

HASBRO INC
Form DEF 14A
April 04, 2017
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SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed By The Registrant

Filed By A Party Other Than The Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

HASBRO, INC.

(Name of Registrant as Specified In Its Charter)

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Dear Fellow Shareholders,

Hasbro will host the 2017 Annual Meeting of Shareholders on Thursday, May 18 at the Company's headquarters in Pawtucket, Rhode Island. The attached Notice of Annual Meeting of Shareholders and Proxy Statement provides information regarding the business we will conduct at the Meeting and other important matters regarding our Company. On behalf of Hasbro's Board of Directors, we encourage you to vote your shares and invite you to join the meeting.

Over the past ten years, Hasbro has redefined itself as a global organization *Creating the World's Best Play Experiences*. It has invested to build the best possible team to execute consumer insight and story-led brands across consumer touch points, including toys and games, digital gaming, entertainment and consumer products. This strategic roadmap is known as Hasbro's Brand Blueprint.

In 2016, strong execution of the Brand Blueprint delivered another record year. 13% revenue growth drove Hasbro's first \$5 billion revenue year along with a 14% increase in operating profit and a 22% increase in diluted earnings per share.

Consistent with Hasbro's long-standing capital priorities, the Company invested back into the business to drive long-term profitable growth and shareholder value creation. In 2016, this included investing in brands, innovation, new capabilities around the Brand Blueprint, such as the acquisition of Boulder Media, and in systems infrastructure. The Company then returned excess cash to shareholders. Hasbro generated \$775 million in operating cash flow last year and returned approximately \$400 million to shareholders. This included \$249 million in dividends and \$151 million in share repurchases. In February 2017, the Board voted to increase the quarterly dividend 12%, or \$0.06 per share, to \$0.57 per share. This marked the 13th quarterly dividend increase in the past 14 years.

As Hasbro continues to expand its reach as a Global Play and Entertainment Company, Hasbro's Board of Directors is ensuring it has the relevant skills and expertise to fully support the Company's broader ambitions. Through thoughtful and proactive recruiting and succession planning, Hasbro's Board represents the most diverse set of industries and experiences in its history. Since last year's annual meeting, we were pleased to add two new Board members: Mary Beth West, with her tremendous experience in the retail and consumer space, and Hope Cochran, with her robust digital gaming and financial expertise. The addition of Mary Beth and Hope, as well as Sir Crispin Davis who joined the Board in early 2016, well prepares the Board for the departure of two valued members, Basil Anderson, lead independent director, and Alan Batkin. Both Basil and Alan will not stand for reelection this year. We are identifying and appointing a new Lead Independent Director who will assume those duties as of our upcoming Annual Meeting.

Throughout the past year, we have continued our dialogue with shareholders. This dialogue included discussions on a wide-range of topics, most notably compensation, governance and corporate social responsibility (CSR). These conversations inform our actions as we craft the best practices for advancing Hasbro's business over the long term. We encourage you to read more about our pay-for-performance compensation programs as well as our governance practices in this document. In addition, under the oversight of the Nominating, Governance and Social Responsibility Committee, our efforts to make the world a better place for children and their families, continues to drive our industry-leading efforts in CSR and philanthropy. You can read more about these important initiatives on our website at www.hasbro.com/csr.

On behalf of our shareholders, Hasbro's Board of Directors works collaboratively with Hasbro's Senior Management team to drive long-term shareholder value creation. We are pleased with the results of these efforts in 2016, and are working to unlock the full potential of Hasbro in future years. We thank you for your continued support and look

forward to updating you on our progress.

Sincerely,

Brian D. Goldner

Chairman of the Board and

Chief Executive Officer, Hasbro, Inc.

Basil L. Anderson

Lead Independent Director,

Hasbro's Board of Directors

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HASBRO, INC.

NOTICE OF 2017 ANNUAL MEETING OF SHAREHOLDERS

Time: 11:00 a.m. local time
Date: Thursday, May 18, 2017
Place: Hasbro, Inc. Corporate Offices
1027 Newport Avenue
Pawtucket, Rhode Island 02861
Purpose: Elect twelve directors.

