Participant upon the conversion of all or a portion of the Participant's Stock Unit Account, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to such shares of Common Stock. Such payment shall be made in the form of cash, the delivery of shares of Common Stock already owned or by withholding such number of actual shares otherwise deliverable pursuant to this Agreement as is equal to the withholding tax due, or in a combination of such methods. In the event that the Participant does not affirmatively instruct the Company ahead of the applicable vesting date that he or she wishes to pay withholding taxes in another manner specified above, the Company shall withhold shares from the settlement of the Award.

7. Definitions. For purposes of this Agreement, the terms used in this Agreement shall be subject to the following:

A. Change in Control. The term "Change in Control" shall have the meaning ascribed to it in the Plan.

B. Credited Service. A year of "Credited Service" shall mean a calendar year in which the Participant is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a Subsidiary of the Company. A Participant does not need to be, or have been, a participant in the Hasbro Pension Plan.

C. Date of Termination. The Participant's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Participant is not employed (a "Termination of Employment") by the Company or any entity directly or indirectly controlled by the Company (a "Subsidiary"), regardless of the reason for the termination of employment; provided that a termination of employment shall not be deemed to occur by reason of a transfer of the Participant between the Company and a Subsidiary or between two Subsidiaries; and further provided that the Participant's employment shall not be considered terminated while the Participant is on a leave of absence from the Company or a Subsidiary approved by the Participant's employer. If, as a result of a sale or other transaction, the Participant's employer ceases to be a Subsidiary (and the Participant's employer is or becomes an entity that is separate from the Company), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the employer.

D. Early Retirement Date. The term "Early Retirement Date" shall mean: the day on which a Participant who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (10) or more years of Credited Service, retires. A Participant is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, and "early retirement" shall mean retirement by an eligible Participant at the Early Retirement Date.

E. Normal Retirement Date. The term "Normal Retirement Date" shall mean the day on which a Participant who has attained age sixty-five (65), with five (5) years of Credited Service, retires. A Participant is eligible for normal retirement on the first day of the calendar month coincidental with or immediately following the Participant's attainment of age sixty-five (65) and completion of five (5) years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Participant at the Normal Retirement Date.

F. Permanent Physical or Mental Disability. The term "Permanent Physical or Mental Disability" shall mean the Participant's inability to perform his or her job or any position which the Participant can perform with his or her background and training by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration.

G. Plan Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

8. Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, including upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business, and the Participant and the successors and permitted assigns of the Participant, including but not limited to, the estate of the Participant and the executor, administrator or trustee of such estate, and the guardian or legal representative of the Participant.

9. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding.

10. Plan Governs. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan.

11. No Employment Contract. The Participant acknowledges that this Agreement does not constitute a contract for employment for any period of time and does not modify the at will nature of the Participant's employment with the Company, pursuant to which both the Company and the Participant may terminate the employment relationship at any time, for any or no reason, with or without notice.

12. Amendment. This Agreement may be amended by written Agreement of the Participant and the Company, without the consent of any other person.

13. Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect of the award contained herein and therein and supersede all prior communications, representations and negotiations in respect thereof.

14. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law and any court determining the unenforceability of any provisions shall have the power to reduce the scope or duration of such provision to render such provision enforceable.

IN WITNESS WHEREOF, the Participant has executed this Agreement, and the Company has caused these presents to be executed in its name and on its behalf, all effective as of the Grant Date. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Name: Brian Goldner
Title: Chairman and Chief Executive Officer

Participant

**RESTRICTED STOCK UNIT AGREEMENT
(WITHOUT NON-COMPETE)
_____, 2019 GRANT**

THIS AGREEMENT, entered into effective as of the Grant Date (as defined in paragraph 1), is made by and between the Participant (as defined in paragraph 1) and Hasbro, Inc. (the "Company").

WHEREAS, the Company maintains the Restated 2003 Stock Incentive Performance Plan, as amended (the "Plan"), a copy of which is annexed hereto as Exhibit A and the provisions of which are incorporated herein as if set forth in full, and the Participant has been selected by the Compensation Committee of the Board of Directors of the Company (the "Committee"), which administers the Plan, to receive an award of restricted stock units under the Plan;

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. Terms of Award. The following terms used in this Agreement shall have the meanings set forth in this paragraph 1:

A. The "Participant" is the designated restricted stock unit award recipient.

B. The "Grant Date" is _____, 2019.

C. The "Vesting Period" is the period beginning on the Grant Date and ending on _____, with the Participant becoming vested, subject to the terms of this Agreement, in one-third (33 1/3%) of the Stock Units and the Stock Unit Account on each of _____, _____ and _____ (each of such dates referred to hereafter as an "Annual Vesting Date").

D. Stock Units are notional shares of the Company's common stock, par value \$.50 per share ("Common Stock") granted under this Agreement and subject to the terms of this Agreement and the Plan.

E. By accepting this Award the Participant hereby acknowledges and agrees that (i) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive compensation the Participant is granted after adoption of the Clawback Policy, are subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, and (ii) this Award, and any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, and any proceeds from selling any such shares of Common Stock, as well as any other incentive

compensation the Participant is granted after adoption of the Clawback Policy, will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement was a material condition to receiving this Award, which would not have been made to the Participant otherwise. Additionally, the Participant acknowledges and agrees that if the Participant is or becomes subject to the Hasbro, Inc. Executive Ownership Policy, effective as of March 1, 2014, as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then by accepting this Award and any shares that the Participant may acquire in the future pursuant to this Award, as well as any other equity-based incentive compensation the Participant is granted after the Participant becomes subject to the Stock Ownership Policy, the Participant agrees that the Participant will be subject to the terms of the Stock Ownership Policy, including without limitation the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met.

