

**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 27, 2022
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 or other jurisdiction of incorporation or organization)

05-0155090

(I.R.S. Employer Identification No.)

1027 Newport Avenue

Pawtucket, Rhode Island

(Address of Principal Executive Offices)

02861

(Zip Code)

(401) 431-8697

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.50 par value per share	HAS	The NASDAQ Global Select Market

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 [x] 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 [x] No []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 [x]

The number of shares of Common Stock, par value \$.50 per share, outstanding as of April 19, 2022 was 139,442,407.

Forward Looking Statement Safe Harbor

Certain statements in this Form 10-Q contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which may be identified by the use of forward-looking words or phrases, include statements relating to: our business strategies; the ability to achieve our financial and business goals and objectives; anticipated financial performance or business prospects in future periods; our efforts to ship sufficient product to meet demand due to supply chain issues affecting businesses globally; the expected timing for scheduled new product introductions or our expectations concerning the future acceptance of products by customers; expected benefits and plans relating to acquired brands, properties and businesses; the development and timing of planned consumer and digital gaming products and entertainment releases; marketing and promotional efforts; research and development activities; expectations related to our manufacturing; impact of the coronavirus pandemic and other public health conditions on our business; expected benefits and cost-reductions from certain restructuring actions; capital expenditures; working capital; liquidity; timing of and amount of repayment of indebtedness; capital allocation strategy, including plans for dividends and share repurchases; and other financial, tax, accounting and similar matters. Our actual actions or results may differ materially from those expected or anticipated in the forward-looking statements due to both known and unknown risks and uncertainties. Factors that might cause such a difference include, but are not limited to:

- our ability to design, develop, manufacture, source and ship products on a timely, cost-effective and profitable basis;
 - our ability to implement strategies to lessen the impact of any increased shipping costs, shipping delays or changes in required methods of shipping, as well as our ability to take any price increases to offset increased shipping costs, increases in prices of raw materials or other increases in costs of our products;
 - rapidly changing consumer interests in the types of products and entertainment we offer;
 - our ability to develop and distribute engaging storytelling across media to drive brand awareness;
 - our ability to successfully compete in the global play and entertainment industry, including with manufacturers, marketers, and sellers of toys and games, digital gaming products and digital media, as well as with film studios, television production companies and independent distributors and content producers;
 - our ability to successfully evolve and transform our business and capabilities to address a changing global consumer landscape and retail environment, including changes to our supply chain, changing inventory and sales policies and practices of our customers and increased emphasis on e-commerce;
 - our ability to focus and scale select business initiatives and brands to drive profitability;
 - our ability to successfully grow our consumer direct business;
 - our ability to build on multi-generational brands;
 - our dependence on third party relationships, including with third party manufacturers, licensors of brands, studios, content producers and entertainment distribution channels;
 - risks relating to the concentration of manufacturing for many of our products in the People's Republic of China and our ability to successfully diversify sourcing of our products to reduce reliance on sources of supply in China;
 - our ability to successfully develop and execute plans to mitigate the negative impact of the coronavirus on our business, including, without limitation, negative impacts to our supply chain and costs that have occurred and could continue to occur in countries where we source significant amounts of product;
 - risks associated with international operations, such as currency conversion, currency fluctuations, the imposition of tariffs, quotas, shipping delays or difficulties, border adjustment taxes or other protectionist measures, and other challenges in the territories in which we operate,
 - the impact of the crisis between Russia and Ukraine on our business, including on receivables;
 - downturns in global and regional economic conditions impacting one or more of the markets in which we sell products, which can negatively impact our retail customers and consumers, result in lower employment levels, consumer disposable income, retailer inventories and spending, including lower spending on purchases of our products;
 - other economic and public health conditions or regulatory changes in the markets in which we and our customers, partners, licensees, suppliers and manufacturers operate, such as inflation, rising interest rates, higher commodity prices, labor costs or transportation costs, or outbreaks of disease, such as the coronavirus, the occurrence of which could create work slowdowns, delays or shortages in production or shipment of products, increases in costs or delays in revenue;
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- the success of our key partner brands, including the ability to secure, maintain and extend agreements with our key partners or the risk of delays, increased costs or difficulties associated with any of our or our partners' planned digital applications or media initiatives;
- fluctuations in our business due to seasonality;
- risk of lost sales if we are unable to effectively and timely supply demand for product;
- the concentration of our customers, potentially increasing the negative impact to our business of difficulties experienced by any of our customers or changes in their purchasing or selling patterns;
- the bankruptcy or other lack of success of one or more of our significant retailers, licensees and other partners;
- risks related to our recent leadership changes;
- our ability to attract and retain talented and diverse employees;
- our ability to realize the benefits of cost-savings and efficiency and/or revenue enhancing initiatives;
- our ability to protect our assets and intellectual property, including as a result of infringement, theft, misappropriation, cyber-attacks or other acts compromising the integrity of our assets or intellectual property;
- risks relating to the production of entertainment due to strikes, lockouts or other union actions that could halt or delay productions;
- risks relating to the impairment and/or write-offs of products and films and television programs we acquire and produce;
- risks relating to investments, acquisitions and dispositions, including the ability to realize the anticipated benefits of acquired assets or businesses;
- the risk of product recalls or product liability suits and costs associated with product safety regulations;
- changes in tax laws or regulations, or the interpretation and application of such laws and regulations, which may cause us to alter tax reserves or make other changes which significantly impact our reported financial results;
- the impact of litigation or arbitration decisions or settlement actions; and
- other risks and uncertainties as may be detailed from time to time in our public announcements and U.S. Securities and Exchange Commission ("SEC") filings.

The statements contained herein are based on our current beliefs and expectations. We undertake no obligation to make any revisions to the forward-looking statements contained in this Form 10-Q or to update them to reflect events or circumstances occurring after the date of this Form 10-Q.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	March 27, 2022	March 28, 2021	December 26, 2021
ASSETS			
Current assets			
Cash and cash equivalents including restricted cash of \$38.8 million, \$72.1 million and \$35.8 million	\$ 1,057.9	\$ 1,430.4	\$ 1,019.2
Accounts receivable, less allowance for doubtful accounts of \$24.1 million, \$32.5 million and \$22.9 million	931.7	810.4	1,500.4
Inventories	644.3	429.2	552.1
Prepaid expenses and other current assets	621.4	566.0	656.4
Total current assets	3,255.3	3,236.0	3,728.1
Property, plant and equipment, less accumulated depreciation of \$641.5 million, \$563.5 million and \$630.0 million	422.6	482.7	421.1
Other assets			
Goodwill	3,419.3	3,691.4	3,419.6
Other intangible assets, net of accumulated amortization of \$1,075.2 million, \$999.7 million and \$1,050.4 million	1,136.6	1,513.0	1,172.0
Other	1,284.9	1,266.0	1,297.0
Total other assets	5,840.8	6,470.4	5,888.6
Total assets	\$ 9,518.7	\$ 10,189.1	\$ 10,037.8
LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	\$ 104.1	\$ 8.8	\$ 0.8
Current portion of long-term debt	155.8	148.9	200.1
Accounts payable	411.7	312.1	580.2
Accrued liabilities	1,371.4	1,283.6	1,674.8
Total current liabilities	2,043.0	1,753.4	2,455.9
Long-term debt	3,737.9	4,674.1	3,824.2
Other liabilities	633.6	777.7	670.7
Total liabilities	\$ 6,414.5	\$ 7,205.2	\$ 6,950.8
Redeemable noncontrolling interests	23.5	24.0	23.9
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 220,286,736 shares at March 27, 2022, March 28, 2021, and December 26, 2021	110.1	110.1	110.1
Additional paid-in capital	2,475.7	2,339.6	2,428.0
Retained earnings	4,220.9	4,226.8	4,257.8
Accumulated other comprehensive loss	(246.9)	(206.4)	(235.3)
Treasury stock, at cost; 80,844,603 shares at March 27, 2022; 82,724,111 shares at March 28, 2021; and 82,066,136 shares at December 26, 2021	(3,513.8)	(3,550.6)	(3,534.7)
Noncontrolling interests	34.7	40.4	37.2
Total shareholders' equity	3,080.7	2,959.9	3,063.1
Total liabilities, noncontrolling interests and shareholders' equity	\$ 9,518.7	\$ 10,189.1	\$ 10,037.8

See accompanying condensed notes to consolidated financial statements.

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

	Quarter Ended	
	March 27, 2022	March 28, 2021
Net revenues	\$ 1,163.1	\$ 1,114.8
Costs and expenses:		
Cost of sales	333.1	289.9
Program cost amortization	138.5	97.5
Royalties	90.1	108.9
Product development	69.6	61.8
Advertising	77.6	87.9
Amortization of intangibles	27.1	32.9
Selling, distribution and administration	307.1	288.6
Total costs and expenses	<u>1,043.1</u>	<u>967.5</u>
Operating profit	<u>120.0</u>	<u>147.3</u>
Non-operating expense (income):		
Interest expense	41.6	47.9
Interest income	(2.1)	(1.2)
Other income (expense), net	0.3	(28.9)
Total non-operating expense, net	<u>39.8</u>	<u>17.8</u>
Earnings before income taxes	<u>80.2</u>	<u>129.5</u>
Income tax expense	17.3	12.0
Net earnings	<u>62.9</u>	<u>117.5</u>
Net earnings attributable to noncontrolling interests	1.7	1.3
Net earnings attributable to Hasbro, Inc.	<u>\$ 61.2</u>	<u>\$ 116.2</u>
Net earnings per common share:		
Basic	<u>\$ 0.44</u>	<u>\$ 0.84</u>
Diluted	<u>\$ 0.44</u>	<u>\$ 0.84</u>
Cash dividends declared per common share	<u>\$ 0.70</u>	<u>\$ 0.68</u>

See accompanying condensed notes to consolidated financial statements.

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

	Quarter Ended	
	March 27, 2022	March 28, 2021
Net earnings	\$ 62.9	\$ 117.5
Other comprehensive earnings:		
Foreign currency translation adjustments, net of tax	(10.7)	(16.1)
Unrealized holding gains on available-for-sale securities, net of tax	0.2	—
Net (losses) gains on cash flow hedging activities, net of tax	(1.2)	5.6
Reclassifications to earnings, net of tax:		
Net gains on cash flow hedging activities	—	(1.1)
Amortization of unrecognized pension and postretirement amounts	0.1	0.2
Total other comprehensive loss, net of tax	\$ (11.6)	\$ (11.4)
Total comprehensive earnings attributable to noncontrolling interests	1.7	1.3
Total comprehensive earnings attributable to Hasbro, Inc.	\$ 49.6	\$ 104.8

See accompanying condensed notes to consolidated financial statements.

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

	Three months ended	
	March 27, 2022	March 28, 2021
Cash flows from operating activities:		
Net earnings	\$ 62.9	\$ 117.5
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation of plant and equipment	25.1	25.0
Amortization of intangibles	27.1	32.9
Program cost amortization	138.5	97.5
Deferred income taxes	(33.4)	16.3
Stock-based compensation	18.1	16.7
Other non-cash items	3.9	5.4
Change in operating assets and liabilities net of acquired balances:		
Decrease in accounts receivable	559.8	592.0
Increase in inventories	(99.6)	(42.1)
Decrease in prepaid expenses and other current assets	42.1	44.9
Program spend, net	(169.4)	(147.1)
Decrease in accounts payable and accrued liabilities	(464.4)	(382.6)
Other	24.0	1.2
Net cash provided by operating activities	<u>134.7</u>	<u>377.6</u>
Cash flows from investing activities:		
Additions to property, plant and equipment	(29.2)	(23.9)
Other	5.3	(1.6)
Net cash utilized by investing activities	<u>(23.9)</u>	<u>(25.5)</u>
Cash flows from financing activities:		
Proceeds from borrowings with maturity greater than three months	1.3	72.4
Repayments of borrowings with maturity greater than three months	(133.9)	(344.9)
Net proceeds from other short-term borrowings	103.3	2.0
Stock-based compensation transactions	70.2	4.7
Dividends paid	(94.5)	(93.4)
Payments related to tax withholding for share-based compensation	(19.3)	(9.3)
Other	(4.6)	(2.3)
Net cash utilized by financing activities	<u>(77.5)</u>	<u>(370.8)</u>
Effect of exchange rate changes on cash	<u>5.4</u>	<u>(0.6)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>38.7</u>	<u>(19.3)</u>
Cash, cash equivalents and restricted cash at beginning of year	<u>1,019.2</u>	<u>1,449.7</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,057.9</u>	<u>\$ 1,430.4</u>
Supplemental information		
Cash paid during the period for:		
Interest	\$ 30.5	\$ 34.5
Income taxes	\$ 29.2	\$ 18.3

See accompanying condensed notes to consolidated financial statements.

HASBRO, INC. AND SUBSIDIARIES
Consolidated Statements of Shareholders' Equity and Redeemable Noncontrolling Interests
(Millions of Dollars)
(Unaudited)

Three Months Ended March 27, 2022

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests	Total Shareholders' Equity	Redeemable Noncontrolling Interests
Balance, December 26, 2021	\$ 110.1	2,428.0	4,257.8	(235.3)	(3,534.7)	37.2	\$ 3,063.1	\$ 23.9
Net earnings attributable to Hasbro, Inc.	—	—	61.2	—	—	—	61.2	—
Net earnings attributable to noncontrolling interests	—	—	—	—	—	1.2	1.2	0.5
Change in put option value	—	(0.4)	—	—	—	—	(0.4)	—
Other comprehensive earnings	—	—	—	(11.6)	—	—	(11.6)	—
Stock-based compensation transactions	—	30.0	—	—	20.9	—	50.9	—
Stock-based compensation expense	—	18.1	—	—	—	—	18.1	—
Dividends declared	—	—	(98.1)	—	—	—	(98.1)	—
Distributions paid to noncontrolling owners and other foreign exchange	—	—	—	—	—	(3.7)	(3.7)	(0.9)
Balance, March 27, 2022	\$ 110.1	2,475.7	4,220.9	(246.9)	(3,513.8)	34.7	\$ 3,080.7	\$ 23.5

Three Months Ended March 28, 2021

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Noncontrolling Interests	Total Shareholders' Equity	Redeemable Noncontrolling Interests
Balance, December 27, 2020	\$ 110.1	2,329.1	4,204.2	(195.0)	(3,551.7)	40.0	\$ 2,936.7	\$ 24.4
Net earnings attributable to Hasbro, Inc.	—	—	116.2	—	—	—	116.2	—
Net earnings attributable to noncontrolling interests	—	—	—	—	—	1.3	1.3	—
Other comprehensive earnings	—	—	—	(11.4)	—	—	(11.4)	—
Stock-based compensation transactions	—	(5.8)	—	—	1.1	—	(4.7)	—
Stock-based compensation expense	—	16.7	—	—	—	—	16.7	—
Dividends declared	—	—	(93.6)	—	—	—	(93.6)	—
Distributions paid to noncontrolling owners and other foreign exchange	—	(0.4)	—	—	—	(0.9)	(1.3)	(0.4)
Balance, March 28, 2021	\$ 110.1	2,339.6	4,226.8	(206.4)	(3,550.6)	40.4	\$ 2,959.9	\$ 24.0

HASBRO, INC. AND SUBSIDIARIES
Condensed Notes to Consolidated Financial Statements
(Millions 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 27, 2022 and March 28, 2021, and the results of its operations and cash flows and shareholders' 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 consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes thereto. Actual results could differ from those estimates.

The quarters ended March 27, 2022 and March 28, 2021 were each 13-week periods.

The results of operations for the quarter ended March 27, 2022 are not necessarily indicative of results to be expected for the full year 2022, nor were those of the comparable 2021 period representative of those actually experienced for the full year 2021.

Significant Accounting Policies

The Company's significant accounting policies are summarized in note 1 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 26, 2021 ("2021 Form 10-K").

eOne Music Sale

On June 29, 2021, the Company completed the sale of eOne Music for net proceeds of \$397.0 million, including the sales price of \$385.0 million and \$12.0 million of closing adjustments related to working capital and net debt calculations. The final proceeds were subject to further adjustment upon completion of closing working capital, which resulting in a net outflow of \$0.9 million in the fourth quarter of 2021. Fiscal year 2021 includes two quarters of financial results for the eOne Music Business.

These consolidated financial statements have been prepared without audit, pursuant to the rules and regulations of the 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 26, 2021 in its 2021 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

As of March 27, 2022, there were no recently adopted accounting standards that had a material effect on the Company's financial statements.

Issued Accounting Pronouncements

In March of 2020, the FASB issued Accounting Standards Update No. 2020-04 (ASU 2020-04) Reference Rate Reform (Topic 848): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this update provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions, for a limited period of time, to ease the potential burden of recognizing the effects of reference rate reform on financial reporting. The amendments in this update apply to contracts, hedging relationships and other transactions that reference the London Inter-Bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued due to the global transition away from LIBOR and certain other interbank offered rates. An entity may elect to apply the amendments provided by this update beginning March 12, 2020 through December 31, 2022. The change from LIBOR to an alternate rate has not had a material impact on the Company's consolidated financial statements.

(2) Revenue Recognition

Contract Assets and Liabilities

In the ordinary course of business, the Company's Consumer Products, Wizards of the Coast and Digital Gaming and Entertainment segments enter into contracts to license certain of the Company's intellectual property, providing licensees right-to-use access for use in the production and sale of consumer products and digital game development, and for use within content for distribution over streaming platforms and for television and film. The Company also licenses owned television and film content for distribution to third parties in formats that include broadcast, digital streaming and theatrical. Through these arrangements, the Company may receive advanced royalty payments from licensees, either in advance of a licensee's subsequent sales to customers or, prior to the completion of the Company's performance obligation. In addition, the Company's Wizards of the Coast and Digital Gaming segment may receive advanced payments from end users of its digital games at the time of the initial purchase or through in-application purchases. These digital gaming revenues are recognized over a period of time, determined based on player usage patterns or the estimated playing life of the user or when additional downloadable content is made available. The Company defers revenues on all licensee and digital gaming advanced payments until the respective performance obligations are satisfied. The Company records the aggregate deferred revenues as contract liabilities, with the current portion recorded within Accrued Liabilities and the long-term portion recorded as Other Non-current Liabilities in the Company's consolidated balance sheets. The Company records contract assets in the case of (1) minimum guarantees being recognized in advance of contractual invoicing, which are recognized ratably over the terms of the respective license periods, and (2) film and television distribution revenues recorded for content delivered, where payment will occur over the license term. The current portion of contract assets is recorded in Prepaid Expenses and Other Current Assets, respectively, and the long-term portion is recorded within Other Long-Term Assets.

At March 27, 2022, March 28, 2021 and December 26, 2021 the Company had the following contract assets and liabilities in its consolidated balance sheets:

	March 27, 2022	March 28, 2021	December 26, 2021
Assets			
Contract assets - current	\$ 299.8	\$ 257.9	\$ 286.9
Contract assets - long term	94.6	70.0	104.2
Total	<u>\$ 394.4</u>	<u>\$ 327.9</u>	<u>\$ 391.1</u>
Liabilities			
Contract liabilities - current	\$ 97.6	\$ 146.9	\$ 114.1
Contract liabilities - long term	5.9	16.6	7.1
Total	<u>\$ 103.5</u>	<u>\$ 163.5</u>	<u>\$ 121.2</u>

For the three months ended March 27, 2022, the Company collected \$58.8 million of the contract assets and recognized \$38.6 million of contract liabilities that were included in the December 26, 2021 balances.

Unsatisfied performance obligations

Unsatisfied performance obligations relate primarily to in-production television content to be delivered in the future under existing agreements with partnering content providers such as broadcasters, distributors, television networks and subscription video on demand services. As of March 27, 2022, unrecognized revenue attributable to unsatisfied performance obligations expected to be recognized in the future were \$315.2 million. Of this amount, we expect to recognize \$208.1 million in the remainder of 2022, \$91.9 million in 2023, \$6.6 million in 2024 and \$8.6 million in 2025. These amounts include only fixed considerations.

Accounts Receivable and Allowance for Credit Losses

The Company's balance for accounts receivable on the consolidated balance sheets as of March 27, 2022 and March 28, 2021 are primarily from contracts with customers. Of the Company's accounts receivable, less allowance for doubtful accounts, of \$931.7 million, approximately \$35.0 million relates to accounts receivable held in Russia. The Company has insurance coverage for over 90% of Russia receivables. The Company had no material expense for credit losses for the quarters ended March 27, 2022 and March 28, 2021.

**Condensed Notes to Consolidated Financial Statements
(Millions of Dollars and Shares Except Per Share Data)**

Disaggregation of revenues

The Company disaggregates its revenues from contracts with customers by reportable segment: Consumer Products, Entertainment, and Wizards of the Coast and Digital Gaming. The Company further disaggregates revenues within its Consumer Products segment by major geographic region: North America, Europe, Latin America, and Asia Pacific; within its Entertainment segment by category: Film & TV, Family Brands, and Other; and within its Wizards of the Coast and Digital Gaming segment by line of business: Tabletop Gaming and Digital and Licensed Gaming. Finally, the Company disaggregates its revenues by brand portfolio into five brand categories: Franchise Brands, Partner Brands, Hasbro Gaming, Emerging Brands, and TV/Film/Entertainment. We believe these collectively depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. See note 13 for further information.

(3) Earnings Per Share

Net earnings per share data for the quarters ended March 27, 2022 and March 28, 2021 were computed as follows:

Quarter	2022		2021	
	Basic	Diluted	Basic	Diluted
Net earnings attributable to Hasbro, Inc.	\$ 61.2	61.2	\$ 116.2	116.2
Average shares outstanding	139.3	139.3	137.7	137.7
Effect of dilutive securities:				
Options and other share-based awards	—	0.3	—	0.4
Equivalent Shares	139.3	139.6	137.7	138.1
Net earnings attributable to Hasbro, Inc. per common share	\$ 0.44	0.44	\$ 0.84	0.84

For the quarters ended March 27, 2022 and March 28, 2021, options and restricted stock units totaling 2.5 million and 2.2 million, respectively, were excluded from the calculation of diluted earnings per share because to include them would have been anti-dilutive.

(4) Goodwill

During the first quarter of 2021, the Company realigned its financial reporting structure creating the following three principal reportable segments: Consumer Products, Wizards of the Coast and Digital Gaming and Entertainment. In our realignment, some, but not all, of our reporting units were changed. As a result of these changes, during 2021, the Company reallocated its goodwill among the revised reporting units based on the change in relative fair values of the respective reporting units.

Changes in the carrying amount of goodwill, by operating segment, for the quarters ended March 27, 2022 and March 28, 2021 are as follows:

	Consumer Products	Wizards of the Coast and Digital Gaming	Entertainment	Total
2022				
Balance at December 26, 2021	\$ 1,584.9	307.3	1,527.4	\$ 3,419.6
Foreign exchange translation	(0.1)	0.2	(0.4)	(0.3)
Balance at March 27, 2022	\$ 1,584.8	307.5	1,527.0	\$ 3,419.3

Condensed Notes to Consolidated Financial Statements
(Millions of Dollars and Shares Except Per Share Data)

2021	Consumer Products	Wizards of the Coast and Digital Gaming	Entertainment	Total
Balance at December 27, 2020	\$ 1,385.7	53.1	2,252.9	\$ 3,691.7
Goodwill allocation	199.4	254.2	(453.6)	—
Foreign exchange translation	(0.1)	0.2	(0.4)	(0.3)
Balance at March 28, 2021	<u>\$ 1,585.0</u>	<u>307.5</u>	<u>1,798.9</u>	<u>\$ 3,691.4</u>

During the second quarter of 2021, the Company entered into a definitive agreement to sell the Entertainment One Music business ("eOne Music"). Based on the value of the net assets held by eOne Music, which included goodwill and intangible assets allocated to eOne Music as part of the acquisition of Entertainment One in December 2019 (the "eOne Acquisition"), the Company recorded a pre-tax non-cash goodwill impairment charge of \$108.8 million, during the second quarter of 2021, within Loss on Disposal of Business in the Consolidated Statements of Operations, and within the Entertainment segment. On June 29, 2021, during the Company's fiscal third quarter, the eOne Music sale was completed and associated goodwill and intangible assets of \$162.2 million were removed from the consolidated financial statements.