Conduct an advisory vote on the compensation of the Company's named executive officers.

Conduct an advisory vote as to the frequency of the shareholder vote on the compensation of the Company's named executive officers.

Consider amendments to the Company's Restated 2003 Stock Incentive Performance Plan.

Consider an amendment to the Company's 2014 Senior Management Annual Performance Plan.

Ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for the 2017 fiscal year.

Transact such other business as may properly come before the meeting and any adjournment or postponement of the meeting.

Other Important Information:

The Company's Board of Directors recommends that you vote your shares **FOR** each of the nominees for director, **FOR** advisory approval of the Company's compensation for its named executive officers, in support of having an annual advisory vote (a vote every one year) on the Company's compensation for its named executive officers, **FOR** the amendments to the Restated

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2003 Stock Incentive Performance Plan, **FOR** the amendment to the 2014 Senior Management Annual Performance Plan and **FOR** the ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2017.

Shareholders of record of the Company's common stock at the close of business on March 22, 2017 may vote at the meeting.

You are cordially invited to attend the meeting to vote your shares in person, to hear from our senior management, and to ask questions. If you are not able to attend the meeting in person, you may vote by Internet, by telephone or by mail. See the Proxy Statement for specific instructions. **Please vote your shares.**

On or about April 4, 2017 we will begin mailing a Notice of Internet Availability of Hasbro's Proxy Materials to shareholders informing them that this Proxy Statement, our 2016 Annual Report to Shareholders and voting instructions are available online. As is more fully described in that Notice, all shareholders may choose to access our proxy materials on the Internet or may request to receive paper copies of the proxy materials.

By Order of the Board of Directors

Barbara Finigan

Executive Vice President, Chief Legal Officer and Corporate Secretary

Dated: April 4, 2017

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This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider and you should read the entire Proxy Statement before voting. For more complete information regarding the Company's 2016 performance, please review the Company's Annual Report on Form 10-K for the year ended December 25, 2016.

Annual Meeting of Shareholders

Date: Thursday, May 18, 2017
Time: 11:00 a.m. local time
Place: Hasbro, Inc. Corporate Offices
 1027 Newport Avenue
 Pawtucket, Rhode Island 02861

Record date: March 22, 2017

Meeting Agenda and Voting Recommendations

Agenda Item	Board Vote Recommendation	Page Reference for More Information
Proposal 1: Election of Twelve Director Nominees	FOR each director nominee	5
Proposal 2: Advisory Approval of the Compensation of the Company's Named Executive Officers	FOR	68
Proposal 3: Advisory Vote on the Frequency of the Vote on the Compensation of the Company's Named Executive Officers	ANNUAL (a vote every one year)	69
Proposal 4: Approval of Amendments to the Restated 2003 Stock Incentive Performance Plan	FOR	70
Proposal 5: Approval of Amendment to the 2014 Senior Management Annual Performance Plan	FOR	79
Proposal 6: Ratification of KPMG as Independent Registered Public Accounting Firm for 2017	FOR	91

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Name	Age	Director		Principal Occupation	Independent Director	Committee
		Since				Memberships
Kenneth A. Bronfin	57	2008		Senior Managing Director of Hearst Ventures		Compensation; Executive; Finance (Chair)
Michael R. Burns	58	2014		Vice Chairman of Lions Gate Entertainment Corp.		Audit; Finance
Hope Cochran	45	2016		Venture Partner in Madrona Venture Group		Audit; Finance
Sir Crispin H. Davis	67	2016		Retired Chief Executive Officer of Reed Elsevier, PLC		Compensation; Nominating, Governance and Social Responsibility
Lisa Gersh	58	2010		Former Chief Executive Officer of Goop, Inc.		Compensation; Nominating, Governance and Social Responsibility
Brian D. Goldner	53	2008		Chairman and Chief Executive Officer of Hasbro, Inc.		Executive
Alan G. Hassenfeld	68	1978		Retired Chairman and Chief Executive Officer of Hasbro, Inc.		Executive (Chair); Finance
Tracy A. Leinbach	57	2008		Retired Executive Vice President and Chief Financial Officer of Ryder System, Inc.		Audit (Chair); Executive; Nominating, Governance and Social Responsibility
Edward M. Philip	51	2002		Chief Operating Officer of Partners in Health		Compensation (Chair); Executive; Nominating, Governance and Social Responsibility
Richard S. Stoddart	54	2014		Chief Executive Officer of Leo Burnett Worldwide		Audit; Finance
Mary Beth West	55	2016		Former Executive Vice President, Chief Customer & Marketing Officer of J.C. Penney Company		Finance; Nominating, Governance and Social