F. For record-keeping purposes only, the Company shall maintain an account with respect to this restricted stock unit award (a "Stock Unit Account") for the Participant where Stock Units related to this award shall be accumulated and accounted for by the Company. Without limiting the provisions of Section 8(b) of the Plan, in the event the Company pays a stock dividend or reclassifies or divides or combines its outstanding Common Stock then an appropriate adjustment shall be made in the number of Stock Units held in the Stock Unit Account. The Stock Unit Account will reflect notional fractional shares of Common Stock to the nearest hundredth of a share on a one Stock Unit for one share of Common Stock basis.

G. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern, provided that to the extent the provisions of the Plan or this Agreement are inconsistent with the terms of the Employment Agreement (as defined in paragraph 7 below), the provisions of the Employment Agreement shall govern.

Other terms used in this Agreement are defined pursuant to paragraph 7 or elsewhere in this Agreement.

2. Award. The Participant is hereby granted the number of Stock Units set forth in paragraph 1.
 3. No Dividends and No Voting Rights. The Participant shall not be entitled to any (i) dividends, other than stock dividends (which will be reflected in an adjustment to the number of Units), or (ii) voting rights with respect to the Stock Units or the Stock Unit Account.
 4. Vesting and Forfeiture of Units. Subject to earlier vesting (either in whole or in part as applicable) only in the situations and under the terms which are explicitly provided for in the following paragraphs, on each Annual Vesting Date the Participant
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shall become vested in the portion of the Stock Units and Stock Unit Account subject to this Agreement that is specified in Section 1.C. of this Agreement, provided that the Participant has remained employed and remains employed with the Company through and including the last day of the period ending on the applicable Annual Vesting Date.

A. If, within 24 months following a Change in Control (as defined below), the Participant's employment with the Company is either (i) terminated by the Participant for Good Reason (as defined below) or (ii) terminated by the Company without Cause (as defined below), then, upon the Release (as defined below) becoming effective, there shall be an acceleration of vesting of (and lapse of restrictions on) any unvested Stock Units and Stock Unit Accounts as of the Date of Termination, such that such Stock Units shall become fully vested. If, prior to a Change in Control or more than 24 months following a Change in Control, the Participant's employment with the Company is either (i) terminated by the Participant for Good Reason or (ii) terminated by the Company without Cause, then, following the Date of Termination and upon the Release becoming effective, the Participant shall become entitled, as of the Date of Termination, to a portion of any then unvested Stock Units and Stock Unit Account subject to this Agreement, which portion is computed by multiplying the full number of any then unvested Stock Units subject to this Agreement by a fraction, the numerator of which is the number of days remaining in the Vesting Period after the most recent Annual Vesting Date that has been achieved, if any (i.e., the number of days elapsed since the Grant Date or any later Annual Vesting Date that has occurred) which have already elapsed as of the Date of Termination, inclusive of such date, and the denominator of which is the total number of days in the Vesting Period remaining since either the Grant Date or any later Annual Vesting Date that has occurred. The Participant will forfeit that portion of the Stock Unit Account which has not vested in accordance with the foregoing provision.

B. The Participant shall otherwise become vested in a pro-rata portion of any then unvested Stock Units and Stock Unit Account subject to this Agreement as of the Participant's Date of Termination prior to the end of the Vesting Period, but only if the Participant's Date of Termination occurs by reason of either (i) the Participant's retirement at his or her Normal Retirement Date (as defined below) or Early Retirement Date (as defined below), or (ii) for a Participant who has at least one year of Credited Service (as defined below), the Participant's death or Participant's suffering a Disability (as defined below). In the case of a Termination of Employment covered by this paragraph 4.B., the Participant will become entitled, as of the date of the Termination of Employment, to a portion of any then unvested Stock Units and Stock Unit Account subject to this Agreement, which portion is computed by multiplying the full number of any then unvested Stock Units subject to this Agreement by a fraction, the numerator of which is the number of days in the remaining Vesting Period after the most recent Annual Vesting Date that has been achieved, if any (i.e. the number of days elapsed since the Grant Date or any later Annual Vesting Date that has occurred) which have already elapsed as of the day of the Participant's Termination of Employment, inclusive of the actual day on which there is a Termination of Employment, and the denominator of which is the total number of days in the Vesting Period remaining since either the Grant Date or any later Annual Vesting Date that has occurred. The Participant will forfeit that

portion of the Stock Unit Account which has not vested in accordance with the foregoing provision.

C. If the Participant's Date of Termination occurs prior to the end of the Vesting Period for any reason other than the reasons set forth in the preceding Section 4.B., including, without limitation, if the Participant's employment is terminated by the Company for Cause (as defined below) or for such other reason that casts such discredit on the Participant as to make termination of the Participant's employment appropriate (cause or such other reasons being determined in the sole discretion of the Administrator and the Administrator not being limited to any definition of Cause in the Plan), then the remaining award of Stock Units pursuant to this Agreement shall be forfeited and terminate effective as of such Date of Termination, and the Participant shall not be entitled to any further stock pursuant to this award or any other benefits of this award.