(5) 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 27, 2022 and March 28, 2021.

	Quarter Ended	
	March 27, 2022	March 28, 2021
Other comprehensive earnings (loss), tax effect:		
Tax (expense) on unrealized holding gains	\$ (0.1)	\$ —
Tax benefit (expense) on cash flow hedging activities	0.9	(1.0)
Reclassifications to earnings, tax effect:		
Tax expense (benefit) on cash flow hedging activities	(0.2)	0.2
Amortization of unrecognized pension and postretirement amounts	—	(0.1)
Total tax effect on other comprehensive earnings (loss)	<u>\$ 0.6</u>	<u>\$ (0.9)</u>

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Changes in the components of accumulated other comprehensive earnings (loss), net of tax for the quarters ended March 27, 2022 and March 28, 2021 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
2022					
Balance at December 26, 2021	\$ (35.1)	(6.0)	0.2	(194.4)	(235.3)
Current period other comprehensive earnings (loss)	0.1	(1.2)	0.2	(10.7)	(11.6)
Balance at March 27, 2022	<u>\$ (35.0)</u>	<u>(7.2)</u>	<u>0.4</u>	<u>(205.1)</u>	<u>(246.9)</u>
2021					
Balance at December 27, 2020	\$ (40.7)	(22.1)	0.3	(132.5)	(195.0)
Current period other comprehensive earnings (loss)	0.2	4.5	—	(16.1)	(11.4)
Balance at March 28, 2021	<u>\$ (40.5)</u>	<u>(17.6)</u>	<u>0.3</u>	<u>(148.6)</u>	<u>(206.4)</u>

Gains (Losses) on Derivative Instruments

At March 27, 2022, the Company had remaining net deferred gains on foreign currency forward contracts, net of tax, of \$8.1 million in accumulated other comprehensive earnings (loss) ("AOCE"). These instruments hedge payments related to inventory purchased in the first quarter of 2022 or forecasted to be purchased during the remainder of 2022 through 2023, intercompany expenses expected to be paid or received during 2022, television and movie production costs paid in 2022 or expected to be paid in 2023 or 2024, and cash receipts for sales made at the end of the first quarter of 2022 or forecasted to be made in the remainder of 2022. These amounts will be reclassified into the consolidated statements of operations upon the sale of the related inventory, the recognition of the related production costs or the recognition of the related sales or intercompany expenses to be paid or received.

In addition to foreign currency forward contracts, the Company entered into hedging contracts on future interest payments related to the 3.15% Notes, that were repaid in full in the aggregate principal amount of \$300.0 million during the first quarter of 2021 (See note 7), and the 5.10% Notes due 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 27, 2022, deferred losses, net of tax of \$15.4 million related to these instruments remained in AOCE. For the quarters ended March 27, 2022 and March 28, 2021, previously deferred losses of \$0.2 million and \$0.5 million, respectively, related to these instruments were reclassified from AOCE to net earnings.

Of the net deferred gains included in AOCE at March 27, 2022, the Company expects net gains of approximately \$8.7 million 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.

See note 11 for additional discussion on reclassifications from AOCE to earnings.

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(6) Accrued Liabilities

Components of accrued liabilities for the periods ended March 27, 2022, March 28, 2021 and December 26, 2021 were as follows:

	<u>March 27, 2022</u>	<u>March 28, 2021</u>	<u>December 26, 2021</u>
Participations and residuals	\$ 301.4	\$ 289.8	\$ 299.1
Royalties	162.0	126.7	253.0
Deferred revenue	97.6	146.9	114.1
Payroll and management incentives	56.9	36.2	183.6
Dividends	97.6	93.5	94.0
Other taxes	74.1	67.5	95.0
Advertising	58.6	69.7	60.4
Severance	27.6	44.0	32.0
Accrued Expenses IIC & IIP	70.7	40.9	74.9
Freight	65.6	26.3	107.5
Accrued income taxes	33.1	16.5	30.9
Other	326.2	325.6	330.3
Total accrued liabilities	<u>\$ 1,371.4</u>	<u>\$ 1,283.6</u>	<u>\$ 1,674.8</u>

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(7) 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 27, 2022, March 28, 2021 and December 26, 2021, the carrying cost of these instruments approximated their fair value. The Company's financial instruments at March 27, 2022, March 28, 2021 and December 26, 2021 also include certain assets and liabilities measured at fair value (see notes 10 and 11) 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 27, 2022, March 28, 2021 and December 26, 2021 are as follows:

	March 27, 2022		March 28, 2021		December 26, 2021	
	Carrying Cost	Fair Value	Carrying Cost	Fair Value	Carrying Cost	Fair Value
3.90% Notes Due 2029	\$ 900.0	901.7	\$ 900.0	961.9	\$ 900.0	991.7
3.55% Notes Due 2026	675.0	677.2	675.0	731.2	675.0	725.6
3.00% Notes Due 2024	500.0	498.0	500.0	533.9	500.0	521.2
6.35% Notes Due 2040	500.0	604.2	500.0	639.6	500.0	692.8
3.50% Notes Due 2027	500.0	496.5	500.0	535.8	500.0	539.2
2.60% Notes Due 2022	—	—	300.0	309.6	—	—
5.10% Notes Due 2044	300.0	321.7	300.0	333.8	300.0	374.5
6.60% Debentures Due 2028	109.9	125.4	109.9	134.4	109.9	136.7
Variable % Notes Due December 30, 2022	—	—	300.0	300.0	—	—
Variable % Notes Due December 30, 2024 ⁽¹⁾	340.0	340.0	570.0	570.0	397.5	397.5
Production Financing Facilities	95.8	95.8	201.8	201.8	170.1	170.1
Total long-term debt	\$ 3,920.7	4,060.5	\$ 4,856.7	5,252.0	\$ 4,052.5	4,549.3
Less: Deferred debt expenses	27.0	—	33.7	—	28.2	—
Less: Current portion	155.8	—	148.9	—	200.1	—
Long-term debt	\$ 3,737.9	4,060.5	\$ 4,674.1	5,252.0	\$ 3,824.2	4,549.3

⁽¹⁾ During the first quarter of 2022, the Company repaid \$50.0 million of the Variable % Notes due December 30, 2024.

In November 2019, in conjunction with the Company's acquisition of eOne, the Company issued an aggregate of \$2.4 billion of senior unsecured debt securities (the "Notes") consisting of the following tranches: \$300.0 million of notes due 2022 (the "2022 Notes") that bear interest at a fixed rate of 2.60%, \$500.0 million of notes due 2024 (the "2024 Notes") that bear interest at a fixed rate of 3.00%, \$675.0 million of notes due 2026 (the "2026 Notes") that bear interest at a fixed rate of 3.55% and \$900.0 million of notes due 2029 (the "2029 Notes") that bear interest at a fixed rate of 3.90%. Net proceeds from the issuance of the Notes, after deduction of \$20.0 million of underwriting discount and fees, totaled \$2.4 billion. These costs are being amortized over the life of the Notes outstanding, which range from five years to ten years from the date of issuance. During 2021, the Company repaid in full the \$300.0 million of 2022 Notes and recorded \$9.1 million of debt extinguishment costs within other expense (income) in the Consolidated Statements of Operations.

The Notes bear interest at the stated rates but may be subject to upward adjustment if the credit rating of the Company is reduced by Moody's or Standard & Poors. The adjustment can be from 0.25% to 2.00% based on the extent of the ratings decrease. The Company may redeem the Notes at its option at the greater of the principal amount of the Notes or the present value of the remaining scheduled payments discounted using the effective interest rate on applicable U.S. Treasury bills at the time of repurchase, plus (1) 25 basis points (in the case of the 2024 Notes); (2) 30 basis points (in the case of the 2026 Notes); and (3) 35 basis points (in the case of the 2029 Notes). In addition, on and after October 19, 2024 for the 2024 Notes, September 19, 2026 for the 2026 Notes and August 19, 2029 for the 2029 Notes, such series of Notes will be redeemable, in whole at any time or in part from time to time, at the Company's option at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus any accrued and unpaid interest.

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In September 2019, the Company entered into a \$1.0 billion Term Loan Agreement (the "Term Loan Agreement") with Bank of America N.A. ("Bank of America"), as administrative agent, and certain financial institutions as lenders, pursuant to which such lenders committed to provide, contingent upon the completion of the eOne Acquisition and certain other customary conditions to funding, (1) a three-year senior unsecured term loan facility in an aggregate principal amount of \$400.0 million (the "Three-Year Tranche") and (2) a five-year senior unsecured term loan facility in an aggregate principal amount of \$600.0 million (the "Five-Year Tranche" and together with the Three-Year Tranche, the "Term Loan Facilities"). The full amount of the Term Loan Facilities were drawn down on December 30, 2019, the closing date of the eOne Acquisition. As of March 27, 2022, the Company has fully repaid the Three-Year Tranche \$400.0 million principal term loan, and of the Five-Year Tranche \$600.0 million principal balance, the Company has repaid a total of \$260.0 million in the following increments: \$22.5 million in 2020; \$180.0 million in 2021; and, \$57.5 million in the first quarter of 2022 consisting of \$50.0 million of the principal balance and a principal amortization payment of \$7.5 million.

Loans under the remaining Five-Year Tranche bear interest at the Company's option, at either the Eurocurrency Rate or the Base Rate, plus a per annum applicable rate that fluctuates between 100.0 basis points and 187.5 basis points, in the case of loans priced at the Eurocurrency Rate, and between 0.0 basis points and 87.5 basis points, in the case of loans priced at the Base Rate, in each case, based upon the non-credit enhanced, senior unsecured long-term debt ratings of the Company by Fitch Ratings Inc., Moody's Investor Service, Inc. and S&P Global Rankings, subject to certain provisions taking into account potential differences in ratings issued by the relevant rating agencies or a lack of ratings issued by such rating agencies. Loans under the Five-Year Tranche require principal amortization payments that are payable in equal quarterly installments of 5.0% per annum of the original principal amount thereof for each of the first two years after funding, increasing to 10.0% per annum of the original principal amount thereof for each subsequent year. The Term Loan Agreement contains affirmative and negative covenants typical of this type of facility, including: (i) restrictions on the Company's and its domestic subsidiaries' ability to allow liens on their assets, (ii) restrictions on the incurrence of indebtedness, (iii) restrictions on the Company's and certain of its subsidiaries' ability to engage in certain mergers, (iv) the requirement that the Company maintain a Consolidated Interest Coverage Ratio of no less than 3.00:1.00 as of the end of any fiscal quarter and (v) the requirement that the Company maintain a Consolidated Total Leverage Ratio of no more than, depending on the gross proceeds of equity securities issued after the effective date of the acquisition of eOne, 5.65:1.00 or 5.40:1.00 for each of the first, second and third fiscal quarters ended after the funding of the Term Loan Facilities, with periodic step downs to 3.50:1.00 for the fiscal quarter ending December 31, 2023 and thereafter. As of March 27, 2022, the Company was in compliance with the financial covenants contained in the Term Loan Agreement.

The Company may redeem its 5.10% notes due in 2044 (the "2044 Notes") at its option, at the greater of the principal amount of the notes or the present value of the remaining scheduled payments, discounted using the effective interest rate on applicable U.S. Treasury bills at the time of repurchase.

Current portion of long-term debt at March 27, 2022 of \$155.8 million, as shown on the consolidated balance sheet, represents the current portion of required quarterly principal amortization payments for the 5-Year Tranche of the Term Loan Facilities and production financing facilities. All of the Company's other long-term borrowings have contractual maturities that occur subsequent to 2023 with the exception of certain of the Company's production financing facilities and annual principal payments related to the Term Loan Facilities.

The fair values of the Company's long-term debt are considered Level 3 fair values (see note 10 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.

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Production Financing

In addition to the Company's financial instruments, the Company uses production financing facilities to fund its film and television productions which are typically arranged on an individual production basis by either special purpose production subsidiaries, each secured by future revenues of such production subsidiaries, which are non-recourse to the Company's assets, or through a senior revolving credit facility dedicated to production financing obtained in November 2021. The Company's senior revolving film and television production credit facility (the "RPCF") with MUFG Union Bank, N.A., as administrative agent and lender and certain other financial institutions, as lenders thereto (the "Revolving Production Financing Agreement") provides the Company with commitments having a maximum aggregate principal amount of \$250.0 million. The Revolving Production Financing Agreement also provides the Company with the option to request a commitment increase up to an aggregate additional amount of \$150.0 million subject to agreement of the lenders. The Revolving Production Financing Agreement extends through November 22, 2024. The Company uses the RPCF to fund certain of the Company's original film and TV production costs. Borrowings under the RPCF are non-recourse to the Company's assets. Going forward, the Company expects to utilize the RPCF for the majority of its production financing needs.

Production financing facilities typically have maturities of less than two years, while the titles are in production, and are repaid once delivered and all credits, broadcaster pre-sales and international sales have been received. The production financing facilities as of March 27, 2022, March 28, 2021 and December 26, 2021 are as follows:

	March 27, 2022	March 28, 2021	December 26, 2021
Production financing facilities	\$ 199.1	\$ 201.8	\$ 170.1
Other loans ⁽¹⁾	—	7.9	—
Total	\$ 199.1	\$ 209.7	\$ 170.1

Production financing included in the consolidated balance sheet as:

Non-current	\$ —	\$ 82.9	\$ —
Current	199.1	118.9	170.1
Total	\$ 199.1	\$ 201.8	\$ 170.1

⁽¹⁾ Other loans consist of production related demand loans, and are recorded within Short-term Borrowings in the Company's consolidated balance sheets.

Interest is charged at bank prime rate plus a margin based on the risk of the respective production. The weighted average interest rate on all production financing as of March 27, 2022 was 3.1%.

The Company has Canadian dollar and U.S. dollar production financing loans with various banks. The carrying amounts are denominated in the following currencies:

	Canadian Dollars	U.S. Dollars	Total
As of March 27, 2022	\$ 24.2	\$ 71.6	\$ 95.8

The following table represents the movements in production financing loans during the first quarter of 2022:

	Production Financing
December 26, 2021	\$ 170.1
Drawdowns	112.2
Repayments	(84.0)
Foreign exchange differences	0.8
Balance at March 27, 2022	\$ 199.1

The Company expects to repay all of its currently outstanding production financing loans by the first quarter of 2023.

(8) Investments in Productions and Investments in Acquired Content Rights

Investments in productions and investments in acquired content rights are predominantly monetized on a title-by-title basis and are recorded within other assets in the Company's consolidated balance sheets, to the extent they are considered recoverable

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against future revenues. These amounts are being amortized to program cost amortization using a model that reflects the consumption of the asset as it is released through various channels including broadcast licenses, theatrical release and home entertainment. Amounts capitalized are reviewed periodically on an individual film basis and any portion of the unamortized amount that appears not to be recoverable from future net revenues is expensed as part of program cost amortization during the period the loss becomes evident.

The Company's unamortized investments in productions and investments in acquired content rights consisted of the following at March 27, 2022, March 28, 2021, and December 26, 2021:

	March 27, 2022	March 28, 2021	December 26, 2021
Investment in Films and Television Programs:			
<u>Individual Monetization</u>			
Released, net of amortization	\$ 489.1	\$ 481.9	\$ 481.7
Completed and not released	12.7	35.0	18.5
In production	157.8	147.4	151.6
Pre-production	87.7	72.8	84.0
	<u>747.3</u>	<u>737.1</u>	<u>735.8</u>
<u>Film/TV Group Monetization ⁽¹⁾</u>			
Released, net of amortization	31.5	—	32.2
In production	15.8	—	13.0
	<u>47.3</u>	<u>—</u>	<u>45.2</u>
<u>Investment in Other Programming</u>			
Released, net of amortization	5.2	14.8	5.3
Completed and not released	0.4	2.8	0.4
In production	14.4	4.2	12.6
Pre-production	1.8	8.7	1.7
	<u>21.8</u>	<u>30.5</u>	<u>20.0</u>
Total Program Investments	<u>\$ 816.4</u>	<u>\$ 767.6</u>	<u>\$ 801.0</u>

⁽¹⁾ Due to a monetization strategy change, as of December 26, 2021 the Company began monetizing certain content assets as a Film/TV group.

The Company recorded \$138.5 million of program cost amortization related to released programming in the quarter ended March 27, 2022, consisting of the following:

	Investment in Production	Investment in Content	Other	Total
Program cost amortization	\$ 122.8	\$ 15.6	\$ 0.1	\$ 138.5

(9) 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.

Our effective tax rate ("ETR") from continuing operations was 21.6% for the quarter ended March 27, 2022 and 9.3% for the quarter ended March 28, 2021.

The following items caused the first quarter ETR to be significantly different from the prior year ETR:

- during the quarter ended March 27, 2022, the Company recorded a net discrete tax benefit of \$2.3 million primarily associated with the release of certain valuation allowances during the quarter; and
- during the quarter ended March 28, 2021, the Company recorded a net discrete tax benefit of \$8.9 million primarily associated with the decrease to our liability for uncertain tax positions that resulted from statutes of limitations

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expiring in certain jurisdictions. Pre-tax income was benefited from a legal settlement gain, with no associated tax expense, due to the availability of net operating losses and release of the related valuation allowance on the net operating losses utilized by the settlement gain.

In May 2019, a public referendum held in Switzerland approved the Swiss Federal Act on Tax Reform and AHV Financing ("TRAF") proposals previously approved by the Swiss Parliament. The Swiss tax reform measures were effective on January 1, 2020. Changes in tax reform include the abolishment of preferential tax regimes for holding companies, domicile companies and mixed companies at the cantonal level. The enacted changes in Swiss federal and cantonal tax, including cantonal transitional provisions adopted in 2021, were not material to the Company's financial statements.

The Company is no longer subject to U.S. federal income tax examinations for years before 2012. 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 2014. The Company is currently under income tax examination by the Internal Revenue Service and in several U.S. state and local and non-U.S. jurisdictions.

(10) 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. There have been transfers between levels within the fair value hierarchy.

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.

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At March 27, 2022, March 28, 2021 and December 26, 2021, 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 27, 2022				
Assets:				
Available-for-sale securities	\$ 1.6	1.6	—	—
Derivatives	9.9	—	9.9	—
Total assets	\$ 11.5	1.6	9.9	—
Liabilities:				
Derivatives	\$ 4.6	—	4.6	—
Option agreement	1.7	—	—	1.7
Total liabilities	\$ 6.3	—	4.6	1.7
March 28, 2021				
Assets:				
Available-for-sale securities	\$ 2.2	2.2	—	—
Derivatives	9.4	—	9.4	—
Total assets	\$ 11.6	2.2	9.4	—
Liabilities:				
Derivatives	\$ 6.8	—	6.8	—
Option agreement	21.8	—	—	21.8
Total liabilities	\$ 28.6	—	6.8	21.8
December 26, 2021				
Assets:				
Available-for-sale securities	\$ 1.9	1.9	—	—
Derivatives	10.9	—	10.9	—
Total assets	\$ 12.8	1.9	10.9	—
Liabilities:				
Derivatives	\$ 2.6	—	2.6	—
Option agreement	1.7	—	—	1.7
Total Liabilities	\$ 4.3	—	2.6	1.7

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

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The Company's derivatives consist of foreign currency forward and option contracts. The Company uses 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 27, 2022, March 28, 2021 and December 26, 2021, 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. Due to the 2021 revaluation of the Discovery investment and resulting impairment charges, the Company reduced the option's fair value by \$20.1 million during the fourth quarter of 2021. There were no changes in these valuation techniques during the quarter ended March 27, 2022.

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):

	2022	2021
Balance at beginning of year	\$ (1.7)	\$ (20.6)
Gain from change in fair value	0.1	(1.2)
Balance at end of first quarter	<u>\$ (1.6)</u>	<u>\$ (21.8)</u>

(11) 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, television and film production cost and production financing loans (see note 7) as well as 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

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, certain production financing loans and other cross-border transactions, primarily for the remainder of 2022, 2023, and to a lesser extent, 2024.

At March 27, 2022, March 28, 2021 and December 26, 2021, the notional amounts and fair values of the Company's foreign currency forward contracts designated as cash flow hedging instruments were as follows:

	March 27, 2022		March 28, 2021		December 26, 2021	
	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Hedged transaction						
Inventory purchases	\$ 196.9	7.8	\$ 332.1	0.6	\$ 199.1	10.4
Sales	104.3	(2.4)	208.5	0.3	104.5	(1.9)
Production financing and other	188.0	2.5	113.2	0.3	217.0	2.3
Total	<u>\$ 489.2</u>	<u>7.9</u>	<u>\$ 653.8</u>	<u>1.2</u>	<u>\$ 520.6</u>	<u>10.8</u>

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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 27, 2022, March 28, 2021 and December 26, 2021 as follows:

	March 27, 2022	March 28, 2021	December 26, 2021
Prepaid expenses and other current assets			
Unrealized gains	\$ 12.7	\$ 8.4	\$ 13.8
Unrealized losses	(2.8)	(4.4)	(3.1)
Net unrealized gains	<u>\$ 9.9</u>	<u>\$ 4.0</u>	<u>\$ 10.7</u>
Other assets			
Unrealized gains	\$ —	\$ 1.8	\$ 0.2
Unrealized losses	—	(0.2)	—
Net unrealized gains	<u>\$ —</u>	<u>\$ 1.6</u>	<u>\$ 0.2</u>
Accrued liabilities			
Unrealized gains	\$ 0.9	\$ 1.7	\$ —
Unrealized losses	(2.7)	(5.9)	(0.1)
Net unrealized losses	<u>\$ (1.8)</u>	<u>\$ (4.2)</u>	<u>\$ (0.1)</u>
Other liabilities			
Unrealized gains	\$ —	\$ —	\$ —
Unrealized losses	(0.2)	(0.2)	—
Net unrealized losses	<u>\$ (0.2)</u>	<u>\$ (0.2)</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 27, 2022 and March 28, 2021 as follows:

	Quarter Ended	
	March 27, 2022	March 28, 2021
Statements of Operations Classification		
Cost of sales	\$ (0.4)	\$ —
Net revenues	(0.4)	0.5
Other	(0.5)	0.9
Net realized gains	<u>\$ (1.3)</u>	<u>\$ 1.4</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. Additionally, to manage transactional exposure to fair value movements on certain monetary assets and liabilities denominated in foreign currencies, the Company has implemented a balance sheet hedging program. The Company does not use hedge accounting for these contracts as changes in the fair values of these contracts are offset by changes in the fair value of the balance sheet items. As of March 27, 2022, March 28, 2021 and December 26, 2021 the total notional amounts of the Company's undesignated derivative instruments were \$665.0 million, \$653.4 million and \$632.0 million, respectively.