				Responsibility
Linda K. Zecher	63	2014	Retired President and Chief Executive Officer of Houghton Mifflin Harcourt Company	Audit; Compensation

II Proxy Statement Highlights (Continued) | **Hasbro, Inc.**

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2016 Business Highlights

Following our record revenues and earnings in 2015, in 2016 we again delivered record revenues and earnings as we continued driving the performance of our Company across brands, business segments and geographic markets. We are connecting with consumers more deeply and across more demographics than ever before. Our focus remains on the long-term profitable growth of our Company and on achieving our strategic objectives and investment priorities.

2016 Financial Performance and Key Accomplishments

In 2016 we delivered net revenues of \$5.02 billion, the first year in our history in which we achieved revenues in excess of \$5 billion.

Net revenues increased 13% from 2015, inclusive of a negative \$61 million impact from foreign exchange.

Revenues grew in all major operating segments:

15% in the U.S. and Canada segment,

11% in the International Segment, and

8% in the Entertainment and Licensing segment.

Games category revenues increased 9%.

Revenues grew in both the Girls and Boys categories.

Franchise brand revenues grew 2% and Partner brand revenues grew 28%.

We had an extremely successful first year of selling DISNEY PRINCESS and DISNEY FROZEN small dolls and fashion dolls under license from The Walt Disney Company.

Operating profit increased 14% to \$788 million.

Net earnings increased 22% to \$551.4 million, or \$4.34 per share.

We generated \$774.9 million in operating cash flow.

We delivered a 15.4% return on invested capital.

We accomplished these objectives while returning \$400.2 million to our shareholders in 2016, \$248.9 million in cash dividends and \$151.3 million in share repurchases.

In February 2017, our Board approved a 12% increase in the quarterly dividend, bringing the quarterly dividend to \$0.57 per common share. This is the highest quarterly dividend rate in our history. We have increased the quarterly dividend in 13 of the prior 14 years.

Shareholder Outreach and Responsiveness to Shareholders

Hasbro has engaged with our major shareholders on governance and compensation matters for several years. We do this as part of our commitment to be responsive to shareholders and to ensure that our actions are informed by the viewpoints of you, our investors. Informed by our discussions with our shareholders, both our Board of Directors and our Chief Executive Officer, Brian Goldner, mutually decided to amend certain terms of Mr. Goldner's employment agreement. These amendments were implemented in August of 2014 and were described in detail in our proxy statement for the 2015 Annual Meeting.

Following these amendments our shareholders overwhelmingly supported our 2015 Say-on-Pay vote, with 96.7% of the shares voted at the 2015 Annual Meeting voting in favor of Say on Pay, and our 2016 Say-on-Pay Vote, with 97.4% of the shares voted at the 2016 Annual Meeting voting in favor of Say on Pay.

In 2016 we again spoke with shareholders who expressed an interest in speaking with management. In addition to speaking with any shareholders who reached out to us, we proactively extended an invitation to all 25 of our top shareholders (who held in aggregate approximately 46% of our outstanding shares) to meet and we had discussions with all of the top 25 holders who accepted our invitation, comprising holders of approximately 27% of our outstanding shares. Based upon our continuing dialog with shareholders and our 2016 Say-on-Pay vote results, we believe our current compensation program for our executive officers, including the changes we made to our compensation programs in 2014, reflect our shareholder's views and strongly drive our pay for performance objectives.