D. The Stock Units and the Stock Unit Account may not be sold, assigned, transferred, pledged or otherwise encumbered, except to the extent otherwise provided by either the terms of the Plan or by the Committee.

5. Settlement in Shares of Common Stock. Provided that a portion of the Participant's interest in the Stock Units and the Stock Unit Account has vested, in accordance with the provisions of Section 4 above, the Participant's Stock Unit Account, or applicable portion thereof, shall be converted into actual shares of Common Stock upon the date of such vesting. Such conversion: (i) if it occurs in connection with a termination of the Participant's employment following a Change in Control under the conditions set forth in the Plan and this Agreement, will occur upon the Date of Termination, (ii) will occur upon the Date of Termination, in the case that Section 4.B. is applicable, or (iii) will occur on the applicable Annual Vesting Date, in the case that the Participant has remained employed through the end of the applicable Annual Vesting Date. The conversion will occur on the basis of one share of Common Stock for every one Stock Unit which vests. Such shares of Common Stock shall be registered in the name of the Participant effective as of the date of conversion and delivered to the Participant within a reasonable time thereafter in the manner determined by the Company in the Company's election, which may be by electronic delivery of such shares of Common Stock to an account of the Participant or in such other manner as designated by the Company, subject to any different treatment called for or allowed by the terms of the Plan relating to a Change in Control. To the extent that there are notional fractional shares of Common Stock in a Stock Unit Account which have vested upon settlement, such notional fractional shares shall be rounded to the nearest whole share in determining the number of shares of Common Stock to be received upon conversion.

6. Income Taxes. The Participant shall pay to the Company promptly upon request, and in any event at the time the Participant recognizes taxable income in respect of the shares of Common Stock received by the Participant upon the conversion of all or a portion of the Participant's Stock Unit Account, an amount equal to the taxes the Company determines it is required to withhold under applicable tax laws with respect to such shares of Common Stock. Such payment shall be made in the form of cash, the

delivery of shares of Common Stock already owned or by withholding such number of actual shares otherwise deliverable pursuant to this Agreement as is equal to the withholding tax due, or in a combination of such methods. In the event that the Participant does not affirmatively instruct the Company ahead of the applicable vesting date that he or she wishes to pay withholding taxes in another manner specified above, the Company shall withhold shares from the settlement of the Award.

7. Definitions. For purposes of this Agreement, the terms used in this Agreement shall be subject to the following:

A. Cause. The term "Cause" shall have the meaning set forth in the Employment Agreement.

B. Change in Control. The term "Change in Control" shall have the meaning ascribed to it in the Plan.

C. Credited Service. A year of "Credited Service" shall mean a calendar year in which the Participant is paid for at least 1,000 hours of service (as defined in the frozen Hasbro Pension Plan) as an employee of the Company or of a Subsidiary of the Company. A Participant does not need to be, or have been, a participant in the Hasbro Pension Plan.

D. Date of Termination. The Participant's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Participant is not employed (a "Termination of Employment") by the Company or any entity directly or indirectly controlled by the Company (a "Subsidiary"), regardless of the reason for the termination of employment; provided that a termination of employment shall not be deemed to occur by reason of a transfer of the Participant between the Company and a Subsidiary or between two Subsidiaries; and further provided that the Participant's employment shall not be considered terminated while the Participant is on a leave of absence from the Company or a Subsidiary approved by the Participant's employer. If, as a result of a sale or other transaction, the Participant's employer ceases to be a Subsidiary (and the Participant's employer is or becomes an entity that is separate from the Company), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the employer.

E. Disability. The term "Disability" shall have the meaning set forth in the Employment Agreement.

F. Early Retirement Date. The term "Early Retirement Date" shall mean: the day on which a Participant who has attained age fifty-five (55), but has not reached age sixty-five (65), with ten (10) or more years of Credited Service, retires. A Participant is eligible for early retirement on the first day of the calendar month coincidental with or immediately following the attainment of age fifty-five (55) and the completion of ten (10) years of Credited Service, and "early retirement" shall mean retirement by an eligible Participant at the Early Retirement Date.

- G. Employment Agreement. The term "Employment Agreement" between the Optionee and the Company, dated August 1, 2018, as such agreement may be amended from time to time.
- H. Good Reason. The term "Good Reason" shall have the meaning set forth in the Employment Agreement.
- I. Normal Retirement Date. The term "Normal Retirement Date" shall mean the day on which a Participant who has attained age sixty-five (65), with five (5) years of Credited Service, retires. A Participant is eligible for normal retirement on the first day of the calendar month coincident with or immediately following the Participant's attainment of age sixty-five (65) and completion of five (5) years of Credited Service, and "normal retirement" shall mean the retirement by an eligible Participant at the Normal Retirement Date.
- J. Plan Definitions. Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.
- K. Release. The term "Release" shall have the meaning set forth in the Employment Agreement.
8. Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, including upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business, and the Participant and the successors and permitted assigns of the Participant, including but not limited to, the estate of the Participant and the executor, administrator or trustee of such estate, and the guardian or legal representative of the Participant.
9. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding.
10. Plan Governs. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan.
11. No Employment Contract. The Participant acknowledges that this Agreement does not constitute a contract for employment for any period of time and does not modify the at will nature of the Participant's employment with the Company, pursuant to which both the Company and the Participant may terminate the employment relationship at any time, for any or no reason, with or without notice.
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12. Amendment. This Agreement may be amended by written Agreement of the Participant and the Company, without the consent of any other person.
13. Entire Agreement. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect of the award contained herein and therein and supersede all prior communications, representations and negotiations in respect thereof.
14. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law and any court determining the unenforceability of any provisions shall have the power to reduce the scope or duration of such provision to render such provision enforceable.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Participant has executed this Agreement, and the Company has caused these presents to be executed in its name and on its behalf, all effective as of the Grant Date. By accepting the terms of the award represented by this Agreement through an electronic form offered by the Company, or the Company's designee, the Participant hereby agrees to the terms of this Agreement with the same effect as if the Participant had signed this Agreement.