Condensed Notes to Consolidated Financial Statements
(Millions of Dollars and Shares Except Per Share Data)

At March 27, 2022, March 28, 2021 and December 26, 2021, the fair values of the Company's undesignated derivative financial instruments were recorded in the consolidated balance sheets as follows:

	March 27, 2022	March 28, 2021	December 26, 2021
Prepaid expenses and other current assets			
Unrealized gains	\$ —	\$ 5.0	\$ —
Unrealized losses	—	(1.2)	—
Net unrealized gains	\$ —	\$ 3.8	\$ —
Accrued liabilities			
Unrealized gains	\$ 6.6	\$ 0.1	\$ 3.5
Unrealized losses	(9.2)	(2.5)	(6.0)
Net unrealized losses	\$ (2.6)	\$ (2.4)	\$ (2.5)
Total unrealized gains (losses), net	\$ (2.6)	\$ 1.4	\$ (2.5)

The Company recorded net (losses) of \$(2.6) million and \$(6.1) million on these instruments to other (income) expense, net for the quarters ended March 27, 2022 and March 28, 2021, 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 10).

(12) Leases

The Company occupies offices and uses certain equipment under various operating lease arrangements. The Company has no material finance leases. These leases have remaining lease terms of 1 to 17 years, some of which include options to extend lease terms or 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. Lease expense under such leases is recorded straight line over the life of the lease. The Company capitalizes non-lease components for equipment leases, but expenses non-lease components as incurred for real estate leases.

The rent expense under such arrangements and similar arrangements that do not qualify as leases under ASU 2016-02, net of sublease income amounted to \$22.3 million and \$21.8 million for the quarters ended March 27, 2022 and March 28, 2021, respectively, and was not material to the Company's financial statements nor were expenses related to short-term leases (expected terms less than 12 months) or variable lease payments was not material in the quarters ended March 27, 2022 or March 28, 2021.

Condensed Notes to Consolidated Financial Statements
(Millions of Dollars and Shares Except Per Share Data)

Information related to the Company's leases for the quarters ended March 27, 2022 and March 28, 2021 are as follows:

	Quarter Ended	
	March 27, 2022	March 28, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 13.4	\$ 13.2
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 9.1	\$ 7.3
Weighted Average Remaining Lease Term		
Operating leases	5.4 years	5.9 years
Weighted Average Discount Rate		
Operating leases	2.9 %	3.1 %

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 27, 2022:

	March 27, 2022
2022 (excluding the three months ended March 27, 2022)	\$ 38.5
2023	44.3
2024	31.9
2025	26.1
2026	20.3
2027 and thereafter	33.4
Total future lease payments	194.5
Less imputed interest	21.2
Present value of future operating lease payments	173.3
Less current portion of operating lease liabilities ⁽¹⁾	45.0
Non-current operating lease liability ⁽²⁾	128.3
Operating lease right-of-use assets, net ⁽³⁾	\$ 156.7

⁽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.

Condensed Notes to Consolidated Financial Statements
(Millions of Dollars and Shares Except Per Share Data)

(13) Segment Reporting

Hasbro is a global play and entertainment company with a broad portfolio of brands and entertainment content spanning toys, games, licensed products ranging from traditional to digital, as well as film and television entertainment. Effective for the three months ended March 28, 2021, the Company realigned its reportable segment structure to: (1) align with changes to its business structure subsequent to the integration of eOne; and (2) reflect changes to its reporting structure and provide transparency into how operating performance is measured. The Company's three principal reportable segments are (i) Consumer Products, (ii) Wizards of the Coast and Digital Gaming, and (iii) Entertainment.

The Consumer Products segment engages in the sourcing, marketing and sales of toy and game products around the world. The Consumer Products business also promotes the Company's brands through the out-licensing of our trademarks, characters and other brand and intellectual property rights to third parties, through the sale of branded consumer products such as toys and apparel. The Wizards of the Coast and Digital Gaming business engages in the promotion of the Company's brands through the development of trading card, role-playing and digital game experiences based on Hasbro and Wizards of the Coast games. Additionally, the Company out-licenses certain brands to other third-party digital game developers who transform Hasbro brand-based characters and other intellectual properties, into digital gaming experiences. The Entertainment segment engages in the development, acquisition, production, financing, distribution and sale of world-class entertainment content including film, scripted and unscripted television, family programming, digital content and live entertainment.

The significant accounting policies of the Company's segments are the same as those referenced in note 1.

Results shown for the quarter ended March 27, 2022 are not necessarily representative of those which may be expected for the full year 2022, nor were those of the comparable 2021 periods representative of those actually experienced for the full year 2021. 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 27, 2022 and March 28, 2021 are as follows:

	Quarter Ended			
	March 27, 2022		March 28, 2021	
	External	Affiliate (c)	External	Affiliate (c)
Net revenues				
Consumer Products	\$ 672.8	\$ 91.9	\$ 653.9	\$ 70.3
Wizards of the Coast and Digital Gaming	262.8	29.8	242.2	25.4
Entertainment	227.5	13.9	218.7	14.1
Corporate and Other (a)	—	(135.6)	—	(109.8)
	<u>\$ 1,163.1</u>	<u>\$ —</u>	<u>\$ 1,114.8</u>	<u>\$ —</u>

	Quarter Ended	
	March 27, 2022	March 28, 2021
Operating profit (loss)		
Consumer Products (a)	\$ 8.6	\$ 32.3
Wizards of the Coast and Digital Gaming	106.4	110.0
Entertainment (a)	12.2	17.0
Corporate and Other (a)	(7.2)	(12.0)
	<u>\$ 120.0</u>	<u>\$ 147.3</u>

Condensed Notes to Consolidated Financial Statements
(Millions of Dollars and Shares Except Per Share Data)

	March 27, 2022	March 28, 2021	December 26, 2021
Total assets			
Consumer Products (b)	\$ 4,817.9	\$ 5,567.7	\$ 4,925.5
Wizards of the Coast and Digital Gaming	1,877.7	616.9	1,585.1
Entertainment (a)	6,214.4	6,106.8	6,052.8
Corporate and Other (a)	(3,391.3)	(2,102.3)	(2,525.6)
	<u>\$ 9,518.7</u>	<u>\$ 10,189.1</u>	<u>\$ 10,037.8</u>

(a) Certain long-term assets, including property, plant and equipment, goodwill and other intangibles, which benefit multiple operating segments, are included in both Entertainment and Corporate and Other. Allocations of certain Corporate and Other expenses, related to these assets are made to the individual operating segments at the beginning of the year based on budgeted amounts. Any differences between actual and budgeted amounts are reflected in Corporate and Other because allocations are translated from the U.S. Dollar to local currency at budgeted rates when recorded. Beginning in 2022, the Company has allocated certain of the intangible amortization costs related to the assets acquired in the eOne acquisition, between the Consumer Products and Entertainment segments. Corporate and Other also includes the elimination of inter-company balance sheet amounts.

(b) During the second quarter of 2021, the Company adjusted certain inter-segment balance sheet amounts which impacted the Consumer Products and Corporate and Other total asset values. These adjustments did not impact the Company's total assets.

(c) Amounts represent revenues from transactions with other operating segments that are included in the operating profit (loss) of the segment.

The following table represents consolidated Consumer Products segment net revenues by major geographic region for the quarters ended March 27, 2022 and March 28, 2021:

	Quarter Ended	
	March 27, 2022	March 28, 2021
North America	\$ 405.2	\$ 362.7
Europe	176.7	188.5
Asia Pacific	52.2	64.8
Latin America	38.7	37.9
Net revenues	<u>\$ 672.8</u>	<u>\$ 653.9</u>

The following table represents consolidated Wizards of the Coast and Digital Gaming segment net revenues by category for the quarters ended March 27, 2022 and March 28, 2021:

	Quarter Ended	
	March 27, 2022	March 28, 2021
Tabletop Gaming	\$ 192.2	\$ 175.3
Digital and Licensed Gaming	70.6	66.9
Net revenues	<u>\$ 262.8</u>	<u>\$ 242.2</u>

The following table represents consolidated Entertainment segment net revenues by category for the quarters ended March 27, 2022 and March 28, 2021:

	Quarter Ended	
	March 27, 2022	March 28, 2021
Film and TV	\$ 190.2	\$ 166.4
Family Brands	23.2	18.8
Music and Other	14.1	33.5
Net revenues	<u>\$ 227.5</u>	<u>\$ 218.7</u>

Condensed Notes to Consolidated Financial Statements
(Millions of Dollars and Shares Except Per Share Data)

The following table presents consolidated net revenues by brand and entertainment portfolio for the quarters ended March 27, 2022 and March 28, 2021:

	Quarter Ended	
	March 27, 2022	March 28, 2021
Franchise Brands ⁽¹⁾	\$ 543.1	\$ 523.1
Partner Brands	206.5	188.0
Hasbro Gaming ⁽²⁾	143.6	136.3
Emerging Brands ⁽¹⁾	76.4	73.1
TV/Film/Entertainment	193.5	194.3
Total	\$ 1,163.1	\$ 1,114.8

⁽¹⁾ Effective in the first quarter of 2022, the Company moved PEPPA PIG into Franchise Brands from Emerging Brands. For comparability, net revenues for the quarter ended March 28, 2021 have been restated to reflect the elevation of PEPPA PIG from Emerging Brands to Franchise Brands, which amounted to a change of \$31.6 million.

⁽²⁾ Hasbro's total gaming category, which includes all gaming net revenues, both those reported in Hasbro Gaming and those reported elsewhere, most notably MAGIC: THE GATHERING and MONOPOLY which are reported within Franchise Brands, totaled \$378.8 million and \$365.3 million for the quarters ended March 27, 2022 and March 28, 2021, respectively.

(14) Restructuring Actions

During 2018 and 2020, the Company took certain restructuring actions including headcount reduction aimed at right-sizing the Company's cost-structure and integration actions related to the acquisition of eOne.

As of March 27, 2022, the Company had a remaining balance of \$13.3 million in termination payments related to these programs.

(15) Subsequent Event

On April 13, 2022, the Company announced that it entered into a definitive agreement with Fandom, Inc. to purchase D&D Beyond for \$146.3 million to be paid in cash. D&D Beyond is the premier digital content platform for DUNGEONS & DRAGONS. It is a rapidly growing role-playing game digital toolset that will become the hub for DUNGEONS & DRAGONS digital gaming. The strategic acquisition of D&D Beyond is expected to deliver a direct relationship with fans, providing valuable, data-driven insights to unlock opportunities for growth in new product development, live services and tools, and regional expansions.

The transaction is subject to customary closing conditions, including obtaining required regulatory approvals, and is expected to close late in the second quarter or early in the third quarter of 2022. The transaction will be funded out of cash on hand and is not expected to have a material impact on Hasbro's 2022 results of operations.

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

OBJECTIVE

Our objective within the following discussion is to provide an analysis of the Company's Financial Condition, Cash Flows and Results of Operations from management's perspective which should be read in conjunction with the Company's consolidated financial statements and notes thereto, included in Part I, Item 1 of this Form 10-Q.

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") is a global play and entertainment company committed to Creating the World's Best Play and Entertainment Experiences and making the world a better place for all children, fans and families. Hasbro delivers immersive brand experiences for global audiences through consumer products, including toys and games; gaming, led by the team at Wizards of the Coast, an award-winning developer of tabletop and digital games; and entertainment through Entertainment One ("eOne"), our independent studio.

Our iconic brands include MAGIC: THE GATHERING, NERF, PLAY-DOH, TRANSFORMERS, PEPPA PIG, MONOPOLY, MY LITTLE PONY, BABY ALIVE, DUNGEONS & DRAGONS, PJ MASKS and POWER RANGERS, as well as premier partner brands. For the past decade, we have been consistently recognized for our corporate citizenship, including being named one of the 100 Best Corporate Citizens by 3BL Media and one of the World's Most Ethical Companies by Ethisphere Institute.

Our strategic plan is centered around the Hasbro Brand Blueprint, a framework for bringing compelling and expansive brand experiences to consumers and audiences around the world. Our brands are story-led consumer franchises brought to life through a wide array of consumer products, digital gaming and compelling content offered across a multitude of platforms and media. Our commitment to disciplined, strategic investments across the Brand Blueprint over the long-term has built a differentiated business with diversified capabilities to drive profitable growth and enhance shareholder value.

Hasbro's purpose of making the world a better place for all children, fans and families sits at the center of the Hasbro Brand Blueprint and is a key driver of our brands and content. The value of Hasbro is fully activated when we can take a brand across all elements of the Brand Blueprint – consumer products; Wizards of the Coast and digital gaming; and entertainment. The ability to build a brand in any of our segments and leverage in-house capabilities to create multiple categories of engagement with consumers and fans is unique to Hasbro and optimizes our economics today and in the future.

During each of the periods presented in this Form 10-Q there were certain charges incurred which impacted operating results. These charges are detailed below in the Results of Operations - Consolidated.

Coronavirus Pandemic

Since the onset of the novel coronavirus (COVID-19) pandemic in early 2020, our business, has been adversely impacted by the challenges and risks associated with both the initial, and the residual effects of the spread of the virus worldwide. Certain effects of the COVID-19 pandemic, including difficulties in shipping and distributing products due to ongoing constraints in port capacity, shipping containers and truck transportation, have continued into the first quarter of 2022 and are expected to continue through the remainder of the year. These and other disruptions have led to higher costs for both ocean and air freight and delays in the availability of products, which can result in delayed sales and, in some cases, lost sales. In response to these and other challenges, we have developed and continue to evaluate and execute plans to mitigate the negative impacts of COVID-19 to our business. For example, to mitigate product input cost increases, we implemented certain price increases during 2021. The Company continues to review the impact of increasing costs and plans to implement further price increases in 2022. Additionally, during the first quarter of 2022, the Company accelerated certain inventory purchases to ensure sufficient finished goods and raw material availability, ahead of expected periods of high consumer demand. We believe these mitigating actions will minimize the adverse impacts to our financial results for fiscal year 2022.

The COVID-19 outbreak continues to be fluid and it is difficult to forecast the impact it could have on our future operations. However, since the initial outbreak, we have maintained sufficient liquidity and access to capital resources and we continue to closely monitor customer health and collectability of receivables. Please see Part I, Item 1A. Risk Factors and Part I, Item 1. Business, in the Company's Form 10-K for the fiscal year ended December 26, 2021 for further information.

First quarter 2022 highlights:

- First quarter net revenues were \$1.2 billion compared to \$1.1 billion in the first quarter of 2021 and included an unfavorable foreign currency translation of \$17.4 million. Absent the unfavorable impact of foreign currency exchange, first quarter net revenues increased 6%.
 - Net revenues grew in all major operating segments: Wizards of the Coast and Digital Gaming segment net revenues increased 9% to \$262.8 million; Entertainment segment net revenues increased 4% to \$227.5 million; Consumer Products segment net revenues increased 3% to \$672.8 million.
 - Partner Brands portfolio net revenues increased 10%; Hasbro Gaming and Emerging Brands net revenues each increased 5%; Franchise Brands net revenues increased 4% while TV/Film/Entertainment portfolio net revenues were flat in the first quarter of 2022, reflecting the sale of eOne Music which represented \$31.8 million of TV/Film/Entertainment portfolio net revenues in the first quarter of 2021.
- Operating profit was \$120.0 million, or 10.3% of net revenue, in the first quarter of 2022 compared to operating profit of \$147.3 million, or 13.2% of net revenue, in the first quarter of 2021.
 - Operating Profit in the Wizards of the Coast and Digital Gaming segment decreased 3% to \$106.4 million; Entertainment segment operating profit decreased 28% to \$12.2 million; Consumer Products segment decreased 73% to \$8.6 million; and Corporate and Other operating losses improved 40% to \$7.2 million.
 - Certain charges impacted operating segment performance for the Company's Consumer Products and Entertainment segments, which are discussed further below in Segment Results.
- Net earnings attributable to Hasbro, Inc. of \$61.2 million, or \$0.44 per diluted share, in the first quarter of 2022 compared to net earnings of \$116.2 million, or \$0.84 per diluted share, in the first quarter of 2021.

The impact of changes in foreign currency exchange rates used to translate the consolidated statements of operations is quantified by translating the current period revenues at the prior period exchange rates and comparing this amount to the prior period reported revenues. The Company believes that the presentation of the impact of changes in exchange rates, which are beyond the Company's control, is helpful to an investor's understanding of the performance of the underlying business.

SUMMARY OF FINANCIAL PERFORMANCE

A summary of the results of operations is illustrated below for the quarters ended March 27, 2022 and March 28, 2021.

	Quarter Ended	
	March 27, 2022	March 28, 2021
Net revenues	\$ 1,163.1	\$ 1,114.8
Operating profit	120.0	147.3
Earnings before income taxes	80.2	129.5
Net earnings	62.9	117.5
Net earnings attributable to noncontrolling interests	1.7	1.3
Net earnings attributable to Hasbro, Inc.	61.2	116.2
Diluted earnings per share	0.44	0.84

RESULTS OF OPERATIONS – CONSOLIDATED

The quarters ended March 27, 2022 and March 28, 2021 were each 13-week periods.

Diluted earnings per share attributable to Hasbro, Inc. for the quarters ended March 27, 2022 and March 28, 2021 include certain charges as described below.

- Net charges of \$15.9 million, or \$0.11 per diluted share and \$20.4 million, or \$0.15 per diluted share, of intangible amortization costs for the quarters ended March 27, 2022 and March 28, 2021, respectively, related to the intangible assets acquired in the eOne acquisition. Beginning in 2022, certain of these intangible amortization costs have been allocated between the Consumer Products and Entertainment segments, to match the revenue generated from such intangible assets. In 2021, these intangible amortization costs were recorded within the Entertainment segment.
- Net charges of \$2.3 million, \$0.02 per diluted share and \$1.7 million, or \$0.01 per diluted share, for the quarters ended March 27, 2022 and March 28, 2021, respectively, of expense associated with retention awards granted in connection

with the eOne acquisition. These expenses are included within Selling, Distribution and Administration within the Corporate segment.

Consolidated net revenues for the first quarter of 2022 grew 4% to \$1,163.1 million from \$1,114.8 million for the first quarter of 2021 and included an unfavorable \$17.4 million impact from foreign currency translation as a result of weakening currencies, primarily in Europe.

Operating profit for the first quarter of 2022 was \$120.0 million, or 10.3% of net revenues, compared to operating profit of \$147.3 million, or 13.2% of net revenues, for the first quarter of 2021. The operating profit decrease was primarily driven by higher costs of sales due to higher product input and freight costs as a result of rising costs and supply chain disruptions, higher program amortization costs within the Entertainment segment, reflecting the mix of programming deliveries in the quarter, higher product development costs to support growth in Wizards of the Coast and to a lesser extent, higher marketing and sales costs. These cost increases were partially offset by lower royalty expense and lower advertising costs during the first quarter of 2022.

Net earnings attributable to Hasbro, Inc. decreased to \$61.2 million for the quarter ended March 27, 2022, compared to \$116.2 million for the quarter ended March 28, 2021.

Diluted earnings per share attributable to Hasbro, Inc. were \$0.44 for the first quarter of 2022 compared to \$0.84 for the first quarter of 2021.

The following table presents net revenues by brand and entertainment portfolio for the quarters ended March 27, 2022 and March 28, 2021.

	Quarter Ended		% Change
	March 27, 2022	March 28, 2021	
Franchise Brands	\$ 543.1	\$ 523.1	4 %
Partner Brands	206.5	188.0	10
Hasbro Gaming	143.6	136.3	5
Emerging Brands	76.4	73.1	5
TV/Film/Entertainment	193.5	194.3	—
Total	\$ 1,163.1	\$ 1,114.8	4 %

Brand portfolio net revenues for the first quarter of 2021 have been restated to reflect the elevation of PEPPA PIG from Emerging Brands to Franchise Brands, effective for the first quarter of 2022. As a result, first quarter 2021 net revenues of \$31.6 million were reclassified from Emerging Brands to Franchise Brands.

FRANCHISE BRANDS: Net revenues in the Franchise Brands portfolio increased 4% in the first quarter of 2022 compared to the first quarter of 2021. Drivers of the net revenue increase include higher net revenues from MAGIC: THE GATHERING products reflecting record sales from the *Kamigawa: Neon Dynasty* set release and higher net revenues from MY LITTLE PONY, following the September 2021 release of the feature length film, *MY LITTLE PONY: A NEW GENERATION* and the associated product line. In addition, higher net revenues from PEPPA PIG were driven by the third quarter 2021 launch of the Company's first line of PEPPA PIG products. These net revenue increases were partially offset by lower net revenues from MONOPOLY products and to a lesser extent, lower net revenues from BABY ALIVE and NERF products during the first quarter of 2022.

PARTNER BRANDS: Net revenues from the Partner Brands portfolio increased 10% in the first quarter of 2022 compared to the first quarter of 2021. Within the Partner Brands portfolio, there are a number of brands which are reliant on related entertainment, including television and movie releases. As such, net revenues from partner brands fluctuate depending on entertainment popularity, release dates and related product line offerings and success. Historically these entertainment-based brands experience higher revenues during years in which new content is released in theaters, for broadcast, and on streaming platforms.

During the first quarter of 2022, Partner Brands net revenue increases were driven by the Company's products for MARVEL, primarily from momentum in the SPIDER-MAN franchise which benefited from entertainment releases including Marvel Studios' *SPIDER-MAN: NO WAY HOME*, released in December 2021 and the children's animated television series Marvel's *SPIDEY and HIS AMAZING FRIENDS*. In addition, the Company's products for Marvel's AVENGERS benefited ahead of the planned Marvel Studios' release of *DOCTOR STRANGE in the MULTIVERSE of MADNESS*, expected in May 2022. To a lesser extent, net revenues from the Company's line of STAR WARS products increased as a result of the lineup of entertainment

from Lucasfilms including, *THE BOOK of BOBA FETT* released in the first fiscal quarter of 2022 and the upcoming launch of the *OBI-WAN KENOBI* series, expected in the second quarter of 2022, both on Disney+. These increases were partially offset by net revenue declines from DISNEY FROZEN and to a lesser extent, DISNEY PRINCESS products as well as lower net revenues from BEYBLADE products during the first quarter of 2022.

HASBRO GAMING: Net revenues in the Hasbro Gaming portfolio increased 5% in the first quarter of 2022 compared to the first quarter of 2021. Higher net revenues were driven by net revenue increases from DUNGEONS & DRAGONS products and to a lesser extent, net revenue increases from DUEL MASTERS and AVALON HILL'S HeroQuest products. These net revenue increases were partially offset by lower net revenues from certain classic game products including CLUE and RISK.

Net revenues for Hasbro's total gaming category, including the Hasbro Gaming portfolio as reported above and all other gaming revenue, most notably revenues from MAGIC: THE GATHERING and MONOPOLY products, which are included in the Franchise Brands portfolio, totaled \$378.8 million for the first quarter of 2022, an increase of 4%, as compared to \$365.3 million in the first quarter of 2021.

EMERGING BRANDS: Net revenues from the Emerging Brands portfolio increased 5% during the first quarter of 2022 compared to the first quarter of 2021. Net revenue increases during the first quarter of 2022 were driven by POWER RANGERS and PJ MASKS products, partially offset by lower net revenues from SUPER SOAKER and certain PLAYSKOOL products.

TV/FILM/ENTERTAINMENT: During the first quarter of 2022, net revenues from the TV/Film/Entertainment portfolio were flat compared to the first quarter of 2021. First quarter 2022 net revenues were driven by higher scripted television deliveries, most notably from the Netflix streaming series *GRAYMAIL* and from *THE ROOKIE* television series, as well as higher deliveries of unscripted programs compared to the first quarter of 2021, where deliveries were limited or delayed due to the impact of the COVID-19 pandemic. To a lesser extent, TV/Film/Entertainment portfolio net revenues benefited from feature film production revenue contributions from titles including *DEEP WATER* as well as from the Company's live entertainment business which resumed live touring shows in 2022.