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In 2015 we also implemented a proxy access bylaw provision which allows holders who have held 3% or more of our shares for at least three years to include in our proxy materials nominees for election to the Board. Such holders may include the greater of 20% of the total number of nominees or two nominees. Up to twenty holders may aggregate their holdings under this provision. We adopted the proxy access bylaw provision in response to the affirmative vote of our shareholders on a proxy access shareholder proposal presented at our 2015 Annual Meeting and following conversations with many of our shareholders who supported proxy access. The proxy access bylaw provision is discussed in detail beginning on page 20 of this proxy statement.

Our amendments to Mr. Goldner's employment agreement and adoption of the proxy access bylaw provision were all part of our commitment to listen to and be responsive to you, our shareholders.

Corporate Governance Highlights

Hasbro is committed to strong corporate governance, ethical conduct, sustainability and the accountability of our Board and our senior management team to the Company's shareholders.

Highlights of our Efforts in these Areas include:

Comprehensive Shareholder Outreach Program;

Entire Board is Elected Annually;

Lead Independent Director Role with Clearly Defined Responsibilities;

Majority Vote Standard with a Plurality Carve-out for Contested Elections;

Proxy Access Bylaw Provision;

Board is Composed of a Significant Majority of Independent Directors;

Balance of Experience, Tenure and Qualifications on the Board;

No Shareholder Rights Plan;

Clawback Policy;

Long-standing Commitment to Corporate Sustainability;

Prohibit the Pledging or Hedging of Company Stock;

No Tax Gross-ups;

Equity Incentive Awards Granted in 2013 and Thereafter Are All Subject to a Double-Trigger Change in Control Provision;

Written Code of Conduct and Corporate Governance Principles; and

Share Ownership Policies Applicable to our Board Members and to Executive Officers and Other Designated Members of Management, as well as a Share Retention Policy.

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QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

Q: Why are these materials being made available to me?

A: The Board of Directors (the Board) of Hasbro, Inc. (the Company or Hasbro) is making these proxy materials available to you on the Internet, or sending printed proxy materials to you in certain situations, including upon your request, beginning on or about April 4, 2017, in connection with Hasbro's 2017 Annual Meeting of Shareholders (the Meeting), and the Board's solicitation of proxies in connection with the Meeting. The Meeting will take place at 11:00 a.m. local time on Thursday, May 18, 2017 at Hasbro's corporate offices, 1027 Newport Avenue, Pawtucket, Rhode Island 02861. The information included in this Proxy Statement relates to the proposals to be voted on at the Meeting, the voting process, the compensation of Hasbro's named executive officers and Hasbro's directors, and certain other information. Hasbro's 2016 Annual Report to Shareholders is also available to shareholders on the Internet and a printed copy will be mailed to shareholders upon their request.

Q: What proposals will be voted on at the Meeting?

A: There are six proposals scheduled to be voted on at the Meeting:

Election of twelve directors.

An advisory vote on the compensation of the Company's named executive officers.

An advisory vote on the frequency of the shareholder vote on the compensation of the Company's named executive officers.

Approval of amendments to the Restated 2003 Stock Incentive Performance Plan.

Approval of an amendment to the 2014 Senior Management Annual Performance Plan.

Ratification of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2017.

Q:

Why did I receive a Notice of the Internet Availability of Hasbro's Proxy Materials, instead of a full set of printed proxy materials?

A: Rules adopted by the Securities and Exchange Commission allow us to provide access to our proxy materials over the Internet instead of mailing a full set of such materials to every shareholder. We have sent a Notice of Internet Availability of Hasbro's Proxy Materials (the Notice) to our shareholders who have not requested to receive a full set of the printed proxy materials. Because of certain legal requirements, shareholders holding their shares through the Hasbro 401(k) Retirement Savings Plan were still mailed a full set of proxy materials this year. Our other shareholders may access our proxy materials over the Internet using the directions set forth in the Notice. In addition, by following the instructions in the Notice, a shareholder may request that a full set of printed proxy materials be sent to them.

We have chosen to send the Notice to shareholders, instead of automatically sending a full set of printed copies to all shareholders, to reduce the impact of printing our proxy materials on the environment and to save on the costs of printing and mailing incurred by the Company.

Q: How do I access Hasbro's proxy materials online?