HASBRO, INC.

By: /s/ Brian Goldner
Name: Brian Goldner
Title: Chairman and Chief Executive Officer

Participant

Non-Competition, Non-Solicitation and Confidentiality Agreement

You have been granted a Contingent Stock Performance Award and a Non-Qualified Stock Option Grant, (collectively, the "Award") subject to the terms of the Company's Restated 2003 Stock Incentive Performance Plan (the "Plan") and Contingent Stock Performance Award Agreement and Stock Option Agreement for Employees between you and the Company. As the Award states, to be entitled to any payment under the Award, you must accept the Award and agree to comply with the terms and conditions of this Agreement.

1. Confidentiality.

You acknowledge that you have access to Confidential Information (as defined below) and that such Confidential Information is the property of Hasbro, Inc. (the "Company" or "Hasbro"), its Subsidiaries, and/or its or their licensors, suppliers or customers. You agree specifically as follows, whether during your employment or following the termination thereof:

- (a) You will always preserve as confidential all Confidential Information, and will never use it for your own benefit or for the benefit of others.
- (b) You will not disclose, divulge, or communicate Confidential Information to any unauthorized person, business or corporation during or after the termination of your employment with the Company. You will use your best efforts and exercise due diligence to protect, to not disclose and to keep as confidential all Confidential Information.
- (c) You will abide by all applicable Company written policies and procedures regarding data or information security.
- (d) Upon the earlier of request or termination of employment, you agree to return to the Company, or if so directed by the Company, destroy any and all copies of materials in your possession containing Confidential Information.

Confidential Information includes any information you learn in connection with your work at Hasbro which is not generally known to the general public. Confidential Information shall not include any information which is previously known to you without an obligation of confidence or is publicly disclosed either prior to or subsequent to your receipt of such information without breach of this Agreement, or is rightfully received by you from a third-party without obligation of confidence and other than in relation to your employment with the Company.

2. Non-Competition/Non-Solicitation.

- (a) In consideration of the Award, you agree that while employed by Hasbro (including any of its affiliates) and for a period of one (1) year after your Date of Termination (as defined below) (including any of its affiliates), you will not, in the geographical area in which Hasbro or any of its affiliates does business or has done business, engage in any business or enterprise that would be competitive with any
-

business of Hasbro in existence as of the Date of Termination. This obligation shall preclude any such involvement, whether on a direct or indirect basis, and whether as an owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than 1% of the outstanding stock of a publicly held company.

(b) The geographic area to which the restrictions of Section 2 (a) shall apply shall be limited to the geographic area in which the Company does business, has done business, or plans to do business as of your Date of Termination.

(c) You agree that while employed by the Company and for a period of one (1) year after your Date of Termination, you shall not directly or indirectly solicit, induce or attempt to induce (other than a general solicitation not directed at the employees of the Company) either alone or in association with others, any employee or independent contractor of the Company to terminate his or her employment or his, her or its relationship with the Company or in any way assist or enable another person or entity, directly or indirectly, to solicit, induce or attempt to induce any individual, employee or independent contractor of the Company to terminate his/her employment or his, her or its relationship with the Company.

(d) You agree that while employed by the Company and for a period of one (1) year after your Date of Termination, you shall not, directly or indirectly, acting alone or in association with others, solicit, divert or take away or attempt to solicit, divert or take away, the business of any current or prospective customers, accounts or business partners that were contacted, solicited or served by the Company while you were employed by the Company.

(e) You acknowledge that the restrictions set forth in this Section 2 are necessary for the protection of the business and goodwill of the Company and its Subsidiaries and are material and integral to the Award. You further acknowledge that the restrictions contained herein are reasonable for the protection of the business and good will of the Company and its Subsidiaries. You agree that any breach, or threatened breach, of this Agreement is likely to cause the Company substantial and irrevocable harm. In the event of any breach or threatened breach, you agree that the Company, in addition to such other remedies which may be available, shall be entitled to specific performance and other injunctive relief without posting a bond or other security. You also waive the adequacy of a remedy at law as a defense to such relief.

(f) You agree that if you violate any of the provisions of this Section 2, you shall continue to be bound by the restrictions set forth herein until a period of one (1) year has expired without any violation of this Section 2. You further agree that in the event you violate any of the provisions of this Section 2, and you are receiving any severance pay or benefits from the Company, the Company shall have no obligation to continue paying or providing to you any such severance pay or benefits and may recover from you the severance pay and benefits you previously received.

(g) If any restriction set forth in this Section 2 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

3. Date of Termination.

Your "Date of Termination" shall be the first day after you are not employed by the Company or any entities directly or indirectly controlled by the Company (a "Subsidiary" or "Subsidiaries"), regardless of the reason for the termination of your employment; provided that your employment shall not be considered terminated by reason of your transfer between the Company and a Subsidiary or between two Subsidiaries; and further provided that your employment shall not be considered terminated while you are on an approved leave of absence from the Company or a Subsidiary.