SEGMENT RESULTS

The following table presents net external revenues and operating profit data for the Company's principal segments for the quarters ended March 27, 2022 and March 28, 2021:

	Quarter Ended		
	March 27, 2022	March 28, 2021	% Change
<u>Net Revenues</u>			
Consumer Products	\$ 672.8	\$ 653.9	3 %
Wizards of the Coast and Digital Gaming	262.8	242.2	9 %
Entertainment *	227.5	218.7	4 %
<u>Operating Profit</u>			
Consumer Products	\$ 8.6	\$ 32.3	-73 %
Wizards of the Coast and Digital Gaming	106.4	110.0	-3 %
Entertainment *	12.2	17.0	-28 %
Corporate and Other	(7.2)	(12.0)	40 %

* Entertainment segment net revenues and operating profit, for the quarter ended March 27, 2021 include \$31.8 million and \$3.1 million, respectively, from eOne Music, which was sold at the beginning of the third quarter of 2021.

Beginning in 2022, intangible amortization costs related to the intangible assets acquired in the eOne acquisition have been allocated between the Consumer Products and Entertainment segments in the amounts of \$10.3 million and \$8.8 million, respectively, to match the revenue generated from such intangible assets. In 2021, comparable intangible amortization costs of \$24.9 million were recorded within the Entertainment segment.

Consumer Products Segment

The following table presents the Consumer Products segment net revenues by major geographic region for the quarters ended March 27, 2022 and March 28, 2021.

	Quarter Ended	
	March 27, 2022	March 28, 2021
North America	\$ 405.2	362.7
Europe	176.7	188.5
Asia Pacific	52.2	64.8
Latin America	38.7	37.9
Net Revenues	\$ 672.8	\$ 653.9

The Consumer Products segment net revenues increased 3% to \$672.8 million for the first quarter of 2022 compared to \$653.9 million for the first quarter of 2021 and included the impact of an unfavorable \$13.5 million currency translation, most notably from the Company's European markets. Drivers of the net revenue increase include higher sales of the Company's products for MARVEL, higher sales of PEPPA PIG and MY LITTLE PONY products, and higher net revenues from POWER RANGERS and PJ MASKS products. Partially offsetting these increases were lower sales of TRANSFORMERS and MONOPOLY products and lower sales of the Company's products for DISNEY PRINCESS and DISNEY FROZEN. Net revenues increased in North America and to a lesser extent, in Latin American markets during the first quarter of 2022, while net revenues declined in the Company's Asia Pacific and Europe regions. In Europe, where the impact of foreign currency exchange was more significant compared to other regions, net revenue remained relatively flat absent the unfavorable foreign currency exchange impact of \$12.0 million.

Consumer Products segment operating profit for the first quarter of 2022 was \$8.6 million or 1.3% of segment net revenues, compared to segment operating profit of \$32.3 million or 4.9% of segment net revenues, for the first quarter of 2021. As noted above, in alignment with the revenue generated from the assets acquired in the eOne acquisition, the first quarter of 2022 includes \$10.3 million of intangible amortization, which in 2021 was all reported in the Entertainment segment results. This allocation of intangible amortization drove a 1.5% decline in operating margin for the Consumer Products segment. The remaining operating profit decrease in the first quarter of 2022 was driven by higher product costs and distribution costs as a result of global supply chain disruptions, including higher freight costs. These negative impacts were partially offset by price increases implemented during 2021 and lower royalty expenses due to a favorable product mix during the first quarter of 2022.

Wizards of the Coast and Digital Gaming Segment

The following table presents Wizards of the Coast and Digital Gaming segment net revenues by category for the quarters ended March 27, 2022 and March 28, 2021.

	Quarter Ended	
	March 27, 2022	March 28, 2021
Tabletop Gaming	\$ 192.2	\$ 175.3
Digital and Licensed Gaming	70.6	66.9
Net revenues	<u>\$ 262.8</u>	<u>\$ 242.2</u>

Wizards of the Coast and Digital Gaming segment net revenues increased 9% in the first quarter of 2022 to \$262.8 million from \$242.2 million in the first quarter of 2021 and included the impact of an unfavorable \$2.9 million foreign currency translation.

The net revenue increase in the Wizards of the Coast and Digital Gaming segment during the first quarter of 2022 was attributable to net revenue increases from Wizards of the Coast tabletop and digital gaming products, most notably, MAGIC: THE GATHERING, driven by sales of the *Kamigawa: Neon Dynasty* set release, and to a lesser extent, higher digital net revenues from *Magic: The Gathering Arena* and *Dungeons & Dragons: Dark Alliance*. In addition, higher net revenues from DUNGEONS & DRAGONS and DUEL MASTERS products contributed to the increase during the first quarter.

Wizards of the Coast and Digital Gaming segment operating profit was \$106.4 million, or 40.5% of segment net revenues for the first quarter of 2022, compared to operating profit of \$110.0 million, or 45.4% of segment net revenues, for the first quarter of 2021. The operating profit decrease during the first quarter of 2022 was the result of higher product input costs associated with tabletop gaming, increased product development expenses, higher freight costs, as well as higher administrative expenses including higher personnel costs during the first quarter of 2022. These increases were partially offset by lower advertising and promotional expenses compared to the first quarter of 2021, where the Company incurred higher costs associated with the launch of the mobile version of *Magic: The Gathering Arena* and *Dungeons & Dragons: Dark Alliance*.

Entertainment Segment

The following table presents Entertainment segment net revenues by category for the quarters ended March 27, 2022 and March 28, 2021.

	Quarter Ended	
	March 27, 2022	March 28, 2021
Film and TV	\$ 190.2	\$ 166.4
Family Brands	23.2	18.8
Music and Other *	14.1	33.5
Net revenues	<u>\$ 227.5</u>	<u>\$ 218.7</u>

*Music and Other category net revenues for the quarter ended March 27, 2021 includes \$31.8 million related to eOne Music, which was sold at the beginning of the third quarter of 2021.

Entertainment segment net revenues increased 4% to \$227.5 million for the first quarter of 2022, compared to \$218.7 million for the first quarter of 2021. Foreign currency translation did not have a significant impact on Entertainment segment net revenues. The net revenue increase during the first quarter of 2022 was driven by higher deliveries of both unscripted and scripted television programming and to a lesser extent, higher net revenues from the Company's live entertainment business which resumed live touring shows in 2022. Also contributing to the increase during the first quarter of 2022 were higher net revenues from streaming animated content deals related to programming featuring the Company's brands. These increases were partially offset by the sale of the eOne Music business in the third quarter of 2021, which accounted for \$31.8 million of segment net revenues in the first quarter of 2021.

Entertainment segment operating profit was \$12.2 million, or 5.4% of segment net revenues for the first quarter of 2022 compared to operating profit of \$17.0 million, or 7.8% of segment net revenues for the first quarter of 2021. The operating profit decrease during the first quarter of 2022 was driven by higher program cost amortization reflecting the mix of programming delivered during the first quarter of 2022 and the impact of the sale of eOne Music described above. These declines were partially offset by the allocation of \$10.3 million of amortization costs related to the intangible assets acquired in

the eOne acquisition to the Consumer Products segment to match the revenue generated from such assets in the first quarter of 2022.

Corporate and Other Segment

The Corporate and Other segment operating losses were \$7.2 million for the first quarter of 2022 compared to operating losses of \$12.0 million for the first quarter of 2021. The decline in operating losses in 2022 were the result of lower royalty expense and lower administrative expenses.

OPERATING COSTS AND EXPENSES

The Company's costs and expenses, stated as percentages of net revenues, are illustrated below for the quarters ended March 27, 2022 and March 28, 2021.

	Quarter Ended	
	March 27, 2022	March 28, 2021
Cost of sales	28.6 %	26.0 %
Program cost amortization	11.9 %	8.7 %
Royalties	7.7 %	9.8 %
Product development	6.0 %	5.5 %
Advertising	6.7 %	7.9 %
Amortization of intangibles	2.3 %	3.0 %
Selling, distribution and administration	26.4 %	25.9 %

Cost of sales for the first quarter of 2022 was \$333.1 million, or 28.6% of net revenues, compared to \$289.9 million, or 26.0% of net revenues, for the first quarter of 2021. The cost of sales increase in dollars was due to higher sales volumes and higher product costs, including higher freight costs, partially offset by the impact of a favorable \$6.5 million of foreign currency exchange. The cost of sales increase as a percent of net revenues was driven by the impact of higher product costs and freight costs described above.

Program cost amortization increased to \$138.5 million, or 11.9% of net revenues, for the first quarter of 2022 from \$97.5 million, or 8.7% of net revenues, for the first quarter of 2021. Program costs are capitalized as incurred and amortized primarily using the individual-film-forecast method which matches costs to the related recognized revenue. The increase in dollars and as a percent of net revenues during the first quarter of 2022 was driven by the volume and mix of both scripted and unscripted programming revenues during the first quarter of 2022 compared to the first quarter of 2021.

Royalty expense for the first quarter of 2022 decreased to \$90.1 million, or 7.7% of net revenues, compared to \$108.9 million, or 9.8% of net revenues, for the first quarter of 2021. Fluctuations in royalty expense are generally related to the volume of content releases and deliveries and entertainment-driven products sold. The decrease in royalty expense in dollars was driven by the impact of the sale of eOne Music and the mix of first quarter 2022 Film and TV deliveries. In addition, certain licensing agreements acquired through the eOne acquisition expired, which carried higher royalty expenses in prior periods. The decrease in royalty expense as a percent of net revenues during the first quarter of 2022 was the result of a higher percentage of product sales that do not carry significant royalty expenses.

Product development expense for the first quarter of 2022 was \$69.6 million, or 6.0% of net revenues, compared to \$61.8 million, or 5.5% of net revenues, for the first quarter of 2021. The increase was primarily related to increased investments in the development of Wizards of the Coast tabletop and digital gaming initiatives.

Advertising expense for the first quarter of 2022 was \$77.6 million, or 6.7% of net revenues, compared to \$87.9 million, or 7.9% of net revenues, for the first quarter of 2021. Advertising spend is generally impacted by revenue mix and the number and type of entertainment releases delivered. The advertising expense decrease during the first quarter of 2022 was driven by lower expense within the Entertainment segment, as well as lower 2022 expense within the Wizards of the Coast and Digital Gaming segment, compared to the first quarter 2021, where advertising expense was driven by support for the launch of the mobile version of *Magic: The Gathering Arena* and *Dungeons & Dragons: Dark Alliance*, with no comparable releases in 2022.

Amortization of intangible assets decreased to \$27.1 million, or 2.3% of net revenues, for the first quarter of 2022, compared to \$32.9 million, or 3.0% of net revenues, for the first quarter of 2021. The decrease in 2022 is related to the discontinuation of amortization related to the eOne Music intangible assets following the sale of eOne Music in the third quarter of 2021.

For the first quarter of 2022, the Company's selling, distribution and administration expenses increased to \$307.1 million, or 26.4% of net revenues, from \$288.6 million, or 25.9% of net revenues, for the first quarter of 2021. The increase in selling, distribution and administration expenses reflects higher marketing and sales and administrative costs, including higher compensation expense, as well as higher distribution and warehousing costs, primarily due to ongoing global supply chain disruptions. These increases were partially offset by lower administrative costs as a result of the sale of eOne Music during 2021.

NON-OPERATING EXPENSE (INCOME)

Interest expense for the first quarter of 2022 totaled \$41.6 million compared to \$47.9 million in the first quarter of 2021. The decrease in interest expense during the first quarter of 2022 primarily reflects long-term debt repayments made throughout 2021 and during the first quarter of 2022, related to borrowings utilized for the eOne acquisition.

Interest income was \$2.1 million for the first quarter of 2022 compared to \$1.2 million in the first quarter of 2021, respectively. Higher average interest rates in 2022 compared to 2021 contributed to the increase.

Other expense (income), net was \$0.3 million for the first quarter of 2022 compared to other (income), net of \$(28.9) million in the first quarter of 2021. The decline was primarily driven by a first quarter 2021 gain of \$25.6 million realized from a legal settlement with no comparable gain in 2022 and lower earnings from the Company's joint venture with Discovery, partially offset by lower foreign currency losses during the first quarter of 2022.

INCOME TAXES

Income tax expense totaled \$17.3 million on pre-tax income of \$80.2 million in the first quarter of 2022 compared to income tax expense of \$12.0 million on pre-tax income of \$129.5 million in the first quarter of 2021. 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 2022, favorable discrete tax adjustments were a net benefit of \$2.3 million, compared to a net benefit of \$8.9 million in the first quarter of 2021. The favorable discrete tax adjustments for the first quarter of 2022 primarily relate to the release of certain valuation allowances during the quarter. The favorable discrete tax adjustments for the first quarter of 2021 primarily relate to expiration of statutes of limitation for uncertain tax positions. In the first quarter of 2021, pre-tax income benefited from a legal settlement gain with no associated tax expense, due to the availability of net operating losses ("NOLs") and release of the related valuation allowance on the NOLs utilized by the settlement gain. Absent this discrete gain and tax items, the tax rates for the first quarter of 2022 and 2021 were 24.4% and 20.1%, respectively. The increase in the adjusted base rate of 24.4% for the first quarter of 2022 is primarily due to the mix of jurisdictions where the Company earned its profits.

The Tax Cuts and Jobs Act of 2017 ("Tax Act") provided for significant changes to the U.S. tax system including the mandatory capitalization of Research and Experimentation costs starting in the 2022 tax year. The Company is still assessing the impact, however the legislation is not expected to have a material effect on the Company's financial statements.

OTHER INFORMATION

Business Seasonality and Shipments

The Company's revenue pattern continues to show the second half of the year to be more significant to its overall business for the full year. The Company expects that this concentration will continue. 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 business of the Company is characterized by customer order patterns which vary from year to year largely because of differences in the degree of consumer acceptance of a product line, product availability, marketing strategies, inventory levels, policies of retailers and differences in overall economic conditions. Larger retailers generally maintain lower inventories throughout the year and purchase a greater percentage of product within or close to the fourth quarter holiday consumer buying season, which includes Christmas.

Quick response inventory management practices being used by retailers as well as growth in ecommerce result in orders increasingly placed for immediate delivery and fewer orders placed well in advance of shipment. Retailers are timing their orders so that they are filled by suppliers closer to the time of purchase by consumers. To the extent that retailers do not sell as much of their year-end inventory purchases during the current holiday selling season as they had anticipated, their demand for additional product earlier in the following fiscal year may be curtailed, thus negatively impacting the Company's future revenues. However, more recently the Company's inventory levels reflect ongoing global supply chain disruptions, which began in late 2020 as economies slowly recovered from COVID-19 shutdowns, while consumer demand began to outpace the capacity of the global supply chain infrastructure. Supply chain constraints, including overcrowding of cargo ports and shipping container and truck transportation shortages, have also led to higher costs for ocean, air and over the road freight and delays in

the availability of products, as inventory remains in transit for extended periods of time. These and other disruptions are expected to continue throughout 2022. During the first quarter of 2022, the Company accelerated certain inventory purchases, to ensure sufficient finished goods and raw material availability ahead of expected periods of high consumer demand. As a result, the Company expects 2022 inventory shipments to peak between May and July as opposed to the historical timeline of August to December.

Unlike the Company's retail sales patterns, revenue patterns from the Company's entertainment businesses fluctuate based on the timing and popularity of television, film, streaming and digital content releases. Release dates are determined by factors including the timing of holiday periods, geographical release dates and competition in the market.

Accounting Pronouncement Updates

As of March 27, 2022, there were no recently adopted accounting standards that had a material effect on the Company's financial statements. The Company's significant accounting policies are summarized in note 1 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 26, 2021.

Recently Issued Accounting Pronouncements

In March of 2020, the FASB issued Accounting Standards Update No. 2020-04 (ASU 2020-04) Reference Rate Reform (Topic 848): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this update provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions, for a limited period of time, to ease the potential burden of recognizing the effects of reference rate reform on financial reporting. The amendments in this update apply to contracts, hedging relationships and other transactions that reference the London Inter-Bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued due to the global transition away from LIBOR and certain other interbank offered rates. An entity may elect to apply the amendments provided by this update beginning March 12, 2020 through December 31, 2022. The change from LIBOR to an alternate rate has not had a material impact on the Company's consolidated financial statements.

Russian Sanctions

As a result of the recent military conflict in Ukraine, which has led to sanctions and other penalties being levied by the United States, European Union and other countries against Russia, the Company has paused all shipments and new content distribution into Russia. Although our business has not been materially impacted by the ongoing military conflict, the extent to which our operations, or those of our suppliers and manufacturers will be impacted remains unknown. Any longstanding disruptions may magnify the impact of other risks described in this Quarterly Report on Form 10-Q and in the Company's Annual Report on Form 10-K for the year ended December 26, 2021.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically generated a significant amount of cash from operations. In the first three months of 2022 and 2021, the Company primarily funded its operations and liquidity needs through cash on hand and from cash flows from operations, and when needed, used borrowings under its available lines of credit. In addition, the Company's Entertainment operating segment used production financing to fund certain of its television and film productions which are typically arranged on an individual production basis using either the Company's revolving film and television production credit facility or through special purpose production subsidiaries. For more information on the Company's production financing facilities, including expected future repayments, see note 7 to the consolidated financial statements included in Part I of this Form 10-Q.

The Company expects to continue to fund its working capital needs primarily through available cash, cash flows from operations and from production financing facilities and, if needed, by issuing commercial paper or borrowing under its revolving credit agreement. In the event that the Company is not able to issue commercial paper, the Company intends to utilize its available lines of credit. The Company believes that the funds available to it, including cash expected to be generated from operations, funds available through its commercial paper program or its available lines of credit and production financing, are adequate to meet its working capital needs for the remainder of 2022, including the repayment of the current portion of long-term debt of \$155.8 million, as shown on the consolidated balance sheets, which represents the current portion of required quarterly principal amortization payments for our term loan facilities and other short-term production financing facilities, each as described below. The Company may also issue debt or equity securities from time to time, to provide additional sources of liquidity when pursuing opportunities to enhance our long-term competitive position, while maintaining a strong balance sheet. However, unexpected events or circumstances such as material operating losses or increased capital or other expenditures, or the 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 the Company believes the risk of nonperformance by the counterparties to its 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 27, 2022, the Company's cash and cash equivalents totaled \$1,057.9 million, of which \$38.8 million is restricted under the Company's production financing facilities.

Prior to 2017, deferred income taxes had not been provided on the majority of undistributed earnings of international subsidiaries as such earnings were indefinitely reinvested by the Company. Accordingly, such international cash balances were not available to fund cash requirements in the United States unless the Company was to change its reinvestment policy. The Company has maintained sufficient sources of cash in the United States to fund cash requirements without the need to repatriate any funds. 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 27, 2022, the Company had a total liability of \$156.1 million related to this tax, \$18.4 million is reflected in current liabilities while the remaining long-term payable related to the Tax Act of \$137.7 million is presented within other liabilities, non-current on the consolidated balance sheets included in Part I of this Form 10-Q. As permitted by the Tax Act, the Company will pay the transition tax in annual interest-free installments through 2025. As a result, in the future, the related earnings in foreign jurisdictions will be made available with greater investment flexibility. The majority of the Company's cash and cash equivalents held outside of the United States as of March 27, 2022 are 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. 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 (in millions of dollars) pertaining to our consolidated balance sheets including the period-over-period changes.

	March 27, 2022	March 28, 2021	% Change
Cash and cash equivalents (including restricted cash of \$38.8 and \$72.1)	\$ 1,057.9	\$ 1,430.4	-26 %
Accounts receivable, net	931.7	810.4	15 %
Inventories	644.3	429.2	50 %
Prepaid expenses and other current assets	621.4	566.0	10 %
Other assets	1,284.9	1,266.0	1 %
Accounts payable and accrued liabilities	1,783.1	1,595.7	12 %
Other liabilities	633.6	777.7	-19 %

Accounts receivable increased 15% to \$931.7 million at March 27, 2022, compared to \$810.4 million at March 28, 2021. Absent the unfavorable foreign currency exchange impact of \$21.7 million, accounts receivable increased 18% or \$143.0 million. The increase in accounts receivable was driven by higher sales during the first quarter of 2022. Days sales outstanding increased from 66 days at March 28, 2021 to 73 days at March 27, 2022 primarily due to Entertainment receivables, which have longer collection periods.

Inventories increased to \$644.3 million as of March 27, 2022, compared to \$429.2 million at March 28, 2021. Absent the unfavorable foreign currency exchange impact of \$19.8 million, inventories increased 55% or \$234.9 million. The increase in 2022 inventory balances reflects increased lead-times and higher freight-in costs, most notably in the U.S. and Europe, attributable to the Company's Consumer Products and Wizards of the Coast tabletop gaming businesses. In addition, to mitigate the impact of certain global supply chain challenges, the Company accelerated inventory purchases in the first quarter.

Prepaid expenses and other current assets increased 10% to \$621.4 million at March 27, 2022 from \$566.0 million at March 28, 2021. The increase was driven by higher accrued tax credit balances related to film and television production costs due to increased productions and timing of tax credit claims as well as higher accrued royalty and licensing balances, primarily attributable to the Company's Entertainment business. These increases were partially offset by lower prepaid royalty balances in relation to the Company's MARVEL, POWER RANGERS and DISNEY PRINCESS royalty agreements and from lower prepaid tax balances during the second quarter 2022.

Other assets increased to \$1,284.9 million at March 27, 2022 from \$1,266.0 million at March 28, 2021. The increase was driven by higher capitalized film and television content and production balances due to increased investments in productions and acquired content, higher long-term accrued income balances related to certain of the Company's content distribution arrangements and higher non-current receivable balances within the Entertainment segment. These increases were partially offset by a lower balance for the Company's investment in Discovery Family Channel, due to an impairment charge recorded in the fourth quarter of 2021 and distributions made in the first quarter of 2022, and from certain content and production assets sold in connection with the sale of eOne Music during the third quarter of 2021.

Accounts payable and accrued liabilities increased 12% to \$1,783.1 million at March 27, 2022 from \$1,595.7 million at March 28, 2021 driven by higher account payable balances, higher accrued freight balances due to increased costs as a result of supply chain disruptions, higher accrued royalty balances due to higher sales of partner brand products as well as growth in the Entertainment segment, higher accrued expenses for investments in content and productions, higher incentive compensation accruals, and higher accrued tax balances. These increases were partially offset by lower deferred revenue balances due to the timing of certain scripted television content deliveries, lower accounts payable and accrued liabilities balances associated with the sale of eOne Music and lower severance accruals from payments made in relation to restructuring actions taken in 2020.

Other liabilities decreased 19% to \$633.6 million at March 27, 2022 from \$777.7 million at March 28, 2021. The decrease was driven by lower long-term lease liability balances, lower long-term deferred tax liability balances due to the sale of eOne Music during the third quarter of 2021, a lower Discovery option agreement balance due to a revaluation of the Discovery Family Channel investment during the fourth quarter of 2021, a lower transition tax liability balance reflecting the reclassification of the 2021 installment payment due April 2022, and lower tax reserves.

Cash Flow

The following table summarizes the changes in the Consolidated Statement of Cash Flows, expressed in millions of dollars, for the quarters ended March 27, 2022 and March 28, 2021.

	<u>March 27, 2022</u>	<u>March 28, 2021</u>
Net cash provided by (utilized for):		
Operating activities	\$ 134.7	\$ 377.6
Investing activities	(23.9)	(25.5)
Financing activities	(77.5)	(370.8)

Net cash provided by operating activities in the first quarter of 2022 was \$134.7 million compared to \$377.6 million in the first quarter of 2021. The \$242.9 million decrease in net cash provided by operating activities was primarily attributable to lower earnings in 2022 and higher working capital requirements, including higher inventory costs, higher incentive bonus payments and higher freight costs due to ongoing supply chain constraints.