A: The Notice provides instructions for accessing the proxy materials for the Meeting over the Internet, and includes the Internet address where those materials are available. Hasbro's Proxy Statement for the Meeting and 2016 Annual Report to Shareholders can be viewed on Hasbro's website at <http://investor.hasbro.com/annual-proxy.cfm>.

Q: How do I request a paper copy of the proxy materials?

A: Paper copies of Hasbro's proxy materials will be made available at no cost to you, but they will only be sent to you upon request. To request a paper copy of the proxy materials follow the instructions on the Notice that you received. You will be able to submit your request for copies of the proxy materials by sending an email to the email address set forth in the Notice, by going to the Internet address set forth in the Notice or by calling the phone number provided in the Notice.

Q: What shares owned by me can be voted?

A: All shares of the Company's common stock, par value \$.50 per share (Common Stock) owned by you as of the close of business on March 22, 2017, the *record date*, may be voted by you. These shares include those (1) held directly in your name as the *shareholder of record*, including shares purchased through the Computershare CIP, a

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for you as the *beneficial owner* through a broker, bank or other nominee.

Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A: Most Hasbro shareholders hold their shares through a broker, bank or other nominee rather than directly in their own name as the shareholder of record. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Shareholder of Record

If your shares are registered directly in your name with Hasbro's Transfer Agent, Computershare Trust Company, N.A. (Computershare), you are considered, with respect to those shares, the *shareholder of record*. As the *shareholder of record*, you have the right to grant your voting proxy directly to Hasbro or to vote in person at the Meeting.

Beneficial Owner

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held *in street name* and your broker or nominee is considered, with respect to those shares, the *shareholder of record*. As the beneficial owner, you have the right to direct your broker or nominee on how to vote and are also invited to attend the Meeting. However, since you are not the *shareholder of record*, you may not vote these shares in person at the Meeting unless you receive a proxy from your broker or nominee. Your broker or nominee has provided voting instructions for you to use. If you wish to attend the Meeting and vote in person, please mark the box on the voting instruction card you received and return it to your broker or nominee or contact your broker or nominee to obtain a legal proxy or follow the instructions on the Notice or voting instruction card that you received.

Effect of Not Casting Your Vote

Whether you hold your shares in street name in a brokerage account, or you are a shareholder of record, it is critical that you cast your vote.

If you hold your shares in street name, you must cast a vote if you want it to count in the election of Directors (Proposal No. 1 in this Proxy Statement), in the shareholder advisory vote on the compensation of the Company's named executive officers (Proposal No. 2), in the vote on the frequency of advisory votes on the compensation of the Company's named executive officers (Proposal No. 3), in the vote to approve amendments to the Restated 2003 Stock Incentive Performance Plan (Proposal No. 4), and in the vote to approve an

amendment to the 2014 Senior Management Annual Performance Plan (Proposal No. 5).

In the past, if you held your shares in street name and you did not indicate how you wanted your shares voted in the election of Directors, or on many other matters, your broker was allowed to vote those shares on your behalf as they felt appropriate. However, brokers no longer have the ability to vote your uninstructed shares in the election of Directors on a discretionary basis, and brokers do not have any discretionary ability to vote shares on the advisory vote with respect to the compensation of the Company's named executive officers, the advisory vote with respect to the frequency of votes on the compensation of the Company's named executive officers, or on either of the plan proposals.

Thus, if you hold your shares in street name and you do not instruct your broker how to vote in the election of Directors and on proposals 2, 3, 4 and 5, no votes will be cast on your behalf on those matters. Your broker will, however, continue to have discretion to vote any uninstructed shares on the ratification of the appointment of the Company's independent registered public accounting firm (Proposal No. 6).

If you are a shareholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the Meeting, including the ratification of the appointment of the independent registered public accounting firm.

Q: How can I attend the Meeting?

A: You may attend the Meeting if you are listed as a shareholder of record as of the close of business on March 22, 2017 and bring proof of your identification. If you hold your shares through a broker or other nominee, you will need to provide proof of your share ownership by bringing either a copy of a brokerage statement showing your share ownership as of March 22, 2017, or a legal proxy if you wish to vote your shares in person at the Meeting. In addition to the items mentioned above, you should bring proof of your identification.