4. Right to Consult Counsel

You acknowledge that you have the right to consult your own counsel prior to signing this Agreement, including the right to consult counsel regarding Section 2(a) above.

5. Disclosure of this Agreement.

You hereby authorize the Company to notify others, including but not limited to customers of the Company and any of your future employers or prospective business associates, of the terms and existence of this Agreement and your continuing obligations to the Company hereunder.

6. Not Employment Contract.

You acknowledge that this Agreement does not constitute a contract of employment for any period of time and does not modify the at-will nature of your employment with the Company, pursuant to which both the Company and you may terminate the employment relationship at any time, for any or no reason, with or without notice.

7. Entire Agreement.

This Agreement contains the entire Agreement and understanding of the parties hereto with respect to your obligations undertaken in consideration of the Award and does not supersede, but is in addition to, any obligations arising under any other agreements between you and the Company. You agree that any change or changes in your duties, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

8. Amendment.

This Agreement may be amended only by written agreement of you and the Company.

9. Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which, or into which, the Company may be merged or by which it may be acquired or which may succeed to the Company's assets or business, provided, however, that your obligations are personal and shall not be assigned by you. You expressly consent to be bound by the provisions of this Agreement for the benefit of the Company and/or its Subsidiaries to which you may be transferred without the necessity that this Agreement be re-signed at the time of such transfer.

10. Severability.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the full extent permitted by law. Any court determining the unenforceability of any provision shall have the power to reduce the scope or duration of such provision to render such provision enforceable.

11. Waivers.

No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to the enforcement of or waiver of any right on any other occasion.

12. Choice of Law and Jurisdiction.

This Agreement shall be construed in accordance with the laws of the State of Rhode Island (without reference to the conflicts of laws provisions thereof). Any action, suit, or other legal proceeding which is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the State of Rhode Island (or, if appropriate, a federal court located within the State of Rhode Island), and the Company and you each consent to the jurisdiction of such a court. The Company and you each hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

13. Captions.

The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

THE EMPLOYEE ACKNOWLEDGES THAT HE/SHE HAS CAREFULLY READ THIS AGREEMENT AND UNDERSTANDS AND AGREES TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

HASBRO, INC.

Date: _____

By: _____

EMPLOYEE

Date: _____

Print Name

Signature



Hasbro, Inc.

Performance Rewards Program

January 1, 2019

Hasbro, Inc.

Performance Rewards Program

1.0 Background

1.1 Performance Rewards Program (“PRP”).

§ Establishes standard criteria to determine PRP eligibility and overall Company, business or commercial market objectives.

§ Provides guidelines for the establishment of target incentive awards as a percent of annual earned salary based on job level.

§ Funding for the PRP is based on Company, Commercial Market, Global Brands, Business Area or Wizards of the Coast (“WotC”) Performance.

§ Performance objectives and goals are established to measure performance achievement and may be based on one or a combination of the following: Sales (Net Revenues), Operating Margin and Returns (Free Cash Flow) for Company, Commercial Market, Global Brands, Business Area or WotC Performance.

1.2 Purpose

Hasbro, Inc. (the “Company”) has established this PRP (the “Plan”) for the purpose of providing incentive compensation to those employees who contribute significantly to the growth and success of the Company’s business; to attract and retain, in the employ of the Company, individuals of outstanding ability; and to align the interests of employees with the interest of the Company’s shareholders.

1.3 General Guideline

No employee of the Company has any legal entitlement to participate in the PRP or to receive an incentive award under the PRP.

1.4 Scope

The PRP is applicable to eligible employees of all global subsidiaries and divisions of the Company.

1.5 Eligibility

As determined by management, employees whose duties and responsibilities contribute significantly to the growth and success of the Company’s business, are eligible to participate in the PRP. Eligibility will be determined by an employee’s job level in accordance with the Company’s method of job evaluation as appropriate. Eligibility to participate in the PRP does not guarantee the receipt of an incentive award under the PRP. Unless otherwise required by law, if an employee is eligible to participate in the PRP, the Sales Rewards Program and/or any other annual incentive plan implemented from time to time by the Company, such employee may only participate in one plan per year, as determined by the Company in its sole discretion.

2.0 Incentive Award Levels

2.1 Target Incentive Award

Target incentive awards are expressed as a percentage of earned salary for the PRP year. For purposes of this PRP, earned salary means all base compensation for the participant for the year in question, which base compensation shall include all base compensation amounts deferred into the Company's retirement savings plan, the Company's Non-Qualified Deferred Compensation Plan and/or any similar successor plans for the fiscal year and excludes, where allowed by law, any bonus or other benefits, other than base compensation, for the PRP year. By design, the target incentive awards are the award levels that PRP participants are eligible to earn when they and their applicable business units perform as expected (i.e., achieve their goals and objectives). target incentive awards are determined by job level and vary by region.

2.2 Maximum Incentive Award

Under the PRP, the maximum incentive award for employees below job level 80 is 200% of the target incentive award. The maximum incentive award for employees in a job level 80 or above is 300% of the target incentive award.