Net cash utilized for investing activities was \$23.9 million in the first quarter of 2022 compared to \$25.5 million in the first quarter of 2021. Additions to property, plant and equipment were \$29.2 million in the first quarter of 2022 compared to \$23.9 million in the first quarter of 2021.

Net cash utilized for financing activities was \$77.5 million in the first quarter of 2022 compared to \$370.8 million in the first quarter of 2021. Financing activities in the first quarter of 2022 include payments totaling \$57.5 million related to the \$1.0 billion in term loans described below, consisting of \$50.0 million principal and a quarterly principal amortization payment of \$7.5 million toward the Five-Year Tranche loan, in addition to drawdowns of \$112.2 million and repayments of \$84.0 million,

related to production financing loans. Financing activities in the first quarter of 2021 included the early repayment of \$300.0 million aggregate principal amount of 3.15% Notes due May 2021, as well as drawdowns of \$72.4 million and repayments of \$37.4 million related to production financing loans. In addition, during the first quarter of 2021, the Company made a quarterly principal amortization payment of \$7.5 million toward the Five-Year Tranche loan described below.

Dividends paid in the first quarter of 2022 totaled \$94.5 million, consistent with dividends paid in the first quarter of 2021 of \$93.4 million.

Sources and Uses of Cash

The Company commits to inventory production, advertising and marketing expenditures in support of its consumer products business, prior to the peak fourth quarter retail selling season. Accounts receivable typically increase during the third and fourth quarter as customers increase their purchases to meet consumer demand expected in the holiday selling season. Due to the concentrated timeframe of this selling period, payments for these accounts receivable are generally not due until the fourth quarter or early in the first quarter of the subsequent year. This timing difference between expenditures and cash collections on accounts receivable sometimes makes it necessary for the Company to borrow amounts during the latter part of the year. In the Company's entertainment business, expenditures of cash for productions are often made well in advance of sale and delivery of the content produced. Trading card and digital gaming revenues have shorter collection periods, but product development expense often occurs years prior to release and revenue generation. During the first quarter of 2022 and 2021, the Company primarily used cash from operations and, to a lesser extent, borrowings under available lines of credit, in particular production financing vehicles, to fund its working capital.

The Company has an agreement with a group of banks which provides 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. The Company may issue notes from time to time up to an aggregate principal amount outstanding at any given time of \$1.0 billion. 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 27, 2022, the Company had no outstanding borrowings related to the Program.

The Company has a second amended and restated revolving credit agreement with Bank of America, N.A., as administrative agent, swing line lender and a letter of credit issuer and lender and certain other financial institutions, as lenders thereto (the "Amended Revolving Credit Agreement"), which provides the Company with commitments having a maximum aggregate principal amount of \$1.5 billion. The Amended Revolving Credit Agreement also provides for a potential additional incremental commitment increase of up to \$500.0 million subject to agreement of the lenders. The Amended Revolving Credit 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 Amended Revolving Credit Agreement extends through September 20, 2024. The Company was in compliance with all covenants as of March 27, 2022. The Company had no borrowings outstanding under its committed revolving credit facility as of March 27, 2022. However, letters of credit outstanding under this facility as of March 27, 2022 were approximately \$3.1 million. Amounts available and unused under the committed line, at March 27, 2022 were approximately \$1.5 billion, inclusive of borrowings under the Company's commercial paper program. The Company also has other uncommitted lines from various banks, of which approximately \$10.9 million was utilized at March 27, 2022. Of the amount utilized under, or supported by, the uncommitted lines, approximately \$10.2 million and \$0.7 million represent letters of credit and outstanding short-term borrowings, respectively.

In September of 2019, the Company entered into a \$1.0 billion Term Loan Agreement (the "Term Loan Agreement") with Bank of America N.A. ("Bank of America"), as administrative agent, and certain financial institutions as lenders, pursuant to which such lenders committed to provide, contingent upon the completion of the eOne acquisition and certain other customary conditions to funding, (1) a three-year senior unsecured term loan facility in an aggregate principal amount of \$400.0 million (the "Three-Year Tranche") and (2) a five-year senior unsecured term loan facility in an aggregate principal amount of \$600.0 million (the "Five-Year Tranche" and together with the Three-Year Tranche, the "Term Loan Facilities"). On December 30, 2019, the Company completed the acquisition of eOne and on that date, borrowed the full amount of \$1.0 billion under the Term Loan Facilities. As of March 27, 2022, the Company has fully repaid the Three-Year Tranche \$400.0 million principal term loan, and of the Five-Year Tranche \$600.0 million principal balance, the Company has repaid a total of \$260.0 million in the following increments: \$22.5 million in 2020; \$180.0 million in 2021; and, \$57.5 million in the first quarter of 2022

consisting of \$50.0 million principle and a quarterly principal amortization payment of \$7.5 million. The Company is subject to certain financial covenants contained in this agreement and as of March 27, 2022, the Company was in compliance with these covenants. The terms of the Term Loan Facilities are described in note 7 to the consolidated financial statements included in Part I of this Form 10-Q.

During November 2019, in conjunction with the Company's acquisition of eOne, the Company issued an aggregate of \$2.4 billion of senior unsecured debt securities (collectively, the "Notes") consisting of the following tranches: \$300 million of notes due 2022 (the "2022 Notes") that bear interest at a fixed rate of 2.60%; \$500 million of notes due 2024 (the "2024 Notes") that bear interest at a fixed rate of 3.00%; \$675 million of notes due 2026 (the "2026 Notes") that bear interest at a fixed rate of 3.55%; and \$900 million of notes due 2029 (the "2029 Notes") that bear interest at a fixed rate of 3.90%. During the third quarter of 2021 the Company repaid in full, its 2022 Notes in the aggregate principal amount of \$300.0 million, including early redemption premiums and accrued interest of \$10.8 million. The terms of the Notes are described in note 7 to the consolidated financial statements in Part I of this Form 10-Q.

The Company uses production financing facilities to fund its film and television productions which are typically arranged on an individual production basis by either special purpose production subsidiaries, each secured by the assets and future revenues of such production subsidiaries, which are non-recourse to the Company's assets, or through a senior revolving credit facility dedicated to production financing obtained in November 2021. The Company's senior revolving film and television production credit facility (the "RPCF") with MUFG Union Bank, N.A., as administrative agent and lender and certain other financial institutions, as lenders thereto (the "Revolving Production Financing Agreement") provides the Company with commitments having a maximum aggregate principal amount of \$250.0 million. The Revolving Production Financing Agreement also provides the Company with the option to request a commitment increase up to an aggregate additional amount of \$150.0 million subject to agreement of the lenders. The Revolving Production Financing Agreement extends through November 22, 2024. The Company uses the RPCF to fund certain of the Company's original film and TV production costs. Borrowings under the RPCF are non-recourse to the Company's assets. Going forward, the Company expects to utilize the revolving production financing facility for the majority of its production financing needs. During the first quarter of 2022, the Company had total drawdowns of \$112.2 million and repayments of \$84.0 million towards these production financing facilities. As of March 27, 2022 the Company had outstanding production financing borrowings related to these facilities of \$199.1 million, \$95.8 million of which are recorded within the current portion of long-term debt and \$103.3 million are recorded within short-term borrowings in the Company's consolidated balance sheets, included in Part I of this Form 10-Q.

The Company has principal amounts of long-term debt as of March 27, 2022 of \$3.9 billion, due at varying times from 2024 through 2044. Of the total principal amount of long-term debt, \$155.8 million is current at March 27, 2022 of which \$60.0 million is related to principal amortization of the 5-year term loans due December 2024 and \$95.8 million represents the Company's outstanding production financing facilities described above. During the first quarter of 2021, the Company repaid in full, its 3.15% Notes in the aggregate principal amount of \$300.0 million due in May 2021, including accrued interest. All of the Company's other long-term borrowings have contractual maturities that occur subsequent to the third quarter of 2024, with the exception of certain of the Company's production financing facilities discussed above.

The Company also had letters of credit and other similar instruments of approximately \$13.4 million and purchase commitments of approximately \$405.3 million outstanding at March 27, 2022.

Other contractual obligations and commercial commitments, as detailed in the Company's 2021 Form 10-K, did not materially change outside of certain payments made in the normal course of business and as otherwise set forth in this report.

The Company has a long history of returning cash to its shareholders through quarterly dividends and share repurchases. In February 2022, Hasbro maintained its quarterly dividend rate of \$0.68 per share with its first dividend payment of 2022. In addition, in February 2022, the Company's Board of Directors announced a 3% increase to the Company's quarterly dividend rate from \$0.68 per share to \$0.70 per share, for the dividend scheduled to be paid in May 2022. The Company also returns cash to shareholders through its share repurchase program. As part of this initiative, since 2005, the Company's Board of Directors (the "Board") adopted numerous share repurchase authorizations with a cumulative authorized repurchase amount of \$4.3 billion. The most recent authorization was approved in May 2018 for \$500 million. Since 2005, Hasbro has repurchased 108.6 million shares at a total cost of \$4.0 billion and an average price of \$36.44 per share. At March 27, 2022, the Company had \$366.6 million remaining under these share repurchase authorizations. Following the Company's acquisition of eOne, the Company temporarily suspended its share repurchase program to prioritize deleveraging. There were no repurchases of the Company's common stock in the first quarter of 2022. A share repurchase program continues to be an important long-term component of Hasbro's capital allocation strategy. In April 2022, given the Company's progress towards reducing debt, the Company announced plans to resume its share repurchase activity during the second quarter of 2022, with a target of repurchasing \$75.0 million to \$150.0 million of Hasbro common stock in the open market in 2022. The Company has no obligation to repurchase shares under the authorization, and the timing, actual number, and value of the shares that are repurchased, if any, 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 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 film and television production costs, recoverability of goodwill and intangible assets, income taxes and business combinations. Additionally, the Company identified the valuation of the Company's equity method investment in Discovery Family Channel as a significant accounting estimate. These critical accounting policies are the same as those detailed in the Company's 2021 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 and selling those products in more than twenty currencies. Results of operations may be affected primarily by changes in the value of the U.S. dollar, Euro, British pound sterling, Canadian dollar, 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 using foreign exchange forward contracts. 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 on-going 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.

The Company reflects derivatives 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 27, 2022, these contracts had net unrealized gains of \$5.3 million, of which \$9.9 million of unrealized gains are recorded in prepaid expenses and other current assets, \$4.4 million of unrealized losses are recorded in accrued liabilities and \$0.2 million of unrealized losses are recorded in other long-term liabilities. Included in accumulated other comprehensive loss at March 27, 2022 are deferred gains, net of tax, of \$8.7 million, related to these derivatives.

At March 27, 2022, the Company had principal amounts long-term debt of \$3.7 billion. In May 2014, the Company issued an aggregate \$600.0 million of long-term debt which consisted of \$300.0 million of 3.15% Notes, subsequently repaid in 2021, and \$300.0 million of 5.10% Notes due 2044. Prior to the May 2014 debt issuance, the Company entered into forward-starting interest rate swap agreements with a total notional value of \$500.0 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 issuance, the Company terminated these 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 27, 2022 are deferred losses, net of tax, of \$15.4 million related to these derivatives.

The impact of inflation on the Company's business operations has been significant during the first quarter of 2022 compared to prior years. However, due to mitigating actions taken by the Company, such as price increases during 2021 where deemed necessary, the impact of general price inflation on our financial position and results of operations has been reduced. The Company continues to monitor the impact of inflation to its business operations on an ongoing basis and plans to implement additional price increases in 2022 and may need to adjust its prices further to mitigate the impact of changes to the rate of inflation in future periods. However, future volatility of general price inflation and the impact of inflation on costs and availability of materials, costs for shipping and warehousing and other operational overhead could adversely affect the Company's financial results.

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.Evaluation of disclosure 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 27, 2022. 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.

Changes in internal control over financial reporting

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 27, 2022 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.

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

Item 1A. Risk Factors.

In connection with information set forth in this Quarterly Report on Form 10-Q, the risk factors discussed under Item 1A. Risk Factors, in Part I of our 2021 Form 10-K and in our subsequent filings, including in this filing, should be considered. The risks set forth in our 2021 Form 10-K and in our subsequent filings, including in this filing, could materially and adversely affect our business, financial condition, and results of operations. There are no material changes from the risk factors as previously disclosed in our 2021 10-K, in any of our subsequently filed reports or as otherwise set forth in this Quarterly Report.

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

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 there is no expiration date for this repurchase authorization. The timing, actual number, and value of 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.

Following the Company's acquisition of eOne, the Company temporarily suspended its share repurchase program to prioritize deleveraging. There were no repurchases of the Company's common stock in the first quarter of 2022. A share repurchase program continues to be an important long-term component of Hasbro's capital allocation strategy. In April 2022, given the Company's progress toward reducing debt, the Company announced plans to resume its share repurchase activity during the second quarter of 2022, with a target of repurchasing \$75 to \$150 million of Hasbro common stock in the open market in 2022.

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. \(Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 13, 2014, file No. 1-6682.\)](#)
 - 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. \(Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 13, 2017, file No. 1-6682.\)](#)
 - 4.8 [Sixth Supplemental Indenture dated as of November 19, 2019, among the Company and The Bank of New York Mellon Trust Company, N.A. and U.S. Bank, National Association, supplementing the Indenture dated as of March 15, 2000. \(Incorporated by reference to Exhibit 1.2 to the Company's Current Report on Form 8-K filed November 19, 2019, File No. 1-6682.\)](#)
 - 10.1** [Employment Agreement with Chris Cocks, dated January 5, 2022. \(Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 7, 2022, File No. 1-6682.\)](#)
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- 10.2** [Letter Agreement with Eric Nyman, dated January 5, 2022. \(Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on January 7, 2022, File No. 1-6682.\)](#)
- 10.3** [Form of 2022 Stock Option Agreement under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.](#)
- 10.4** [Form of 2022 Restricted Stock Unit Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.](#)
- 10.5** [Form of 2022 Contingent Stock Performance Award under the Hasbro, Inc. Restated 2003 Stock Incentive Performance Plan.](#)
- 10.6** [Form of 2022 Hasbro, Inc. Performance Rewards Program.](#)
- 31.1* [Certification of the Interim 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 Interim 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 - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document.
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 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*

** *Indicates management contract or compensatory plan, contract or arrangement*

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: April 27, 2022

By: /s/ Deborah Thomas

Deborah Thomas

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

EMPLOYMENT AGREEMENT

This Employment Agreement (the “Agreement”), made effective as of January 5th, 2022 (the “Effective Date”), is entered into by and between Hasbro, Inc., a Rhode Island corporation with a principal place of business at 1011 Newport Avenue, Pawtucket, Rhode Island 02861 (together with its subsidiaries, the “Company” or “Hasbro”), and Christian (Chris) Page Cocks (the “Executive”).

WHEREAS, the Executive currently serves as President and Chief Operating Officer of Wizards of the Coast and Digital Gaming;

WHEREAS, Wizards of the Coast is a subsidiary of the Company;

WHEREAS, the Company desires to promote the Executive to Chief Executive Officer of the Company, such promotion to take effect on February 25th, 2022, pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, the Executive desires to serve as Chief Executive Officer of the Company, beginning February 25th, 2022, pursuant to the terms and conditions hereof.

NOW, THEREFORE, in consideration of the promotion and continued employment of the Executive, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive agree as follows:

1. Transition Period. From January 5th, 2022 through and including February 24th, 2022 (the “Transition Period”), the Executive will continue to serve as President and Chief Operating Officer of Wizards of the Coast and Digital Gaming. During this period, the Executive will also work closely with the Company’s Board of Directors (the “Board”), the Company’s Interim Chief Executive Officer (Richard Stoddart), and the other members of management to prepare to transition into the role of Chief Executive Officer of the Company. The terms and conditions of the Executive’s employment, including his benefits and compensation and any severance to which he would be entitled, during the Transition Period will remain the same as they were immediately prior to this Agreement, with the exception that the Executive will be expected to spend the majority of his time following January 5th, 2022 at the Company’s corporate offices in Pawtucket, Rhode Island preparing to assume the role of Chief Executive Officer.

2. Term of Employment as Chief Executive Officer. The Company agrees to employ the Executive as Chief Executive Officer, and the Executive hereby accepts employment with the Company as Chief Executive Officer, upon the terms set forth in this Agreement, for the period commencing on February 25th, 2022 (the “Commencement Date”) and ending on December 31st, 2024, or such later date following a Change in Control as is set forth in the following sentence (the “End Date”), unless earlier terminated or extended pursuant to the provisions of Section 5 (such period, the “Employment Period”). Notwithstanding the foregoing, upon a Change in Control during the Employment Period, the End Date shall immediately and

automatically extend to the date that is the second anniversary of the date of the consummation of the Change in Control, and the Employment Period shall be extended accordingly. Following the Commencement Date, Executive will transition his prior responsibilities as President and Chief Operating Officer of Wizards of the Coast and Digital Gaming to another executive.

3. Title; Capacity.

1.1 During the Employment Period, the Executive shall serve as the Company's Chief Executive Officer. The Executive shall be based at the corporate headquarters of the Company in Pawtucket, Rhode Island, provided that the Executive will be required to undertake reasonable travel to other Company offices in connection with his duties, with any related business air travel to be in the highest class available on the applicable aircraft, subject to reimbursement in accordance with Section 4.5.

1.2 The Executive shall report directly to, and be subject to the supervision of the Board, and shall have such authority as is delegated to the Executive by the Board. Effective as of the Commencement Date, the Executive will be appointed to serve as a member of the Board. During the Employment Period, the Company will continue to nominate the Executive to be elected as a member of the Board. The Executive hereby accepts employment as Chief Executive Officer and agrees to undertake the duties and responsibilities inherent in such position and such other duties and responsibilities as the Board shall from time to time reasonably assign to the Executive. The Executive agrees to devote his entire business time, attention and energies to the business and interests of the Company during the Employment Period; provided that nothing herein shall preclude Executive, in each case to the extent that such activities do not materially interfere with the performance of the Executive's duties under this Agreement and are not otherwise in conflict with the reasonable business interests of Hasbro, from (x) managing Executive's personal and family investments and affairs, (y) engaging in charitable activities and community affairs, and (z) subject to the prior approval of the Board (which approval shall not be unreasonably withheld) and compliance with any applicable Company policies for outside Board memberships, such as the Company's overboarding policy, accepting appointment to or continuing to serve on any board of directors or trustees of any business, corporation, or charitable organization. The Executive agrees to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein which may be adopted from time to time by the Company to the extent provided to the Executive or the Executive is otherwise made aware of them.

4. Compensation and Benefits.

1.1 Base Salary. Beginning on the Commencement Date, the Company shall pay the Executive, in periodic installments in accordance with the Company's customary payroll practices, a base salary at the annualized rate of \$1,500,000 (the "Base Salary"). The Executive's base salary shall be reviewed periodically in accordance with the Company's compensation guidelines for senior executives, and may be upwardly adjusted to the extent, if any, deemed appropriate by Hasbro's Compensation Committee of the Board (the "Compensation Committee") and the full Board; provided, however, that the Executive's Base

Salary may be reduced proportionally if in connection with a generally applicable reduction in the compensation of all of the Company's senior executives.

1.2 Management Incentive Plan Bonus. Beginning with the Company's 2022 fiscal year, the Executive shall be eligible to receive an annual management incentive plan bonus based on a target of one hundred and fifty percent (150%) ("Target Bonus") of the Executive's earned Base Salary for the incentive year (the "Annual Bonus"), subject to the performance criteria set forth below. For each fiscal year thereafter that this Agreement is in effect, the Executive's target bonus shall be reviewed periodically in accordance with the Company's compensation philosophy, market conditions and other factors deemed relevant by the Compensation Committee, and upwardly adjusted to the extent, if any, deemed appropriate by the Compensation Committee and the Board; provided, however, that the Executive's Target Bonus may be reduced proportionally if in connection with a generally applicable reduction in the target bonuses of all of the Company's senior executives. The corporate performance criteria and targets to be used for purposes of the annual management incentive plan (the "Annual Performance Plan") bonus shall be determined and established by the Compensation Committee and the Board and shall be substantially the same as similarly situated senior executives of the Company, recognizing the Executive will also have individual performance objectives determined and established by the Compensation Committee and the Board which may be unique to the Executive. Actual bonus awards shall be determined in the discretion of the Compensation Committee pursuant to the terms of the Company's Annual Performance Plan that is applicable to the Executive.

1.3 Long-Term Incentive. The Executive shall participate in the Company's long-term incentive program and shall, beginning in the Company's 2022 fiscal year (with such grant anticipated to be made in February of 2022), have a target annual long-term incentive award level equal to five-hundred percent (500%) of his Base Salary, with awards to be made in the form and amounts determined by the Compensation Committee, which may include stock options, restricted stock units and/or performance share awards, and/or other types of awards. The forms and amounts of such awards may be substantially in the same proportion as awards made to other senior executives of the Company, or the mix of awards may be unique to the Executive as Chief Executive Officer, in the discretion of the Compensation Committee and the Board. For each fiscal year after 2022 that this Agreement remains in effect, the Executive's target long-term incentive award levels shall be reviewed periodically in accordance with the Company's compensation philosophy, market conditions and other factors deemed relevant by the Compensation Committee, and upwardly adjusted to the extent, if any, deemed appropriate by the Compensation Committee and the Board; provided, however, that the Executive's target long-term incentive award level may be reduced proportionally if in connection with a generally applicable reduction in the target long-term incentive award levels of all of Hasbro's senior executives.

1.4 Benefits. The Executive shall be entitled to participate in all benefit programs that the Company establishes and makes available to its senior executives to the extent that the Executive's position, tenure, salary and other qualifications make the Executive eligible to participate therein, including but not limited to the Company's group life insurance, short and long term disability insurance, vacation, medical, dental, defined contribution and deferred compensation programs for salaried executives, as in effect from time-to-time. The Executive shall be entitled to indemnification for liabilities arising from or incurred in connection with his

performance of services for the Company that is no less favorable than the indemnification provided to any other senior executive of the Company.

1.5 Reimbursement of Expenses. The Company shall reimburse the Executive for all reasonable travel, entertainment and other expenses incurred or paid by the Executive in connection with, or related to, the performance of his duties and responsibilities under this Agreement, in accordance with the policies and procedures, and subject to the limitations, adopted by the Company from time to time. The Company shall reimburse the Executive for up to \$125,000 in aggregate per year for each of calendar years 2022 and 2023 for personal travel expenses incurred by the Executive or members of his family for travel between Washington State and New England. The Company shall reimburse the Executive for up to \$40,000 USD in the aggregate for documented legal fees expended or incurred by the Executive through the Effective Date in connection with negotiating the terms of this Agreement, payable within 60 days of the Executive's submission of reasonably satisfactory documentation of such fees. In addition to the above reimbursement for fees associated with the negotiation of this Agreement, the Executive shall be entitled, upon presentation of documentation reasonably satisfactory to the Company, to reimbursement of up to \$25,000 per fiscal year in accounting, tax or other legal fees actually incurred by him in connection with his employment by the Company.

1.6 Clawback Policy. The Executive understands and agrees that all incentive compensation to which he is or becomes entitled shall be subject to the terms of any clawback policy that may be adopted by the Board from time to time for application to the senior executives of the Company (the "Clawback Policy"). For the avoidance of doubt, the Executive shall be covered by the Clawback Policy only if and to the extent other senior executives are also covered by such policy.