Q: How can I vote my shares in person at the Meeting?

A: Shares held directly in your name as the *shareholder of record* may be voted in person at the Meeting. Please bring proof of your identification to the meeting. Shares beneficially owned may be voted by you if you receive and present at the Meeting a proxy from your broker or nominee, together with proof of identification. Even if you plan to attend the Meeting, we recommend that you also vote in one of the ways described below so that your vote will be counted if you later decide not to attend the Meeting or are otherwise unable to attend.

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Q: How can I vote my shares without attending the Meeting?

A: Whether you hold shares directly as the shareholder of record or beneficially in street name, you may direct your vote without attending the Meeting. You may vote by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee. In most instances, you will be able to do this over the Internet, by telephone or by mail. Please refer to the summary instructions below, the instructions included on the Notice, and if you request printed proxy materials, the instructions included on your proxy card or, for shares held in street name, the voting instruction card provided by your broker or nominee.

By Internet If you have Internet access, you may submit your proxy from any location by following the Internet voting instructions on the Notice you received or by following the Internet voting instructions on the proxy card or voting instruction card sent to you.

By Telephone You may submit your proxy by following the telephone voting instructions on the proxy card or voting instruction card sent to you.

By Mail You may do this by marking, dating and signing your proxy card or, for shares held in street name, the voting instruction card provided to you by your broker or nominee, and mailing it in the enclosed, self-addressed, postage prepaid envelope. No postage is required if mailed in the United States. Please note that for Hasbro shareholders, other than those shareholders holding their shares through the Hasbro 401(k) Retirement Savings Plan who are all being mailed a printed set of proxy materials, you will only be mailed a printed set of the proxy materials, including a printed proxy card or printed voting instruction card, if you request that such printed materials be sent to you. You may request a printed set of proxy materials by following the instructions in the Notice.

Please note that you cannot vote by marking up the Notice of Internet Availability of the Proxy Materials and mailing that Notice back. Any votes returned in that manner will not be counted.

Q: How are votes counted?

A: Each share of Common Stock entitles its holder to one vote on all matters to come before the Meeting, including the election of Directors. In the election of Directors, for each of the nominees you may vote **FOR** such nominee **AGAINST** such nominee, or you may **ABSTAIN** from voting with respect to such nominee. For proposals 2, 4, 5 and 6, you may vote **FOR**, **AGAINST** or **ABSTAIN**. If you **ABSTAIN**, it has the same effect as a vote **AGAINST** the proposal on proposals 2, 4, 5 and 6. For proposal 3, you may indicate a preference to have the advisory vote on the compensation for the Company's named executive officers every one year, every two years, every three years, or you can abstain from expressing a preference.

If you properly sign and return your proxy card or complete your proxy via the Internet or telephone, your shares will be voted as you direct. If you sign and submit your proxy card or voting instruction card with no instructions, your shares will be voted in accordance with the recommendations of the Board.

If you are a shareholder of record and do not either vote via the Internet, via telephone, return a signed proxy card or vote in person at the Meeting, your shares will not be voted.

If you are a beneficial shareholder and do not vote via the Internet, telephone, in person at the Meeting or by returning a signed voting instruction card, your shares may only be voted in situations where brokers have discretionary voting authority over the shares. Discretionary voting authority is only permitted on the proposal for the ratification of the selection of KPMG as the Company's independent registered public accounting firm for 2017.

Q: Can I change my vote or revoke my proxy?

A: You may change your proxy instructions at any time prior to the vote at the Meeting. For shares held directly in your name, you may accomplish this by granting another proxy that is properly signed and bears a later date, by sending a properly signed written notice to the Secretary of the Company or by attending the Meeting and voting in person. To revoke a proxy previously submitted by telephone or through the Internet, you may simply vote again at a later date, using the same procedures, in which case your later submitted vote will be recorded and your earlier vote revoked. Attendance at the Meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares held beneficially by you, you may change your vote by submitting new voting instructions to your broker or nominee.

Q: What does it mean if I receive more than one Notice or more than one proxy or voting instruction card?