3.0 Measures of Performance for 2019

- PRP funding for the Commercial Market Plan is based on a combination of 25% Company performance, 25% Regional Growth Brands and either 50% regional or country performance as determined by the Company at its sole discretion.
- PRP funding for the Global Brands Plan is based on a combination of 25% Consolidated Growth Brands and 75% Company performance against defined performance targets.
- PRP funding for the Business Area Plan is based on a combination of 25% Company performance, 25% Consolidated Growth Brands and 50% business area performance (where appropriate) against defined performance targets.
- PRP funding for the WotC Plan is 80% WotC performance and 20% Company performance.
- PRP funding for the Corporate Plan is based on 100% Company performance.
- Employees will be assigned to the Corporate Plan, Commercial Market Plan, Global Brands Plan, Business Area Plan or the WotC Plan at the Company's sole discretion.

3.1 Establishing Company, Commercial Market, Global Brands, Business Area or WotC Performance Targets

In the first quarter of the PRP year, the Company's senior management establishes the level of target performance for the year associated with each of the performance metrics for the Corporate, Commercial Market, Global Brands, Business Area or WotC plans. Those target levels are reviewed and approved by the Company's Chief Executive Officer ("CEO") and by the Compensation Committee of the Company's Board of Directors (the "Compensation Committee").

3.2 Company Performance

For 2019, the Company component is measured by Net Revenue, Operating Margin and Returns. Company performance is determined by individually assessing

performance against goals for each metric, applying the acceleration/deceleration scale, weighting each metric and summing the total. The weighting and definition of the overall Company measures are:

Measure	Definition	% of Company Measure
Net Revenue (Sales)	Third Party Gross Sales (after returns) less Sales Allowances plus Third Party Royalty Income, Digital Gaming Revenue and TV Programming Revenue	40%
Operating Margin	Operating Profit divided by Net Revenues	40%
Returns (Free Cash Flow)	Net cash provided by operating activities -Capital Expenditures	20%

Each metric, before the acceleration/deceleration scale is applied, must achieve threshold performance or no award is payable under the metric that did not achieve threshold performance. The threshold for Net Revenue performance is 85%. The threshold for Operating Margin and for Returns performance is 80%.

For example:

If Net Revenue is achieved at 100% of target (which results in 100% payout based on the acceleration/deceleration scale) and Operating Margin is achieved at 85% of target (which results in a 70% payout) but Returns does not reach threshold performance, then overall Company performance will only pay out on Net Revenue and Operating Margin. The aggregate weighted payout would be:

$$(100\% \times 40\%) + (70\% \times 40\%) + (0\% \times 20\%) = 68\%$$

Company payout would be 68%.

3.3 Commercial Market, Business Area or WotC Performance

Each Commercial Market, Business Area, or WotC will assess performance based on Net Revenue and Operating Margin specific to the Commercial Market, Business Area or WotC. Unlike the Corporate Plan where an individual metric's failure to reach the threshold performance does not impact another individual metric's ability to reach the threshold performance and payout, for the Commercial Market, Business Area or WotC Plans, the individual performance of each metric must meet a minimum threshold performance before the acceleration/deceleration scale is applied or no award is payable for the Commercial Market, Business Area or WotC component of the plan. The threshold for Net Revenue performance is 85%. The threshold for Operating Margin performance is 80%.

The weighting and definition of the Commercial Market, Business Area, or WotC Plan are:

Measure	Definition	% of Measure
Net Revenue (Sales)	Third Party Gross Sales (after returns) less Sales Allowances plus Third Party Royalty Income, Digital Gaming Revenue and TV Programming Revenue	50%
Operating Margin	Operating Profit divided by Net Revenues	50%

3.4 Growth Brands

For purposes of the PRP, Growth Brands Revenue will be defined as External Net Revenue excluding Closeouts. The Growth Brands will include _____ . The Commercial Market will be measured on Regional Growth Brands Revenue. The Global Brands and Business Area Plan performance will be measured on Consolidated Growth Brands Revenue. The performance of the Growth Brands Revenue must meet a minimum threshold performance before the acceleration/deceleration scale is applied or no award is payable for the Commercial Market, Global Brands or Business Area component of the plan. The threshold for Growth Brands Revenue performance is 85%.

Commercial Market Plan will measure Growth Brand Revenue at the Regional level. Global Brands and Business Area Plans will measure Growth Brand Revenue at the Consolidated level.

Measure	Definition	% of Measure
External Net Revenue excluding Closeouts	Third Party Gross Sales (after returns) less Sales Allowances, excluding Closeout Gross Sales and related allowances; plus Third Party Royalty Income, Digital Gaming Revenue and TV Programming Revenue	25%

Bonus formula metrics are subject to review annually by the CEO.

4.0 Development of Funding Pools

At the end of the fiscal year, the overall Company, each Commercial Market, Global Brands, Business Area, or WotC's actual performance for each financial component of the funding pool for the PRP will be calculated (based on the Company's and each Commercial Market, Global Brands, Business Area or WotC's performance as of year-end) and approved by the Company's Chief Financial Officer.

The Net Revenue and Operating Margin for the Commercial Market, Business Area or WotC metrics must individually achieve a minimum performance against target to qualify for that component of the funding pool. An acceleration/deceleration scale will then be applied to each individual metric as follows to develop the component funding pool for each metric. If one Net Revenue metric achieves threshold or higher, and the corresponding Operating Margin metric does not, the component funding pool for that metric will be 0%.