1.7 Withholding. All compensation payable to the Executive shall be subject to applicable taxes and withholding.

5. Termination of Employment Period. This Agreement and the employment of the Executive shall terminate upon the occurrence of any of the following:

1.1 Expiration of the Employment Period;

1.2 At the election of the Company for Cause (as defined below), immediately upon written notice by the Company to the Executive, which notice shall identify the Cause upon which the termination is based;

1.3 At the election of the Executive for Good Reason (as defined below), pursuant to the provisions set forth below;

1.4 Upon the death or Disability (as defined below) of the Executive;

1.5 At the election of the Company without Cause, upon not less than fifteen (15) days' prior written notice of termination (the "Notice Period"), provided, however, that the Company may, in its sole discretion, in lieu of all or part of the Notice Period, pay the Executive an amount equal to the portion of the Base Salary that would otherwise have been payable to the Executive had the Executive remained employed for the duration of the Notice Period (in which case the Executive's termination will become effective on the date set forth in the Company's

written notice of termination (the “Early Termination Date”), and the Executive will be paid an amount equal to the portion of the Base Salary the Executive would have received had the Executive remained employed by the Company between the Early Termination Date and the end of the Notice Period (the “Early Termination Payment”), with the Early Termination Payment to be made no later than the 30th day following the end of the Notice Period); or

1.6 At the election of the Executive without Good Reason, upon not less than fifteen (15) days’ prior written notice of termination by the Executive.

6. Effect of Termination.

1.1 Any Termination. For any termination of employment, the Executive shall be paid (a) any amount of the Base Salary for service already rendered to the Company, to the extent not already paid, (b) accrued but unused vacation and other paid time off not taken as of the Date of Termination, (c) any accrued amounts under any other plans or programs as of the Date of Termination, and (d) the applicable annual bonus for the most recently completed fiscal year in the Employment Period, to the extent not already paid (regardless of whether such annual bonus has been determined as of the Date of Termination), which bonus will be determined by the Compensation Committee and the Board in accordance with the terms of the bonus plan. In addition, the Executive shall receive any applicable payments or benefits set forth in the following sections of this Agreement

1.2 Termination by the Company Without Cause or by the Executive for Good Reason Within 24 Months Following a Change in Control. If, within twenty-four (24) months following a Change in Control (as defined below), either the Executive’s employment is terminated by the Company without Cause (other than due to his Disability or death) or the Executive resigns for Good Reason, then, following the Executive’s date of termination (the “Date of Termination”) and subject to the conditions of Section 7 and in accordance with the timing and payment terms set forth in Section 7:

(a) the Company shall, on the Payment Commencement Date (as defined below), pay to the Executive an amount equal to two (2) times the Executive’s then current Base Salary as severance;

(b) the Company shall, on the Payment Commencement Date, pay to the Executive an amount equal to two times the Executive’s Target Bonus;

(c) if the Executive is eligible for and timely elects to continue receiving group medical and/or dental insurance under the continuation coverage rules known as COBRA, the Company will continue to pay the share of the premium for such coverage that it pays for active and similarly-situated employees who receive the same type of coverage (single, family, or other) until the earlier of (x) the end of the 24th month after the Date of Termination, (y) the date the covered individual’s COBRA continuation coverage expires, unless, as a result of a change in legal requirements, the Company’s provision of payments for COBRA will violate the nondiscrimination requirements of applicable law, in which case this benefit will be adjusted to provide for cash payments that would put the Executive in the same position as if he received the benefits contemplated hereunder and (z) the date the Executive commences new employment and is eligible for medical and dental benefits through his new employer; and

(d) there shall be acceleration of vesting of, and lapse of restrictions on, all unexpired, unvested stock options and time-based restricted stock units, such that said stock options and restricted stock units shall become fully vested as of the Date of Termination, except as otherwise provided in the terms of such Awards (as defined below). In addition, to the extent the Executive is the holder of any contingent performance share awards (or other performance-based equity awards), he shall be entitled to the number of shares of common stock, if any, that would have been earned had the Executive's employment not ended based on assumed achievement of the applicable targets at 100% of the target level during the full relevant Performance Period (as defined under the Award). For a termination governed under this Section 6.2 there shall not be any pro-ration to reflect that the full Performance Period was not completed prior to the Date of Termination. All such options, restricted stock units and performance share awards (or other performance-based equity awards) are collectively referred to as "Awards". Any shares, or cash in lieu thereof (as determined by the Administrator under the Equity Plan (as defined below)), to be distributed pursuant to an Award in accordance with this Section 6.2(d) shall be provided to the Executive in a manner set forth under the terms of the 2003 Stock Incentive Performance Plan as such terms exist on the Effective Date, or any successor plan governing future equity awards (together the "Equity Plan"), provided such terms are as favorable to the Executive as the terms currently set forth in the Equity Plan as such terms exist on the Effective Date. The Executive may not exercise or dispose of any portion of an Award or related shares of common stock or cash in lieu thereof that vest or become exercisable under this Section 6.2(d) until such time as the Executive Release (as defined below) becomes irrevocable (and any amounts that were unvested or unexercisable as of the Date of Termination shall immediately expire upon the 45th day following the Date of Termination if the Executive Release has not then become irrevocable). All shares, or cash in lieu thereof, to be distributed pursuant to any of the foregoing awards shall be provided to the Executive within fifteen (15) days after the date the Executive Release executed by the Executive has become irrevocable or such later date as provided above and in accordance with the Equity Plan, except as may be required under Section 7 hereof. To the extent not already provided under the Equity Plan or an award agreement relating thereto, the stock options shall remain exercisable in accordance with the relevant agreements and plans; provided that the stock options shall remain exercisable for a period of one year from the Date of Termination, but not longer than the expiration of the original maximum term of any such stock option.

1.3 Termination by the Company Without Cause or by the Executive for Good Reason Prior to, or More than 24 Months Following, a Change in Control. If, prior to a Change in Control or more than twenty-four (24) months following a Change in Control, either the Executive's employment is terminated by the Company without Cause (other than for Disability or death) or the Executive resigns for Good Reason, then, following the Date of Termination and subject to the conditions of Section 7 and in accordance with the payment terms set forth in Section 7:

(a) the Company shall, for a period of twenty-four (24) months beginning on the Payment Commencement Date, (i) continue to pay to the Executive, in accordance with the Company's customary payroll practices, his then current Base Salary as severance and (ii) pay the Executive an amount equal to two (2) times his Target Bonus, payable in equal installments over the twenty-four (24) months on the same payroll dates as the payroll dates for the payments being made pursuant to clause (i) above;

(b) the Executive will receive an amount equal to the annual management incentive plan bonus that would have been otherwise payable to the Executive for the fiscal year in which the Date of Termination occurs based on the actual performance of the Company for such year, and assuming the Executive's employment had not terminated prior to the payment date for such bonus, multiplied by a fraction, the numerator of which is the number of days elapsed in the fiscal year of termination of employment through the Date of Termination, and the denominator of which is 365 (the "Pro-Rata Bonus"), to be paid at the same time as such bonuses are paid to senior executives of the Company (but in no event earlier than the Payment Commencement Date);

(c) if the Executive is eligible for and timely elects to continue receiving group medical and/or dental insurance under the continuation coverage rules known as COBRA, the Company will continue to pay the share of the premium for such coverage that it pays for active and similarly-situated employees who receive the same type of coverage (single, family, or other) until the earlier of (x) the end of the 24th month after the Date of Termination, (y) the date the covered individual's COBRA continuation coverage expires, unless, as a result of a change in legal requirements, the Company's provision of payments for COBRA will violate the nondiscrimination requirements of applicable law, in which case this benefit will be adjusted to provide for cash payments that would put the Executive in the same position as if he received the benefits contemplated hereunder and (z) the date the Executive commences new employment and is eligible for medical and dental benefits through his new employer; and

(d) There shall be acceleration of vesting of, and lapse of restrictions on, all unexpired, unvested stock options and time-based restricted stock units, such that said stock options and time-based restricted stock units become fully vested as of the Date of Termination, except as otherwise provided in the terms of such Awards. In addition, to the extent the Executive is the holder of any contingent performance share awards (or other performance-based equity awards), he shall be entitled, following completion of the applicable Performance Period, to the number of shares of common stock, if any, that would have been earned had the Executive's employment not ended based on the actual achievement of the applicable performance targets during the full relevant Performance Period (as defined under such award), computed at the end of the Performance Period, and pro-rated by multiplying that number of shares by a fraction, the numerator of which is the number of days from the start of the Performance Period to the Date of Termination, and the denominator of which is the total number of days in the applicable Performance Period (the "Pro-Rated PSA Vesting"). Any shares earned under such awards shall be provided to the Executive after the end of the applicable Performance Period for that Award in accordance with the terms of the applicable Award, but in no event earlier than thirty (30) days after the evaluation of the applicable Performance Period is completed (the "Pro-Rated PSA Vesting Schedule"). The Executive may not exercise or dispose of any portion of an Award or related shares of common stock that vests or become exercisable under this Section 6.3(d) until such time as the Executive Release becomes irrevocable (and any amounts that were unvested or unexercisable as of the Date of Termination shall immediately expire upon the 45th day following the Date of Termination if the Executive Release has not then become irrevocable). All shares to be distributed pursuant to any of the foregoing awards shall be provided to the Executive within fifteen (15) days after the date the Executive Release executed by the Executive has become irrevocable or such later date as provided above and in accordance with the Equity Plan, except as may be required under Section 8 hereof. The stock options held by the Executive as of the Date of Termination shall remain

exercisable for a period of up to one year following the Date of Termination, but in any event not longer than the expiration date of the original maximum term of the applicable stock option.

1.4 Termination by the Company for Cause, by the Executive Without Good Reason, or Due to Expiration of the Employment Period. If the Company terminates the Executive's employment for Cause, the Executive resigns without Good Reason, or the Employment Period expires on the End Date, then the Company's obligations under this Agreement shall immediately cease and the Executive shall be entitled to only the portion of the Base Salary that has accrued and to which the Executive is entitled as of the Date of Termination. The Executive shall not be entitled to any other compensation or consideration that the Executive may have received had the Employment Period not ended, and all stock options, restricted stock units and contingent performance share awards granted to the Executive shall be treated as provided in the relevant agreements and plans. Notwithstanding the foregoing, in the event of termination due to expiration of the Employment Period, if (i) the Company does not offer in writing to extend the Employment Period, on terms and conditions at least as favorable as those set forth in this Agreement (taking into account any increases to Base Salary or Target Bonus in effect as of immediately prior to the expiration of the Employment Period), for an additional period of at least one year following the End Date, and (ii) the parties cannot otherwise mutually agree upon the terms of an agreement pursuant to which the Executive would remain employed with the Company following the End Date, then, following the Date of Termination and subject to the conditions of Section 7 and in accordance with the payment terms set forth in Section 7, (a) for a period of eighteen (18) months beginning on the Payment Commencement Date, the Company shall (A) continue to pay to the Executive, in accordance with the Company's customary payroll practices, his then current Base Salary as severance, (B) pay an amount equal to one and a half (1.5) times the Executive's Target Bonus in equal installments on each of the Company's customary payroll dates during such eighteen (18) month-period and (C) if the Executive is eligible for and timely elects to continue receiving group medical and/or dental insurance under the continuation coverage rules known as COBRA, continue to pay the share of the premium for such coverage that it pays for active and similarly-situated employees who receive the same type of coverage (single, family, or other) unless, as a result of a change in legal requirements, the Company's provision of payments for COBRA will violate the nondiscrimination requirements of applicable law, in which case this benefit will be adjusted to provide for cash payments that would put the Executive in the same position as if he received the benefits contemplated hereunder, (b) the Company shall pay Executive a Pro-Rata Bonus for the year in which the Date of Termination occurs, (c) to the extent the Executive is the holder of any contingent performance share awards (or other performance-based equity awards), he shall be entitled to Pro-Rata PSA Vesting in accordance with the Pro-Rated PSA Vesting Schedule, and (d) all other outstanding equity awards held by the Executive shall be treated in accordance with their terms.

1.5 Termination due to the Executive's Death or Disability. If the Executive's employment is terminated due to his death or Disability, the Executive will receive the Pro-Rata Bonus as well as accelerated vesting of all unexpired, unvested time-based restricted stock units and stock options, such that said time-based restricted stock units and stock options shall become fully vested as of the Date of Termination, except as otherwise provided in the terms of such Awards, and provided that the stock options shall remain exercisable for a period of up to one year following the Date of Termination, but not longer than the expiration date of the original maximum term of any of the stock options. In addition, to the extent the Executive is the holder of any contingent performance share awards (or other performance-based equity awards), if (a)

termination of employment is due to Disability, the Executive shall be entitled to Pro-Rated PSA Vesting pursuant to the Pro-Rated PSA Vesting Schedule based on actual Company performance over the period, with any shares to be distributed to the Executive at the end of the applicable Performance Period in accordance with the terms of the applicable award, but in no event earlier than thirty (30) days after the evaluation of the applicable Performance Period is completed, or (b) termination is due to the Executive's death, the Executive's estate or beneficiaries shall be issued the number of shares of common stock that is computed by multiplying: (i) the number of shares of common stock which would have been issuable to the Executive pursuant to the applicable award assuming completion of the applicable Performance Period and the Company's achievement of the applicable targets at 100% of the target level during the full relevant Performance Period (as defined under such award), multiplied by (ii) a fraction, the numerator of which is the number of days from the start of the applicable Performance Period to the Date of Termination and the denominator of which is the total number of days in the applicable Performance Period, with such pro-rated target award to be payable as soon as is reasonably practicable (but no more than sixty (60) days) following the Executive's death.

1.6 No Other Severance. The Executive shall not be entitled to any benefits beyond those provided for in this Section 6 by virtue of termination of his employment or this Agreement, including pursuant to any generally applicable Company plan, policy, or agreement.

1.7 Other Effects of Termination. Upon termination of the Executive's employment for any reason, the Executive shall resign effective as of such date from any position he may then hold as a Board member or officer of Hasbro or any subsidiary or affiliate of Hasbro.

7. Release. The obligation of the Company to make the payments and provide the benefits to the Executive under Section 6.2, 6.3, or 6.4 (for Section 6.4 only in connection with the Company's failure to extend the Employment Period) is conditioned upon the Executive signing and delivering to the Company a severance and release of claims agreement in a form to be provided by the Company (which will include, at a minimum, a release of all releasable claims and confidentiality, non-disparagement and cooperation obligations by the Executive in favor of the Company, but in no event shall such release provide any restrictive covenants that are more restrictive than those set forth in this Agreement) (the "Executive Release"), which Executive Release must become irrevocable within forty-five (45) days following the Date of Termination. Except as otherwise provided in Section 6.3(b), the Company shall commence or make, as applicable, the payments under Section 6.2, 6.3, or 6.4 on the first payroll period (but not more than sixty (60) days) following the date the Executive Release becomes irrevocable (such date, the "Payment Commencement Date"); provided, however, that if the 60th day following the Date of Termination falls in the calendar year following the year of the Executive's termination of employment, the Payment Commencement Date shall be no earlier than the first payroll period of such later calendar year; and provided further that the payment of any amounts pursuant to Section 6.1, 6.2, 6.3, or 6.4 shall be subject to the terms and conditions set forth in Section 12.11.

8. Section 280G.

1.1 Notwithstanding any other provision of this Agreement, except as set forth in Section 8.2, in the event that the Company undergoes a "Change in Ownership or Control" (as defined below), the Company shall not be obligated to provide to the Executive a portion of any

“Contingent Compensation Payments” (as defined below) that the Executive would otherwise be entitled to receive to the extent necessary to eliminate any “excess parachute payments” (as defined in Section 280G(b)(1) of the U.S. Internal Revenue Code (the “Code”)) for the Executive. For purposes of this Section 8, the Contingent Compensation Payments so eliminated shall be referred to as the “Eliminated Payments” and the aggregate amount (determined in accordance with Treasury Regulation Section 1.280G-1, Q/A-30 or any successor provision) of the Contingent Compensation Payments so eliminated shall be referred to as the “Eliminated Amount.”

1.2 Notwithstanding the provisions of Section 8.1, no such reduction in Contingent Compensation Payments shall be made if (i) the Eliminated Amount (computed without regard to this sentence) exceeds (ii) 110% of the aggregate present value (determined in accordance with Treasury Regulation Section 1.280G-1, Q/A-31 and Q/A-32 or any successor provisions) of the amount of any additional taxes that would be incurred by the Executive if the Eliminated Payments (determined without regard to this sentence) were paid to him or her (including, state and federal income taxes on the Eliminated Payments, the excise tax imposed by Section 4999 of the Code payable with respect to all of the Contingent Compensation Payments in excess of the Executive’s “base amount” (as defined in Section 280G(b)(3) of the Code), and any withholding taxes). The override of such reduction in Contingent Compensation Payments pursuant to this Section 8.2 shall be referred to as a “Section 8.2 Override.” For purpose of this paragraph, if any federal or state income taxes would be attributable to the receipt of any Eliminated Payment, the amount of such taxes shall be computed by multiplying the amount of the Eliminated Payment by the maximum combined federal and state income tax rate provided by law.

1.3 For purposes of this Section 8 the following terms shall have the following respective meanings:

(i) “Change in Ownership or Control” shall mean a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company determined in accordance with Section 280G(b)(2) of the Code.

(ii) “Contingent Compensation Payment” shall mean any payment (or benefit) in the nature of compensation that is made or made available (under this Agreement or otherwise) to a “disqualified individual” (as defined in Section 280G(c) of the Code) and that is contingent (within the meaning of Section 280G(b)(2)(A)(i) of the Code) on a Change in Ownership or Control of the Company.

1.4 Any payments or other benefits otherwise due to the Executive following a Change in Ownership or Control that could reasonably be characterized (as determined by the Company) as Contingent Compensation Payments (the “Potential Payments”) shall not be made until the dates provided for in this Section 8.4. Within thirty (30) days after each date on which the Executive first becomes entitled to receive (whether or not then due) a Contingent Compensation Payment relating to such Change in Ownership or Control, the Company shall determine and notify the Executive (with reasonable detail regarding the basis for its determinations) (a) which Potential Payments constitute Contingent Compensation Payments, (b) the Eliminated Amount and (c) whether the Section 8.2 Override is applicable. Within thirty (30) days after delivery of such notice to the Executive, the Executive shall deliver a response to the Company (the “Executive Response”) stating either (A) that he agrees with the Company’s

determination pursuant to the preceding sentence, or (B) that he disagrees with such determination, in which case he shall set forth (i) which Potential Payments should be characterized as Contingent Compensation Payments, (ii) the Eliminated Amount, and (iii) whether the Section 8.2 Override is applicable. In the event that the Executive fails to deliver an Executive Response on or before the required date, the Company's initial determination shall be final. If and to the extent that any Contingent Compensation Payments are required to be treated as Eliminated Payments pursuant to this Section 8, then the payments shall be reduced or eliminated, as determined by the Company, in the following order: (I) any cash payments, (II) any taxable benefits, (III) any nontaxable benefits, and (IV) any vesting of equity awards, in each case in reverse order beginning with payments or benefits that are to be paid the farthest in time from the date that triggers the applicability of the excise tax, to the extent necessary to maximize the Eliminated Payments. If the Executive states in the Executive Response that he agrees with the Company's determination, the Company shall make the Potential Payments to the Executive within three (3) business days following delivery to the Company of the Executive Response (except for any Potential Payments which are not due to be made until after such date, which Potential Payments shall be made on the date on which they are due). If the Executive states in the Executive Response that he disagrees with the Company's determination, then, for a period of sixty (60) days following delivery of the Executive Response, the Executive and the Company shall use good faith efforts to resolve such dispute. If such dispute is not resolved within such sixty (60)-day period, such dispute shall be settled exclusively by arbitration in the State of Rhode Island, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. The Company shall, within three (3) business days following delivery to the Company of the Executive Response, make to the Executive those Potential Payments as to which there is no dispute between the Company and the Executive regarding whether they should be made (except for any such Potential Payments which are not due to be made until after such date, which Potential Payments shall be made on the date on which they are due). The balance of the Potential Payments shall be made within three (3) business days following the resolution of such dispute; provided that such payments shall be made no later than the end of the calendar year in which the Executive and the Company enter into a legally binding settlement of the applicable dispute, the Company concedes that the amount is payable, or the Company is required to make such payment pursuant to a final and nonappealable judgement or other binding decision. Subject to the limitations contained in Sections 8.1 and 8.2 hereof, the amount of any payments to be made to the Executive following the resolution of such dispute shall be increased by amount of the accrued interest thereon computed at the prime rate announced from time to time by The Wall Street Journal, compounded monthly from the date that such payments originally were due.

1.5 The provisions of this Section 8 are intended to apply to any and all payments or benefits available to the Executive under this Agreement or any other agreement or plan of the Company under which the Executive receives Contingent Compensation Payments.

9. Non-Competition and Non-Solicitation.

1.1 During the Restricted Period (as defined below), the Executive shall not, in the geographical area in which the Company or any of its affiliates does business or has done business at the time of his employment termination, engage in any business or enterprise that would be competitive with any business of the Company (inclusive of all of its subsidiaries, divisions and affiliates, including, without limitation, Wizards of the Coast) in existence as of the

Date of Termination (a “Competitive Business”). This obligation shall preclude any involvement in a Competitive Business, whether on a direct or indirect basis, and whether as an owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the passive holder of not more than 1% of the outstanding stock of a publicly-held company.

1.2 During the Restricted Period, the Executive shall not, directly or indirectly, either alone or in association with others, (a) solicit, recruit, induce, attempt to induce or permit any organization directly or indirectly controlled by the Executive to solicit, recruit, induce or attempt to induce any employee of the Company or any of its affiliates to leave the employ of the Company or any of its affiliates, or (b) solicit, recruit, induce, attempt to induce for employment or hire or engage as an independent contractor, or permit any organization directly or indirectly controlled by the Executive to solicit, recruit, induce, attempt to induce for employment or hire or engage as an independent contractor, any person who is employed by the Company or any of its affiliates or who was employed by the Company or any of its affiliates at any time during the term of the Executive’s employment with the Company, provided that this clause (b) shall not apply to any individual whose employment with the Company or any of its affiliates has been terminated for a period of six (6) months or longer. For purposes of this Agreement, “affiliates” means entities controlling, controlled by, or under common control with, the Company, and “control” means the ability to exercise more than 50% of the voting interests or otherwise control management.

1.3 During the Restricted Period, the Executive shall not, directly or indirectly, either alone or in association with others, solicit, divert or take away, or attempt to solicit, divert or take away, or permit any organization directly or indirectly controlled by the Executive to solicit, divert or take away, or attempt to solicit, divert or take away, the business or patronage of any of the clients, customers or accounts, or prospective clients, customers or accounts of the Company or any of its affiliates, which were contacted, solicited or served by the Company or any of its affiliates at any time during the Executive’s employment with the Company.

1.4 The Restricted Period shall mean the one-year period after the Executive’s employment with the Company (including any of its affiliates) ends for any reason; provided, however, that if the Executive is eligible (or would have been eligible had he timely entered into the Executive Release) to receive severance pay pursuant to Section 6.2(a) or Section 6.3(a), the Restricted Period shall run for twenty-four (24) months following the Executive’s termination of employment.

1.5 The geographic scope of this Section 9 shall extend to anywhere the Company or any of its affiliates is doing business at the time of termination or expiration of this Agreement. If any restriction set forth in this Section 9 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.

1.6 The Executive acknowledges that the restrictions contained in this Section 9 are necessary for the protection of the business and goodwill of the Company and are considered by the Executive to be reasonable for such purpose. The Executive agrees that any breach of this Section 9 will cause the Company substantial and irrevocable damage, and

therefore, in the event of any such breach, in addition to such other remedies which may be available, the Company shall have the right to obtain and receive specific performance and injunctive relief without posting a bond or other security.