A: It means your shares are registered differently or are held in more than one account. Please provide voting instructions for all Notices or proxy and voting instruction cards you receive.

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Q: Where can I find the voting results of the Meeting?

A: We will announce preliminary voting results at the Meeting. We will publish final voting results in a Current Report on Form 8-K within a few days following the Meeting.

Q: What is the quorum for the Meeting?

A: Holders of record of the Common Stock at the close of business on March 22, 2017 are entitled to vote at the Meeting or any adjournments thereof. As of that date there were 125,006,746 shares of Common Stock outstanding and entitled to vote and a majority of the outstanding shares will constitute a quorum for the transaction of business at the Meeting. Abstentions and broker non-votes are counted as present at the Meeting for purposes of determining whether there is a quorum at the Meeting. A broker non-vote occurs when a broker holding shares for a customer does not vote on a particular proposal because the broker has not received voting instructions on the matter from its customer and is barred by stock exchange rules from exercising discretionary authority to vote on the matter.

Q: What happens if I have previously consented to electronic delivery of the Proxy Statement and other annual meeting materials?

A: If you have previously consented to electronic delivery of the annual meeting materials you will receive an email notice with instructions on how to access the Proxy Statement, notice of meeting and annual report on the Company's website, and the proxy card for registered shareholders and voting instruction card for beneficial or street name shareholders, on the voting website. The notice will also inform you how to vote your proxy over the Internet. You will receive this email notice at approximately the same time paper copies of the Notice, or annual meeting materials are mailed to shareholders who have not consented to receive materials electronically. Your consent to receive the annual meeting materials electronically will remain in effect until you specify otherwise.

Q: If I am a shareholder of record how do I consent to receive my annual meeting materials electronically?

A: Shareholders of record who choose to vote their shares via the Internet will be asked to choose a current and future delivery preference prior to voting their shares. After entering the access information requested by the electronic voting site, click "Submit" and then respond as to whether you would like to receive current proxy material

electronically or by mail. If you already have access to the materials, choose that option and click the **Next** button. On the following screen, choose whether you would like to receive future proxy materials by e-mail (and enter and verify your e-mail address), by mail or make no change or no preference and click **Next**. During the year, shareholders of record may sign up to receive their future annual meeting materials electronically over the Internet by going to the website www.computershare.com/investor. Shareholders of record with multiple Hasbro accounts will need to consent to electronic delivery for each account separately.

4 Questions and Answers about the Proxy Materials and the Annual Meeting (Continued) | [Hasbro, Inc.](#)

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ELECTION OF DIRECTORS (Proposal No. 1)

Twelve directors are to be elected at the Meeting. All of the directors elected at the Meeting will serve until the 2018 Annual Meeting of Shareholders (the 2018 Meeting), and until their successors are duly elected and qualified, or until their earlier death, resignation or removal.

The Board has recommended as nominees for election as directors, to serve until the 2018 Meeting, the persons named below. All of the nominees are currently directors of the Company. The proxies cannot be voted for more than twelve directors at the Meeting.

Unless otherwise specified in your voting instructions, the shares voted pursuant thereto will be cast for the persons named below as nominees for election as directors. If, for any reason, any of the nominees named below should be unable to serve as a director, it is intended that such proxy will be voted for the election, in his or her place, of a substituted nominee who would be recommended by the Board. The Board, however, has no reason to believe that any nominee named below will be unable to serve as a director.

In considering candidates for election to the Board, the Board, the Nominating, Governance and Social Responsibility Committee of the Board, and the Company consider a number of factors, including employment and other experience, qualifications, attributes, skills, expertise and involvement in areas that are of importance to the Company's business, business ethics and professional reputation, other Board service, business, financial and strategic judgment, and the desire to have a Board that represents a diverse mix of backgrounds, perspectives and expertise. Each of the nominees for election to the Board at the meeting has served in senior positions at complex organizations and has demonstrated a successful track record of strategic, business and financial planning, execution and operating skills in these positions. In addition, each of the nominees for election to the Board has proven experience in management and leadership development and an understanding of operating and corporate governance issues for a large multinational company.