Revenue Scale:
Performance % Funding Pool Scale %

< 85%	0%	Minimum performance 85%
85%	60%	For every 1% below target, 2.6%-2.7% decrease in award
100%	100%	Target performance = 100% payout
101%	106.7%	For every 1% above 100%, 6.6%-6.8% increase in award
115%+	200%	Maximum payout

Operating Margin and Returns Scale:

Performance %	Funding Pool Scale %	
< 80%	0%	Minimum performance 80%
80%	60%	For every 1% below target, 2% decrease in award
100%	100%	Target performance = 100% payout
101%	104%	For every 1% above 100%, 4% increase in award
125%+	200%	Maximum payout

In contrast, for the Company component, the threshold is applied to each metric before the acceleration/deceleration scale is applied. Each metric must then achieve a threshold performance, or no award is payable under the metric that did not achieve the threshold performance.

The payout attributable to each metric will then be weighted and added to arrive at the overall achievement.

Illustrative examples of the development of a funding pool for the Commercial Market, Business Area and WotC component are as follows:

If Commercial Market, Business Area or WotC Revenue is achieved at 90% of target (which results in an 73% funding based on the acceleration/deceleration scale) and Operating Margin is at 65% (which is below 80% threshold), the Commercial Market, Business Area or WotC will not fund.

or

If Commercial Market, Business Area or WotC Revenue is achieved at 91% target (which results in an 76% funding), and Operating Margin is achieved at 85% target (which results in a 70% funding) the aggregate weighted funding is:

$(76\% \times 50\%) + (70\% \times 50\%) = 73\%$ Commercial Market, Business Area or WotC funding

Once all of the Commercial Market, Business Areas or WotC have calculated the achievement the component funding pools by Commercial Market, Business Areas or WotC are developed. These Commercial Market, Business Area or WotC component funding pools, combined with the Corporate component funding pool, will equal the aggregate of the PRP funding pool for all eligible employees in the Company.

4.1 Funding Pools

The Company calculates the component funding pools, based on the Company's performance through the end of the year, the performance at the corporate level, and for each Commercial Market, Global Brands, Business Area or WotC against the applicable performance targets. Those component funding pools as established (composed of the pools for the Company's performance and the performance of each of the Company's Commercial Market, Global Brands, Business Area or WotC) are

aggregated. Collectively these amounts constitute one aggregate funding pool (the "Funding Pool"), based on performance as of the end of the year, which the Company will pay out to all participants in the PRP collectively for performance during the year.

Although the CEO and the Compensation Committee reserve the right to alter the Funding Pool after year end, but prior to the actual payment of awards to participants in the PRP, it is expected that such discretion will only be exercised in rare or extreme circumstances, and that generally the entire Funding Pool, as it has been computed, will be paid (absent any affirmative exercise of this discretion) out to the participants in the PRP collectively following the closing of the year in question.

4.2 High Performer Pool Funding

Following the end of the year, but prior to the payment of all awards under the Plan with respect to the completed fiscal year, management of the Company may determine to add additional funding to the plan, to cover individual performance awards for some employees or officers (the "High Performer Pool"). To the extent such determinations are made, they are subject to the approval of the appropriate management of the Company. Funding of the High Performer Pool is determined by the achievement to Operating Profit, overall company performance and affordability. The aggregate amount of the High Performer Pool is subject to the approval of both the CEO and the Compensation Committee.

4.3 Total Awards Under the PRP

The aggregate of all incentive awards under the PRP shall consist of the sum of the Funding Pool and the High Performer Pool. In addition to the procedures set forth above, any incentive awards recommended under the PRP which exceed one times a participant's base salary must be reviewed and approved by the Company's CEO.

4.4 Management Review

Payment of any incentive award to an employee is subject to management's review.

§ For purposes of the PRP, management has the ability to review the proposed payout of any incentive award under the PRP to an eligible employee and to determine whether such proposed incentive award should be adjusted based on the participant's performance, contributions to the organization, or any other factor allowed by law. In completing this review, management has the option of providing a zero value incentive award to the employee regardless of Company, Commercial Market, Global Brands, Business Area or WotC performance. For participants that do not receive an incentive award or that receive a reduced incentive award, the portion of such person's potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other PRP participants in the manner determined by management.

5.0 Removals, Transfers, Terminations, Promotions and Hiring Eligibility

Except to the extent applicable legal requirements mandate a different result for a Plan participant, the following scenarios will be dealt with under the PRP in the manner set forth below.

- 5.1 Participants whose employment with the Company is terminated because of retirement or disability:
- § After the close of the PRP year, but prior to the actual distribution of incentive awards for such year, may be awarded an incentive award for the plan year at the discretion of the Chief Human Resource Officer. For any such participant who is not given an incentive award, the portion of such person's potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other PRP participants in the manner determined by management.
 - § After the beginning, but prior to the close of the PRP year, no award shall be granted unless authorized at the discretion of the Chief Human Resource Officer.
- 5.2 Participants whose employment with the Company is terminated because of death:
- § After the close of the PRP year, but prior to the actual distribution of awards for such year, shall be awarded an incentive award for the PRP year. Such payment will be made to the deceased employee's estate or designated beneficiary.
 - § After the beginning, but prior to the close of the PRP year, no award shall be granted unless authorized at the discretion of the Chief Human Resource Officer. Any such payments will be made to the deceased employee's estate or designated beneficiary.
- 5.3 Participants who resign for any reason after the close of the PRP year but prior to the distribution of incentive awards for such year will not receive an incentive award. For any such participant, the portion of such person's potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other plan participants in the manner determined by management if the planning budgets have already been established.
- 5.4 Participants who are discharged from the employ of the Company or any of its subsidiaries for cause or for any offense involving moral turpitude or an offense involving breach of the fiduciary duty owed by the individual to the Company will not be entitled to an incentive award for any PRP year. For any such participant, the portion of such person's potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other plan participants in the manner determined by management.
- 5.5 Participants who are discharged from the employ of the Company or any of its subsidiaries due to any reason other than the ones enumerated above, including, without limitation, participants who are discharged due to job elimination:
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§ After the close of the PRP year, but prior to the actual distribution of incentive awards for such year, may be awarded an incentive award for the PRP year. No award shall be granted unless authorized at the discretion of the Chief Human Resource Officer. For any such participant who is not given an incentive award, the portion of such person's potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other plan participants in the manner determined by management.