1.7 If it is determined by a court of law that the Executive violated any of the provisions of Section 9.1, 9.2, or 9.3, he shall continue to be bound by the restrictions set forth therein until a period equal to the Restricted Period has expired without any violation of such provisions. The Executive further agrees that in the event he violates any of the provisions of Section 9.1, 9.2, or 9.3 (and such violation is not cured (if capable of being cured) within thirty (30) days after the Executive receives written notice from the Company setting forth in reasonable detail the manner in which the Company believes the Executive has violated any such provision), then the Company shall have no obligation to pay or provide any of the benefits described in Section 6.1, 6.2, 6.3, 6.4 or 6.5 as applicable (and, to the extent the Company previously paid or provided any such benefits, the Executive shall be required to immediately repay to the Company the value of any such pay and benefits). In addition, in the event of any material violation that is not cured as provided in the preceding sentence, the Executive agrees to forfeit and pay to Hasbro the total Net Proceeds obtained with respect to any unvested stock options, restricted stock units, performance share awards, contingent stock performance awards or other equity accelerated or provided pursuant to Section 6.2, 6.3 or 6.5, as applicable. For purposes of this Agreement, "Net Proceeds" shall be computed for each stock option grant accelerated pursuant to Section 6.2, 6.3 or 6.5, as applicable, by multiplying the number of accelerated options times the difference between the closing price of Hasbro's common stock on the last day of the Executive's employment and the exercise price for the grant being accelerated. "Net Proceeds" for each share of restricted stock unit accelerated pursuant to Section 6.2, 6.3 or 6.5, as applicable, shall be computed by multiplying the number of shares or units accelerated by the closing price of Hasbro's common stock on the last day of the Executive's employment. "Net Proceeds" for each share of stock or performance share award provided pursuant to an unvested contingent stock performance or performance share award shall be computed by multiplying the number of shares or units provided pursuant to the Award by the closing price of Hasbro's common stock on the day such shares are provided to the Executive. Net Proceeds will be computed without regard to any subsequent increase or decrease, if any, in the market price or actual proceeds from any sale of Hasbro's common stock. The foregoing amounts will be owed regardless of whether or not the accelerated options have been actually exercised or the underlying shares of common stock have been actually sold.

10. Absence of Restrictions. The Executive represents and warrants that he is not bound by any employment contracts, restrictive covenants or other restrictions that are in any way inconsistent with any of the terms of this Agreement.

11. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

1.1 "Cause" shall, prior to, or more than two years following, a Change in Control, be deemed to exist upon (a) the Executive's refusal to perform (i) the Executive's assigned duties for the Company or (ii) the Executive's obligations under this Agreement; (b) conduct of the Executive involving fraud, gross negligence or willful misconduct which causes significant harm to the Company or damages the reputation of the Company; (c) the Executive's conviction of, or the entry of a pleading of guilty or nolo contendere by the Executive to, any crime involving moral turpitude or any felony; (d) the Executive's fraud, embezzlement or other

intentional misappropriation from the Company; (e) the Executive's material breach of a material agreement with the Company or of any material policies, rules or regulations of employment which may be adopted or amended from time to time by the Company and provided to the Executive or of which the Executive is otherwise made aware; (f) unauthorized use or disclosure of the Company's confidential information or trade secrets, which use or disclosure causes significant harm to the Company; (g) failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested such cooperation, or (h) an intentional violation of federal or state securities laws; provided, however, that the Company may not terminate the Executive's employment for Cause unless (x) the Company gives written notice of its intent to terminate the Executive's employment (including the reasons therefor) and (y) with respect to any alleged violation of clause (a), (b), (e), (f) or (g) above, the Executive fails to cure such refusal or material breach (if the breach is subject to cure) within thirty (30) days of the Executive's receipt of such written notice (which, if so cured within such thirty (30)-day period, shall no longer be a grounds for termination of the Executive's employment for "Cause"). The Company's financial performance shall not in and of itself constitute a basis for the Company to terminate the Executive for Cause or (except to the extent that financial performance triggers the Clawback Policy in a manner that affects any post-employment payments or benefits) refuse to provide any severance benefits under this Agreement;

1.2 "Cause" shall, within two (2) years following a Change in Control, be defined as (a) repeated violations by the Executive of the Executive's obligations under this Agreement (other than as a result of Disability) or refusal to perform the Executive's assigned duties, in either case which are demonstrably willful and deliberate on the Executive's part, and which are committed in bad faith or without reasonable belief that such violations are in the best interests of the Company; (b) the conviction of the Executive of, or entry of a pleading of guilty or nolo contendere by the Executive to, a felony involving moral turpitude, (c) the Executive's fraud, embezzlement or other intentional misappropriation from the Company; (d) the Executive's material breach of a material agreement with the Company or of any material policies, rules or regulations of employment which may be adopted or amended from time to time by the Company and provided to the Executive or of which the Executive is otherwise made aware; (e) unauthorized use or disclosure of the Company's confidential information or trade secrets, which use or disclosure causes significant harm to the Company; (f) failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested such cooperation, or (g) an intentional violation of federal or state securities laws; provided, however, that the Company may not terminate the Executive's employment for Cause unless (x) the Company gives written notice of its intent to terminate the Executive's employment (including the reasons therefor) and (y) with respect to any alleged violation of clause (a), (b), (d), (e) or (f) above, the Executive fails to cure such refusal or material breach (if the breach is subject to cure) within thirty (30) days of the Executive's receipt of such written notice (which, if so cured within such thirty (30)-day period, shall no longer be a grounds for termination of the Executive's employment for "Cause").

1.3 "Change in Control" means the occurrence of any one of the following events: (i) sale of all or substantially all (at least 85%) of the consolidated assets of the Company to one or more individuals, entities, or groups (other than an "Excluded Owner", as defined below); (ii) acquisition or attainment of ownership by a person, entity, or group (other than an Excluded Owner) of more than 50% of the undiluted total voting power of the Company's then-outstanding securities eligible to vote to elect members of the Board ("Company Voting

Securities”); (iii) completion of a merger or consolidation of the Company with or into any other entity (other than an Excluded Owner) unless the holders of the Company Voting Securities outstanding immediately before such completion, together with any trustee or other fiduciary holding securities under a Hasbro benefit plan, hold securities that represent immediately after such merger or consolidation more than 50% of the combined voting power of the then outstanding voting securities of either Hasbro or the other surviving entity or its ultimate parent; or (iv) individuals who constitute the Board on the date hereof (“Incumbent Directors”) cease for any reason during a 12 month period to constitute at least a majority of the Board; provided, that any individual who becomes a member of the Board subsequent to the date hereof, whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors, shall be treated as an Incumbent Director unless he assumed office as a result of an actual or threatened election contest with respect to the election or removal of directors. For purposes of this Agreement, an “Excluded Owner” consists of Hasbro, any entity owned, directly or indirectly, at least 50% by Hasbro, any entity that, directly or indirectly, owns at least 50% of Hasbro, any Hasbro benefit plan, and any underwriter temporarily holding securities for an offering of such securities. Notwithstanding the foregoing, where required to avoid extra taxation under Section 409A, a Change in Control must also satisfy the requirements of Treas. Reg. Section 1.409A-3(a)(5).

1.4 “Disability” means the Executive’s inability, due to a physical or mental disability, for a period of one hundred and eighty (180) consecutive days, to perform the services contemplated under this Agreement, with reasonable accommodation. A determination of Disability shall be made by a physician selected by the Company and reasonably satisfactory to the Executive.

1.5 “Good Reason” means, prior to, or more than two years following, a Change in Control, termination by the Executive of his employment, upon thirty (30) days’ written notice, for any of the following reasons: (a) a material reduction in the Base Salary or Annual Bonus opportunity or target annual long-term incentive opportunity (under Section 4.3), without his consent, unless such reduction is due to a generally applicable reduction in the compensation of the Company’s senior executives, (b) the Executive no longer serves as Chief Executive Officer of the Company, (c) the Executive is demoted by being required to report to someone other than the Board, (d) a material breach by the Company of a material provision of this Agreement, or (e) any relocation of the Executive’s principal place of employment from the Company’s corporate headquarters in Pawtucket, Rhode Island by more than fifty (50) miles, where the Executive does not consent to such relocation.

1.6 “Good Reason” shall, within two (2) years following a Change in Control, be defined as set forth in the Hasbro, Inc. Change in Control Severance Plan for Designated Senior Executives, as it exists as of the Effective Date.

1.7 Notwithstanding the provisions of Sections 11.5 and 11.6, the Executive may not terminate his employment for “Good Reason” unless (a) he gives written notice of his intent to terminate his employment under this provision (including the reasons therefor) within thirty (30) days of the event giving rise to the right to terminate, and (b) the Company fails to cure the material reduction or material breach of a material provision, or restore the Executive’s title within thirty (30) days of its receipt of the Executive’s written notice, which, if so cured within such 30-day period, shall no longer be a grounds by the Executive for terminating his employment with “Good Reason.”

12. Miscellaneous.

1.1 Entire Agreement; Modification. This Agreement, the Company's form of Invention Assignment Agreement, which is being re-executed simultaneously herewith, and the forms of equity grant agreements accepted by the Executive, constitute the entire understanding and agreement between the parties hereto with regard to the subject matter hereof and supersedes all prior understandings and agreements, whether written or oral. The Executive is not relying on any representations other than those set forth in this Agreement. This Agreement replaces the benefits to the Executive under the Hasbro, Inc. Change in Control Severance Plan for Designated Senior Executives, and the Executive acknowledges that he no longer participates in such plan as long as this Agreement, or any successor agreement, is in place.

1.2 Notices. Any notice delivered under this Agreement shall be deemed duly delivered three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent for next-business day delivery via a reputable nationwide overnight courier service, to the Company at its principal headquarters and to the Executive at the address most recently shown on the personnel records of the Company. Either party may change the address to which notices are to be delivered by giving notice of such change to the other party in the manner set forth in this Section 12.2.

1.3 Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

1.4 Amendment. This Agreement may be amended or modified only by a written instrument executed by both the Company and the Executive and approved by the Board.

1.5 Governing Law. This Agreement shall be governed by and 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 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 Rhode Island), and the Company and the Executive each consents to the jurisdiction of such a court. The Company and the Executive each hereby irrevocably waives 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.

1.6 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 Hasbro may be merged or which may succeed to its assets or business; provided, however, that the Executive's obligations are personal and shall not be assigned by the Executive. Unless such result is achieved by operation of law, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Hasbro to assume expressly and agree to perform this Agreement in the same manner and to the same extent that Hasbro would be required to perform it if no such succession had taken place. As used in this Agreement, "Hasbro" or "the Company" shall mean Hasbro as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

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

1.8 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.

1.9 Severability. In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

1.10 Executive's Acknowledgments. The Executive acknowledges that he: (i) has read this Agreement; (ii) has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of the Executive's own choice or has voluntarily declined to seek such counsel; (iii) understands the terms and consequences of this Agreement; and (iv) is fully aware of the legal and binding effect of this Agreement.

1.11 Section 409A. The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively, "Code Section 409A") and this Agreement shall be interpreted consistently therewith. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that this clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(a) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect, and (iii) such payments shall be made on or before the last day of the Executive's taxable year following the taxable year in which the expense occurred, provided that any tax gross-ups may be reimbursed by the end of the calendar year following the calendar year in which such taxes are remitted to the taxing authorities. For purposes of Code Section 409A, each payment hereunder shall be treated as a separate payment and the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. In no event may the Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement that is considered nonqualified deferred compensation. Termination of employment as used herein shall mean separation from service within the meaning of Code Section 409A. Notwithstanding anything in this Agreement to the contrary, to the extent required by Code Section 409A, if the Executive is considered a "specified employee" for purposes of Code Section 409A of the Code and if payment of any amounts under this Agreement is required to be delayed for a period of six (6) months after separation from service pursuant to Code Section 409A, payments of such amounts shall be delayed as required by Code Section 409A, and the accumulated amounts shall be paid in a lump sum payment within ten (10) days after the end of the six (6)-month period. If the Executive dies during the postponement period prior to the payment of benefits, the amounts withheld on account of Code Section 409A shall be paid to the personal representative of the Executive's estate within sixty (60) days after the date of the

Executive's death. The Company is not making any representation or warranty to the Executive with respect to the treatment of this Agreement under Code Section 409A and shall have no liability to Executive or any other person with respect to payments or benefits under this Agreement should any payments or benefits under this Agreement be determined to constitute nonqualified deferred compensation subject to Code Section 409A but not satisfying the conditions of such section.

[Remainder of page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

HASBRO, INC.

By: /s/Richard Stoddart
Name: Richard Stoddart
Title: Interim Chief Executive Officer

Date: January 5, 2022

EXECUTIVE:

/s/ Christian P. Cocks

Date: January 5, 2022

Christian (Chris) Page Cocks



January 5, 2022

Eric C. Nyman
[**REDACTED**]
[**REDACTED**]

Dear Eric,

We value you as a key member of our leadership team, and we are pleased to promote you to President and Chief Operating Officer of Hasbro, Inc. (the "Company"). Your contributions are important to the success of our strategic plans. We desire to set forth certain terms of your employment with us pursuant to this letter agreement. Except as set forth below, the terms of your employment will be governed by the Company's plans and policies, as they are in effect and amended from time to time.

1. Role: You will serve as President and Chief Operating Officer of Hasbro, Inc. commencing as of February 25th, 2022 (the "Effective Date"). Until the Effective Date, you will continue to perform your current duties, and you will also work closely with Chris Cocks, Richard Stoddart and the other members of the Company's management team and the Board of Directors (the "Board") to prepare for your transition into the role of President and Chief Operating Officer, the timing of which will coincide with Mr. Cocks transitioning into the role of Chief Executive Officer. Following the Effective Date, you shall report directly to, and be subject to the supervision of, the Company's Chief Executive Officer.

2. Term. The term of your employment as President and Chief Operating Officer of the Company will commence on the Effective Date and will end on December 31st, 2023 (the "Term" or the "Employment Period", and December 31st, 2023 is referred to as the "End Date"), unless earlier terminated or extended.

3. Base Salary. As of the Effective Date, your base salary (the "Base Salary") will be payable at an annualized rate of \$1,100,000, and in periodic installments in accordance with the Company's customary payroll practices. Your base salary shall be reviewed periodically in accordance with the Company's compensation guidelines for senior executives, and may be upwardly adjusted to the extent, if any, deemed appropriate by Hasbro's Compensation Committee of the Board (the "Compensation Committee") and the full Board; provided, however, that your Base Salary may be reduced proportionally if in connection with a generally applicable reduction in the compensation of all of the Company's senior executives.

4. Management Incentive Plan Bonus. Beginning with the Company's 2022 fiscal year, you will be eligible to receive an annual management incentive plan bonus based on a target (the "Target Bonus") of one hundred percent (100%) of your earned Base Salary for the incentive year (the "Annual Bonus"), subject to the performance criteria set forth below. For each fiscal year thereafter that this Agreement is in effect, your Target Bonus shall be reviewed periodically in accordance with the Company's compensation philosophy, market conditions and other factors deemed relevant by the Compensation Committee, and upwardly adjusted to the extent, if any, deemed appropriate by the Compensation Committee and the Board; provided, however, that your Target Bonus may be reduced proportionally if in connection with a generally applicable reduction in the target bonuses of all of the Company's senior executives. The corporate performance criteria and targets to be used for purposes of the annual management incentive plan (the "Annual Performance Plan") bonus shall be determined and established by

the Compensation Committee and the Board. Actual bonus awards shall be determined in the discretion of the Compensation Committee pursuant to the terms of the Company's Annual Performance Plan that is applicable to you. For fiscal 2023, if the Executive's employment with the Company terminates on or after January 1, 2024, the Executive's bonus for 2023, determined by the Compensation Committee and the Board in accordance with the Company's actual performance against the corporate performance targets for fiscal 2023, will be paid to Executive no later than in March 2024, at the same time bonuses for fiscal 2023 are paid to other executives of the Company.

5. Long-Term Incentive. You shall participate in the Company's long-term incentive program and shall, beginning in the Company's 2022 fiscal year (with such grant anticipated to be made in February of 2022), have a target annual long-term incentive award level equal to four-hundred percent (400%) of your Base Salary, with awards to be made in the form and amounts determined by the Compensation Committee, which may include stock options, restricted stock units and/or performance share awards, and/or other types of awards. The forms and amounts of such awards may be substantially in the same proportion as awards made to other senior executives of the Company, or the mix of awards may be unique to you as President and Chief Operating Officer, in the discretion of the Compensation Committee and the Board. For each fiscal year after 2022 that this Agreement remains in effect, your target long-term incentive award levels shall be reviewed periodically in accordance with the Company's compensation philosophy, market conditions and other factors deemed relevant by the Compensation Committee, and upwardly adjusted to the extent, if any, deemed appropriate by the Compensation Committee and the Board; provided, however, that your target long-term incentive award level may be reduced proportionally if in connection with a generally applicable reduction in the target long-term incentive award levels of all of the Company's senior executives.

6. Retention Equity Grant. At the time the Company makes its annual equity grants for 2022 (with such grants anticipated to be made in February of 2022), in addition to your regular equity grants for 2022, you will receive a one-time retention grant as well. This retention grant will take the form of a restricted stock unit grant with a grant date value of \$750,000 (the "Retention Grant"). Except as set forth in the following sentence, the Retention Grant will cliff vest on the last day of the Term (i.e. December 31, 2023) if, and only if, you remain employed with the Company through the last day of the Term. The Retention Grant will fully vest earlier than the End Date upon your death, Disability, termination by the Company without Cause (either with or without a Change in Control) or termination by you for Good Reason (either with or without a Change in Control). The Retention Grant will be forfeited and null and void if your employment with the Company terminates prior to the last day of the Term for any reason not set forth in the immediately preceding sentence.

7. Equity Treatment if Employment Continues for at Least the Full Term. Upon any termination of your employment, your outstanding equity grants will be treated in accordance with their terms, as and to the extent modified by this letter agreement. However, if you remain employed by the Company through at least December 31, 2023, the following treatment will apply to any contingent performance share awards (or other performance-based equity awards) then outstanding and held by you that were granted in either 2022 or 2023 (collectively the "2022/2023 Performance Awards"). If your employment with the Company terminates after December 31, 2023 (the date of such termination referred to as the "Date of Termination") for any reason other than the Company's termination of your employment for Cause, including, without limitation, upon a resignation by you with or without Good Reason, or upon a termination of your employment by the Company without Cause, and you have outstanding

2022/2023 Performance Awards, those awards shall remain outstanding until the end of the applicable performance periods (each a "Performance Period"). You shall be entitled, following completion of the applicable Performance Periods, to the number of shares of common stock, if any, that would have been earned under such 2022/2023 Performance Awards had your employment not ended prior to the end of the Performance Period based on the actual achievement of the applicable performance targets during the full relevant Performance Periods (as defined under such awards), computed at the end of the Performance Period, and pro-rated by multiplying that number of shares by a fraction, the numerator of which is the number of days from the start of the Performance Period to the Date of Termination of your employment, and the denominator of which is the total number of days in the applicable Performance Period (the "Pro-Rated PSA Vesting"). Any shares earned under such awards shall be provided to you after the end of the applicable Performance Period for that award in accordance with the terms of the applicable award, but in no event earlier than thirty (30) days after the evaluation of the applicable Performance Period is completed (the "Pro-Rated PSA Vesting Schedule"). You may not exercise or dispose of any portion of an award or related shares of common stock that vests or become exercisable under this Section 7 until such time as the Executive Release becomes irrevocable (and any amounts that were unvested or unexercisable as of the Date of Termination shall immediately expire upon the 45th day following the Date of Termination if the Executive Release has not then become irrevocable).

The obligation of the Company to provide the benefits to you under this Section 7 is conditioned upon you signing and delivering to the Company a severance and release of claims agreement in a form to be provided by the Company (which will include, at a minimum, a release of all releasable claims and confidentiality, non-disparagement and cooperation obligations by the you in favor of the Company, but in no event shall such release provide any restrictive covenants that are more restrictive than those set forth in this letter agreement or any other agreement you have entered with the Company) (the "Executive Release"), which Executive Release must become irrevocable within sixty (60) days following the Date of Termination.

8. Restrictive Covenants. You acknowledge that you are currently subject to certain non-competition restrictions in favor of the Company (reflected in the Non-Competition, Non-Solicitation and Confidentiality Agreements previously entered by you in connection with your employment and equity grants). You may also become subject to similar such restrictions in the future, including in connection with future equity grants. Collectively these non-competition provisions are referred to as the "Non-Compete Restrictions". Those Non-Compete Restrictions are amended as follows, and any future non-competition restrictions you are asked to execute will reflect the following:

a. If, and only if, either: (i) your employment with the Company terminates after December 31, 2022, or (ii) upon an earlier termination of your employment, but only if such termination earlier than December 31, 2022 is by you for Good Reason, or by the Company without Cause, then in either case the Company agrees to amend, and does hereby amend, the Non-Compete Restrictions to provide that if you are considering employment with another business or enterprise that would be potentially deemed competitive with the Company under the Non-Compete Restrictions, the Company will consider in good faith any request you make of the Company to be released from your Non-Compete Restrictions in connection with potentially accepting such alternative employment. The Company will not unreasonably deny such a request.

b. If your employment with the Company terminates after December 31, 2023, the Company agrees to amend, and does hereby amend, the Non-Compete Restrictions to

provide that they will only prohibit you from employment or other association with Mattel, Lego or MGA Entertainment (or a successor to one of those companies' businesses), and will not apply to your employment or association with any other business or enterprise.

c. Upon a termination of your employment, the Non-Compete Restrictions, as amended above, will apply for a period of one (1) year after your Date of Termination. For the portion of such one-year period that elapses prior to December 31, 2023, the Non-Compete Restrictions as amended by subsection a. above shall apply. For any remainder of such one-year period that occurs on or after January 1, 2024, the Non-Compete Restrictions as amended by subsection b. above shall apply.

d. This Section 8 does not amend any of the confidentiality, non-solicitation or non-interference provisions to which you are bound, and only the Non-Compete Restrictions are amended hereby.

9. Benefit Plans. You will continue to participate in the benefit plans and policies of the Company in which you currently participate, as those plans may be amended by the Company from time to time.

10. Incorporation of Other Provisions. In the interest of time the parties have drafted this letter agreement as a short document, and the parties agree that the following provisions (and only the following listed provisions, and not any other provisions) from the August 1, 2018 Employment Agreement between the Company and its previous President and Chief Operating Officer, which agreement was previously filed with the Securities and Exchange Commission via the EDGAR system, are hereby incorporated into this letter agreement mutatis mutandis, for the benefit of both the Executive and the Company: Section 3.4, Section 3.5, Section 3.6, Section 3.7, all of Section 4 (including Sections 4.1 through and including 4.6) , all of Section 5 (including Sections 5.1 through and including 5.6), Section 6, Section 7 (including 7.1 through and including 7.5), Section 9, Section 10 (including Sections 10.1 through and including 10.7) and Section 11 (including Sections 11.1 through and including Section 11.10). If either of the parties requests, following the Effective Date of this Agreement the parties will work together to amend and restate this letter agreement as a long-form agreement actually incorporating the full text of the foregoing provisions, mutatis mutandis, into the long-form document.

11. Entire Agreement. This letter agreement represents the entire agreement and understanding between you and the Company concerning the subject matter of this letter and the events leading thereto and associated therewith, and supersede and replace any and all prior negotiations, representations, agreements and understandings concerning the subject matter of such agreements.

12. Governing Law. This letter agreement shall be governed by and 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 arising under or relating to any provision of this letter agreement shall be commenced only in a court of the State of Rhode Island (or, if appropriate, a federal court located within Rhode Island), and the Company and you each consents to the jurisdiction of such a court. The Company and you each hereby irrevocably waives 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. Counterparts. This letter agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

IN WITNESS WHEREOF, the parties hereto have executed this letter agreement as of the day and year first written above.

EXECUTIVE

By: /s/ Eric Nyman
Eric Nyman

HASBRO, INC.:

By: /s/ Richard Stoddart
Name: Richard Stoddart
Title: Interim Chief Executive Officer

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
STOCK OPTION AGREEMENT FOR EMPLOYEES
(WITH NON-COMPETE)
_____ , 2022 GRANT

AGREEMENT, made effective as of _____, 2022, by and between HASBRO, INC., a Rhode Island corporation (the "Company") and the designated option grant recipient (the "Optionee").

WHEREAS, Optionee is an employee of the Company or of a direct or indirect subsidiary of the Company and 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 Optionee a non-qualified stock option to purchase the specified number of shares of Common Stock of the Company, par value \$.50 per share (the "Common Stock"), at a price determined by said Committee to be not less than the fair market value of such Common Stock on the date of said grant, subject to and upon the terms and conditions set forth in the Plan and as hereinafter set forth.

NOW, THEREFORE, in consideration of the 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 Optionee having executed and delivered to the Company's designated contact no later than _____, 2022 a Non-Competition, Non-Solicitation and Confidentiality Agreement (the "Non-Compete Agreement") between the Optionee and the Company in the form provided to the Optionee by the Company (or otherwise confirming the terms of the Optionee's existing Non-Compete Agreement), the Company hereby grants to the Optionee effective on _____, 2022, 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 stock option to purchase all or any part of the number of shares of Common Stock (the "Shares"), described in Section 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, if applicable, the terms of the Optionee's Employment Agreement, the provisions set forth in the Employment Agreement shall control, provided that to the extent the provisions of this Agreement or the Optionee's Employment Agreement are inconsistent with the terms of the Plan, then the terms of the Plan shall control. For the avoidance of doubt, if the Optionee has not executed and delivered to the Company's designated contact the Non-Compete Agreement (or otherwise confirmed the terms of the Optionee's existing Non-Compete Agreement) on or before _____, 2022 the Option represented by this Agreement will never take effect and will be null and void.

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, is subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, as it may be amended from time to time by the Board in the future, and (ii) the Optionee is subject to and bound by the terms of the Non-Compete Agreement. Such acknowledgements and agreements are material conditions 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 Section 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.

Notwithstanding anything in this Section 4 to the contrary, if this Option is scheduled to expire due to the expiration of the term on the date described in Section 3 above and the Fair Market Value of a share of Common Stock on the last day of such term exceeds the Exercise Price for a share of Common Stock subject to this Option, then, by accepting this Award, you shall be treated as having instructed the Company to exercise the vested portion of this Option on the last day of such term. As promptly as practicable thereafter, the Company will deliver to the Optionee that number of shares subject to the vested Option less the number of shares with a value that is equal to the aggregate Fair Market Value of (1) the aggregate exercise price of the vested Stock Option and (2) the amount necessary to satisfy any required withholding of Taxes.

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 employment with the Company or of a subsidiary of the Company.
- * "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.

11. Notwithstanding any other terms and conditions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the issuance of this Option or shares of Common Stock the Optionee may become entitled to under this Option in the future, the Company shall not be required to deliver any such securities prior to the completion of any registration or qualification of any such securities under any non-U.S. securities, exchange control or other law, or under the rulings or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any governmental agency, which registration, qualification or approval the

Company shall, in its absolute discretion, deem necessary or advisable. The Optionee understands that the Company is under no obligation to register or qualify any such securities with any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of any such securities. Further, the Optionee agrees that his or her participation in the trade and acceptance of such securities is voluntary and that the Company shall have unilateral authority to amend the Plan and the Agreement without the Optionee's consent to the extent necessary to comply with securities or other laws applicable to issuance of any such securities.

[Remainder of Page Intentionally Left Blank]

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: _____
Optionee

**RESTRICTED STOCK UNIT AGREEMENT
(WITH NON-COMPETE)
_____, 2022 GRANT**

THIS AGREEMENT, entered into effective as of the Grant Date (as defined in Section 1), is made by and between the Participant (as defined in Section 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 Section 1:

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

B. The "Grant Date" is _____, 2022.

C. The "Vesting Period" is the three-year 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 _____, 2022 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 (or otherwise confirming the terms of the Participant's existing Non-Compete Agreement are still effective), 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 (or otherwise confirmed the terms of the Participant's existing Non-Compete Agreement) on or before _____, 2022, the grant of the Stock Units represented by this Agreement will never take effect and will be null and void.

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, is subject to the Company's Clawback Policy, which was adopted

by the Company's Board of Directors in October 2012, as it may be amended from time to time by the Board in the future and (ii) the Participant is subject to and bound by the terms of the Non-Compete Agreement. Such acknowledgements and agreements are material conditions 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 Section 7 or elsewhere in this Agreement.

2. Award. The Participant is hereby granted the number of Stock Units referenced in the Participant's Stock Unit Account.
3. Dividends and Voting Rights. On the date that the Company pays a cash dividend to holders of Common Stock, unless otherwise determined by the Committee in its sole discretion, the Company shall credit each unvested Stock Unit with a dividend equivalent unit ("DEU"). DEUs will be calculated at the same dividend rate paid to other holders of shares of Common Stock and will equal the total number of unvested Stock Units multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such date divided by the Fair Market Value (as defined in the Plan) of a share of Common Stock on such date. DEUs will be credited in whole shares only and any residual amount that cannot be converted to a whole share shall be aggregated with the immediately following dividend and used to calculate the DEUs attributable to such dividend, as described above. DEUs shall be subject to the same terms and conditions as the underlying Stock Units and will vest in accordance with the vesting schedule applicable to the underlying Stock Units. The Participant shall not be entitled to any voting rights with respect to the DEUs, the Stock Units or the Stock Unit Account prior to vesting.
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 Section 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 of Stock Units 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 shall be 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 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 employment with the Company or of a Subsidiary of the Company.

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 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.

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. In the event of any inconsistency between the provisions of this Agreement and, if applicable, the terms of the Participant's Employment Agreement, the provisions set forth in the Employment Agreement shall control, provided that to the extent the provisions of this Agreement or the Participant's Employment Agreement are inconsistent with the terms of the Plan, then the terms of the Plan shall control.

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, any Appendix hereto, 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.

15. Non-U.S. Securities Law. Notwithstanding any other terms and conditions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the issuance of this Award or any Stock Units or shares of Common Stock the Participant may become entitled to under this Award in the future, the Company shall not be required to deliver any such securities prior to the completion of any registration or qualification of any such securities under any non-U.S. securities, exchange control or other law, or under the rulings or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify any such securities with any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of any such securities. Further, the Participant agrees that his or her participation in the trade and acceptance of such securities is voluntary and that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of any such securities.

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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/ Deborah Thomas

Name: Deborah Thomas

Title: Executive Vice President and Chief Financial Officer

Participant

HASBRO, INC.
RESTATED 2003 STOCK INCENTIVE PERFORMANCE PLAN
CONTINGENT STOCK PERFORMANCE AWARD
(THREE PERFORMANCE METRICS WITH NON-COMPETE)
_____, 2022 GRANT

AGREEMENT, made effective as of _____, 2022, 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 _____, 2022 a Non-Competition, Non-Solicitation and Confidentiality Agreement between the Participant and the Company in the form provided to the Participant by the Company (or otherwise confirming the terms of the Participant's existing Non-Compete Agreement), 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 _____, 2022 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 27, 2021 and ending on December 29, 2024 (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 plus after tax interest expense divided by the sum of net debt (calculated by subtracting the Company's total cash and cash equivalents from its total short-term and 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 _____, 2022 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 (or otherwise confirming the terms of the Participant's existing Non-Compete Agreement), the Company hereby grants to the Participant effective on _____, 2022, 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. For the avoidance of doubt, if the Participant has not executed and delivered to the Company's designated contact the Non-Compete Agreement (or otherwise confirming the terms of the Participant's existing Non-Compete Agreement) on or before _____, 2022, the Award represented by this Agreement will never take effect and will be null and void.

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, is subject to the Company's Clawback Policy, which was adopted by the Company's Board of Directors in October 2012, as it may be amended from time to time by the Board in the future, and (ii) the Participant is subject to and bound by the terms of the Non-Compete Agreement. 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"), together with dividends, 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 or payment of dividends 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 deviations from GAAP which are set forth on Exhibit B to this Agreement. Further, EPS and Revenues will be calculated based on actual results translated at exchange rates established at the beginning of the Performance Period.

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 by separate communication 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. On the date that the Company pays a cash dividend to holders of Common Stock, unless otherwise determined by the Committee in its sole discretion, the Company shall credit each Target Share with a dividend equivalent unit (“DEU”). DEUs will be calculated at the same dividend rate paid to other holders of shares of Common Stock and will equal the total number of Target Shares multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such date divided by the Fair Market Value (as defined in the Plan) of a share of Common Stock on such date. DEUs will be credited in whole shares only and any residual amount that cannot be converted to a whole share shall be aggregated with the immediately following dividend and used to calculate the DEUs attributable to such dividend, as described above. DEUs shall be subject to the same terms and conditions as the underlying Target Shares and will vest in accordance with the vesting schedule applicable to the shares subject to this Award. The Participant shall not be entitled to any voting rights with respect to the DEUs prior to vesting.

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 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 \$_____, 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 \$_____, 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 _____%, 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 receive any dividends and will not have any 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 employment with the Company or of a subsidiary of the Company.

* "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 coincident 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-ratio 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.

15. In the event of any inconsistency between the provisions of this Agreement and, if applicable, the terms of the Participant's Employment Agreement, the provisions set forth in the Employment Agreement shall control, provided that to the extent the provisions of this Agreement or the Participant's Employment Agreement are inconsistent with the terms of the Plan, then the terms of the Plan shall control.

16. Notwithstanding any other terms and conditions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the issuance of this Award or any shares of Common Stock and the Participant may become entitled to under the Award in the future, the Company shall not be required to deliver any such securities prior to the completion of any registration or qualification of any such securities under any non-U.S. securities, exchange control or other law, or under the ruling or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify any such securities with any non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of any such securities. Further, the Participant agrees that his or her participation in the trade and acceptance of such securities is voluntary and that the Company shall have unilateral authority to amend the Plan and the Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of any such securities.

[Remainder of Page Intentionally Left Blank]

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/ Christian P. Cocks
Christian P. Cocks
Chief Executive Officer

By: _____
Participant

Exhibit B

Metrics (Revenue, EPS and ROIC) will be computed excluding the impact of the following events or activities which occur during the Performance Period:

- (i) 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 are related to any restructuring activities undertaken by the Company during the Performance Period,
- (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 or dispositions (whether paid for in cash, shares of the Company's stock, other property, or any combination thereof) consummated by the Company during the Performance Period,
- (iii) EPS and ROIC will be computed excluding the impact of any intangible asset amortization or unusual, one-time, non-operating or other unbudgeted costs or expenses associated with the acquisition of eOne, such as integration costs, non-cash stock compensation, and capital expenditures,
- (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 non-cash asset impairment charges in excess of \$25 million in any fiscal year during the Performance Period,
- (v) 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 that are effective after the date of this Agreement,
- (vi) 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 litigations, arbitrations, or regulatory matters, or cash settlements,
- (vii) EPS and ROIC will be computed excluding the impact of unanticipated one-time operational or tax costs associated with changes to the US tax code that impacts cash flow, operating profit and/or tax expenses in excess of \$10 million in any fiscal year during the Performance Period,
- (vii) the metrics will be computed excluding the impact of any customer bankruptcy or significant financial issue that is estimated to have an impact on the Company's net sales of \$100,000,000 or more over the Performance Period, and
- (ix) the metrics will be computed excluding the impact of all such items occurring after the effective date of this Award which were not contemplated in the Company's budget and operating plan used for purposes of determine the performance goals, such as material acquisition and dispositions.

Hasbro, Inc.
Performance Rewards Program
January 1, 2022

Hasbro, Inc.

Performance Rewards Program

1.0 Background

1.1 Performance Rewards Program (“PRP”)

- Establishes standard criteria to determine PRP eligibility and overall company or business objectives.
- Provides guidelines for the establishment of target incentive awards.

The following describes the various plans that are funded pursuant to the PRP.

- Corporate Plan - Funding under the PRP for eligible employees identified pursuant to Section 1.5 is based on performance of Hasbro, Inc. and its subsidiaries (the “Company”).
- Business Area Plans - Funding under the PRP for eligible employees identified pursuant to Section 1.5 will be based on the performance of the applicable business area of the Company. For purposes of this document, each of the following is referred to as “Business Area:” the Consumer Products reporting segment, the Entertainment reporting segment and the Wizards of the Coast and Digital Gaming reporting segment (“Wizards”), and the following other business units: Commercial, Digital Licensing, Family Brands, Film & TV, Licensed Consumer Products, PULSE, Round Room Live, and Secret Location.
- Performance objectives and goals are established to measure performance achievement and may be based on one or more of the following: Net Revenues; Operating Profit Margin and Free Cash Flow for Company performance; and Net Revenues and Operating Profit Margin for Business Area performance.

1.2 Purpose

The Company has established this PRP for the purpose of providing annual 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 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 the Company.

1.5 Eligibility

Management shall determine, in its sole discretion, those employees whose duties and responsibilities contribute significantly to the growth and success of the Company’s

business and are eligible to participate in the PRP. Eligibility to participate in the PRP does not guarantee the receipt of an incentive award under the PRP. Unless otherwise required by law or determined by management, if an employee is eligible to participate in the PRP and/or any other annual incentive (or similar) plan implemented from time to time by the Company, such employee may only participate in one plan at the same time, as determined by the Company in its sole discretion.

Eligible employees will be assigned to the Corporate Plan or a Business Area Plan for an employee's applicable Business Area, in each case at the Company's sole discretion. Eligible employees selected to participate in either the Corporate Plan or one of the Business Area Plans are referred to herein as "participants."

2.0 Incentive Award Levels

2.1 Target Incentive Award

Except as otherwise determined by the Company, 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 fiscal year, which base compensation shall include all base compensation amounts deferred into the Company's retirement savings plan (but excluding any matching or Company contributions made to such plan on the participant's behalf), 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 fiscal year. By design, the target incentive awards are the award levels that PRP participants are eligible to earn when they, the Company or their applicable Business Area achieve their financial goals and objectives. Target incentive awards may be determined by job level, previously determined percentage of base salary, or a previously determined fixed percentage or amount. Target incentive awards may also vary by region or Business Area.

2.2 Maximum Incentive Award

Under the PRP, the maximum incentive award for participants 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

- PRP funding for the Corporate Plan is based 100% on Company performance.
- PRP funding for each of the Business Area Plans is based 80% on the applicable Business Area performance and 20% on Company performance.

3.1 Establishing Company or Business Area Performance Metrics and Targets

In the first quarter of the PRP year, the Company's senior management will establish performance metrics and the level of target performance for the year associated with each of the performance metrics for the Corporate Plan and the various Business Area Plans. Those performance metrics and target levels are reviewed and approved by the Company's Chief Executive Officer ("CEO") and, with respect to the Corporate Plan, by the Company's Board of Directors ("Board") or the Compensation Committee of the Board (the "Compensation Committee").

3.2 Company Performance Metrics

Company performance is measured by Net Revenue, Operating Profit Margin and Free Cash Flow. Company performance is determined by individually assessing performance against goals for each metric, applying the performance scale, weighting each metric and summing the total.

The weightings and definitions of the Company metrics are:

Metric	Definition	Weighting
Net Revenue	Third Party Gross Sales (after returns) less Sales Allowances plus Third Party Royalty Income, Digital Gaming Revenue, Film & TV Programming and Production & Distribution Revenue	40%
Operating Profit Margin	Operating Profit divided by Net Revenues	40%
Free Cash Flow	Net cash provided by operating activities less Capital Expenditures	20%

3.3 Business Area Performance Metrics

Each Business Area will assess performance based on Net Revenue and Operating Profit Margin specific to the respective Business Area. Business Area performance is determined by individually assessing performance against goals for each metric, applying the performance scale, weighting each metric and summing the total.

The weightings and definitions for the metrics for each Business Area Plan are:

Metric	Definition	Weighting
Business Area Net Revenue	As applicable for the respective Business Area: Third Party Gross Sales (after returns) less Sales Allowances plus Third Party Royalty Income, Digital Gaming Revenue and Film & TV Programming Production and Distribution Revenue	50%
Business Area Operating Profit Margin	Operating Profit divided by Net Revenues	50%

4.0 Development of Funding Pools

After the end of the fiscal year, the actual performance for the Company and each of the Business Areas will be calculated (based on the Company's and the respective Business Area's performance against the target goals established for each performance metric as of fiscal year-end) and approved by the Company's Chief Financial Officer.

The performance scales for the metrics for the Corporate Plan and Business Area Plans, as applicable, are as follows:

Revenue Performance Scale:

Performance % of Target	Funding Pool Scale %	
< 85%	0%	
85%	50%	Threshold performance
100%	100%	Target performance
≥115%	200%	Maximum performance

Operating Profit Margin Performance Scale:

Performance % of Target	Funding Pool Scale %	
< 80%	0%	
80%	50%	Threshold performance
100%	100%	Target performance
≥125%	200%	Maximum performance

Free Cash Flow Performance Scale:

Performance % of Target	Funding Pool Scale %	
< 80%	0%	
80%	50%	Threshold performance
100%	100%	Target performance
≥125%	200%	Maximum performance

In the event that achievement for a performance metric is between threshold performance and target performance or between target performance and maximum performance, the applicable funding pool scale percentage will be determined by linear interpolation between threshold performance and target performance or between target performance and maximum performance, as applicable.

In the case of the Corporate Plan, the applicable performance metric must achieve threshold performance or no award is payable under that metric before the performance scale is applied to the applicable metric. The failure of one metric to achieve threshold performance does not impact the other metrics; provided, however, that for funding to occur at least one metric must achieve threshold performance. In the case of the Business Area Plans, both performance metrics must achieve at least threshold performance or no award is payable for the Business Area component of the respective Business Area Plan.

The payout attributable to each performance metric will be weighted and added to arrive at the overall achievement which determines the funding pool.

An illustrative example of the development of a funding pool for the Corporate Plan and the Company component of the Business Area Plans is as follows:

If the Company achieves Net Revenue of 100% of target (which results in 100% funding) and Operating Profit Margin of 80% of target (which results in 50% funding) but Free Cash Flow does not reach threshold performance, then the aggregate weighted achievement for the Corporate Plan would be 60%, calculated as follows:

$$(100\% \times 40\%) + (50\% \times 40\%) + (0\% \times 20\%) = 60\%$$

In this scenario, the Company component for each of the respective Business Area Plans would be 12%, calculated as follows:

$$(60\% \times 20\%) = 12\%$$

Illustrative examples of the development of a funding pool for the Business Area component of a Business Area Plan are as follows:

If the applicable Business Area achieves Revenue of 100% of target (which results in 100% funding) and Business Area Operating Profit Margin of 65% of target (which is below the 80% threshold), the Business Area component of the respective Business Area Plan will not fund (0% funding). In this scenario, the funding pool, if any, will be determined solely by the Company component of the Business Area Plans.

or

If the applicable Business Area achieves Revenue of 100% of target (which results in 100% funding), and Operating Profit Margin of 80% of target (which results in a 50% funding), the aggregate weighted achievement for the Business Area component of the respective Business Area Plan would be 75%, calculated as follows:

$$(100\% \times 50\%) + (50\% \times 50\%) = 75\%$$

Once all Business Area results have been calculated, the funding pool of each respective Business Area component is developed. The Business Area component funding pool for each of the Business Areas (weighted at 80%), combined with the Company component funding pool (weighted at 20%), will equal the aggregate of the PRP funding pool for the respective Business Area Plan.

4.1 Funding Pools

The Company calculates the Corporate Plan funding pool based on the Company's performance through the end of the fiscal year against the applicable performance targets ("Corporate Plan Funding Pool"). The Company calculates the funding pool for the Business Area Plans based on the Company's performance and the performance of each Business Area through the end of the fiscal year against the applicable performance targets for the respective Business Area (the "Business Area Funding Pool" refers to the aggregate pool for all Business Area Plans and, together with the Corporate Plan Funding Pool, is referred to hereinafter as the "Funding Pool").

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 Funding Pool, as it has been computed, will be paid (absent any affirmative exercise of this discretion) to the participants in the PRP collectively following the end of the fiscal year.

4.2 High Performer Pool

Following the end of the year, but prior to the payment of all awards under the PRP, management of the Company, in its sole discretion, may determine it appropriate to reward high-performing Company employees through an additional funding pool (the "High Performer Pool"). Funding of the High Performer Pool is determined by the achievement of the Company's Operating Profit, overall Company or reporting segment performance and affordability. The aggregate amount of the High Performer Pool is subject to Compensation Committee approval.

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.

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 not prohibited by applicable law. In completing this review, management has the option of providing a zero value incentive award to the employee regardless of Company or Business Area performance. For participants that do not receive an incentive award or that receive a reduced incentive award, the portion of such employee'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 or the terms of an employment agreement mandate a different result, the following scenarios will be addressed 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 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. Such payment will be made to the deceased employee's estate.
- 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.

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 employee, 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 PRP participants in the manner determined by management.

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 employee, 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 PRP 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, employees who are discharged due to job elimination:

- 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. No award shall be granted unless authorized at the discretion of the Chief Human Resource Officer. For any such employee 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 PRP participants in the manner determined by management.
- After the beginning, but prior to the close of the PRP year, the employee 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:

- At the end of the fiscal year, may be awarded an incentive award for the PRP year. Except as may be required by applicable law, no award shall be granted unless authorized at the discretion of the Chief Human Resource Officer. For any such employee 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 PRP 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 where such transfer results in the participant being assigned to different plans during the same PRP year (e.g., from the Corporate Plan to a Business Area Plan; from a Business Area Plan to the Corporate Plan; or from a Business Area Plan to a different Business Area Plan), will be eligible to receive an incentive award (subject to achievement of the requisite performance) through the plan associated with such employee's position at the end of the PRP year, but the award amount may be based on the performance of the respective plans associated with the employee's positions during the same PRP year, in such amount and in such manner as determined in the sole discretionary of the Chief Human Resource Officer.

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 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, 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, but prior to the close of the PRP year, will participate at the level consistent with their classification prior to the promotion or reclassification.

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 in the sole discretion of 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 ensure tax deductibility in the year of accrual, which in the case of the United States is two and a half months after the fiscal year end. Participants in the PRP must be employed at the time of award distribution in order to receive an incentive award, except as otherwise provided herein.

No individual has the right 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 award under the Plan, the participant hereby acknowledges and agrees that any incentive compensation the participant is awarded is subject to the Hasbro, Inc. Clawback Policy, as it may be amended from time to

time by the Board. 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, as it may be amended from time to time by the Board (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.

CERTIFICATION

I, Christian P. Cocks, 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: April 27, 2022

/s/ Christian P. Cocks
Christian P. Cocks
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: April 27, 2022

/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 27, 2022, 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/ Christian P. Cocks
Christian P. Cocks
Chief Executive Officer of Hasbro, Inc.

Dated: April 27, 2022

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 27, 2022, 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: April 27, 2022

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.