§ After the beginning, but prior to the close of the PRP year, the participant is no longer eligible for that year. However, a discretionary incentive award may be granted by the Chief Human Resource Officer.

5.6 Participants under statutory or contractual notices as may be required by applicable law:

§ On December 31st of the PRP year, may be awarded an incentive award for the PRP year. Except as may be required by applicable laws, no award shall be granted unless authorized at the discretion of the Chief Human Resource Officer. For any such participant who is not given an incentive award, the portion of such person's potential incentive award that might have been reflected in the Funding Pool will remain in the Funding Pool and be allocated to other plan participants in the manner determined by management.

§ Which ends prior to the close of the PRP year shall not be eligible for an incentive award for that plan year. However, a discretionary incentive award may be granted by the Chief Human Resource Officer.

5.7 Participants transferred during the PRP year from one division of the Company to another will be eligible to receive an incentive award (subject to achievement of the requisite organizational and individual performance) through the division in which he or she is employed at the end of the PRP year, but the award amount may be based on the performance made in each division in which the individual was employed during the PRP year.

5.8 Employees hired during the PRP year must be actively employed on or before October 1st or another date designated by the Chief Human Resource Officer or his designee of the PRP year to participate in the PRP for that PRP year. Incentive awards will be made based upon the employee's earned salary during the period of their employment with the Company during the PRP year.

5.9 The eligibility for an incentive award under the PRP for employees who remain employed with the Company during the PRP year but whose change in employment status through promotion or reclassification affects their level of participation:

§ Prior to October 1st or another date designated by the Chief Human Resource Officer or his designee, of the PRP year, will participate at the level consistent with the promotion or reclassification.

§ After October 1st or another date designated by the Chief Human Resource Officer or his designee, but prior to the close of the PRP year, will participate at the level consistent with their classification prior to the promotion or reclassification.

5.10 The eligibility for an incentive award under the PRP for employees who remain employed with the Company during the PRP year but whose change in employment status through demotion affects their level of participation will be determined by the Chief Human Resource Officer.

6.0 Administration of the PRP

6.1 Amendments to the PRP (Contingency Clause)

The CEO and the Compensation Committee reserve the right to interpret, amend, modify, or terminate the PRP in accordance with changing conditions at any time in their sole discretion.

6.2 Incentive Award Distribution

Incentive awards, when payable, shall be paid as near to the close of the Company's fiscal year as may be feasible. In furtherance of the preceding sentence, any incentive awards under the PRP will be paid no later than the date allowable to insure tax deductibility in the year of accrual, which in the case of the United States is March 15, 2020. Participants in the PRP must be employed at the time of award distribution in order to receive an incentive award, except as provided in Section 5.0.

No individual has the rights to receive an incentive award until it has been approved and distributed in accordance with the provisions of the PRP.

6.3 Non-Assignment of Awards

Participants eligible to receive incentive awards shall not have any right to pledge, assign, or otherwise dispose of any unpaid or projected awards.

6.4 Deferral of Awards

Participants eligible to defer incentive awards through the Deferred Compensation Program (DCP) may elect to do so during the annual DCP enrollment.

6.5 Clawback of Awards

By accepting any incentive awards under the Plan, the participant hereby acknowledges and agrees that (i) any incentive compensation the participant is awarded is subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors (the "Board") in October 2012, and (ii) any incentive award the participant is awarded will be subject to the terms of such Clawback Policy, as it may be amended from time to time by the Board in the future. Such acknowledgement and agreement is a material condition to receiving any incentive award under the Plan, which would not have been awarded to the participant otherwise.

6.6 Stock Ownership

Additionally, the participant acknowledges and agrees that if the participant is now, or becomes subject in the future to, the Hasbro, Inc. Executive Stock Ownership Policy, effective as of March 1, 2014 as it may be amended from time to time by the Board in the future (the "Stock Ownership Policy"), then the receipt of any incentive award under the PRP is contingent upon the participant's compliance with the terms of the Stock Ownership Policy, including without limitation, the requirement to retain an amount equal to at least 50% of the net shares received as a result of the exercise, vesting or payment of any equity awards granted until the Participant's applicable requirement levels are met. Failure to comply with the Stock Ownership Policy may, in the Company's sole discretion, result in the reduction or total elimination of any incentive award that otherwise might be payable under the PRP and/or result in the Company determining to substitute other forms of compensation, such as equity, for any award the participant otherwise might have received under the PRP.