The following information set forth below as to each director nominee includes: (i) his or her age; (ii) all positions and offices with the Company; (iii) principal occupation or employment during the past five years; (iv) current directorships of publicly-held companies or investment companies; (v) other previous directorships of publicly-held companies or investment companies during the past five years; (vi) period of service as a director of the Company; and (vii) particular experience, qualifications, attributes or skills, which led the Company's Board to conclude that the nominee should serve as a director of the Company. Except as otherwise indicated, each person has had the same principal occupation or employment during the past five years.

Nominees for Election as Directors

Kenneth A. Bronfin

Age: 57

Kenneth A. Bronfin is Senior Managing Director of Hearst Ventures (the strategic investment arm of diversified media company Hearst Corporation), serving in this role since 2013. Prior thereto, he was President of Hearst Interactive Media since 2002. Prior thereto, he was Deputy Group

Head of Hearst Interactive Media since 1996. Mr. Bronfin has been a director of the Company since 2008.

The Board has nominated Mr. Bronfin for election as a director because of his extensive expertise and experience in operational and executive roles in the media and digital services sectors. Mr. Bronfin's experience includes serving in a number of executive positions where he was in charge of leading interactive media and digital businesses and where he led new business ventures, strategic investments and acquisitions in the digital content and media industries. Mr. Bronfin has experience serving on a number of private and public company boards of directors. The Board believes Mr. Bronfin possesses substantial knowledge, expertise and experience, including operations and business planning experience, in the media, digital products and digital services industries, including experience in international media, advertising and marketing expertise, including in analyzing and anticipating consumer trends in media and digital technologies and businesses, as well as expertise in strategic planning and corporate finance.

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Michael R. Burns

Age: 58

Michael R. Burns is the Vice Chairman and a member of the Board of directors of Lions Gate Entertainment Corp. (a global entertainment company with significant motion picture and television operations), serving in this role since 2000. Lions Gate acquired Starz in December 2016. From 1991 to 2000, he was the Managing Director and Head of the Los Angeles Investment Banking Office of Prudential Securities Inc. Mr. Burns has been a director of the Company since 2014.

The Board has nominated Mr. Burns for election as a director because of his extensive knowledge and experience in content development and brand building, including in the use of creative storytelling and immersive entertainment across platforms to build global entertainment franchises, in the entertainment industry, including operating and financial expertise in motion picture and television development, production, financing, marketing and monetization, expertise in strategic planning for, investing in and building content and entertainment-driven multi-platform businesses, experience in global media distribution, expertise in investment banking and corporate finance, and expertise in international business.

Hope Cochran

Age: 45

Hope Cochran is a venture partner at Madrona Venture Group (a technology-focused venture capital group). Prior to joining Madrona in January 2017, Ms. Cochran was the Chief Financial Officer of King Digital Entertainment from 2013 to 2016. From 2005 to 2013, Ms. Cochran was the Chief Financial Officer for Clearwire, Inc. Ms. Cochran has been a director since 2016.

The Board appointed Ms. Cochran as a director in 2016 and has nominated Ms. Cochran for re-election as a director because of her extensive experience spanning more than 20 years as a senior financial executive in the digital gaming and telecom industries, her knowledge of how to develop digital content businesses, her expertise in managing global teams, her work managing, growing and overseeing global businesses, her international business experience, her experience as a public company chief financial officer, and her expertise in financial and accounting issues for large public companies.

Sir Crispin H. Davis

Age: 67

Sir Crispin H. Davis served as the Chief Executive Officer of Reed Elsevier, PLC (a leading provider of scientific, legal and business publishing) from 1999 to 2009. From 1994 to 1999 he was the Chief Executive Officer of Aegis Group, PLC (media and digital marketing communications company). He is a director of Vodaphone Group, PLC and served on the Board of Glaxo Smith Kline, PLC from 2003 to 2013. Sir Davis has been a director of the Company since February 2016.

The Board has nominated Sir Davis for election as a director because of his experience transforming a print-based publishing company into a leading online information provider, international business expertise, proven leadership in driving the growth of large multinational corporations, expertise in brand building, organizational development and global marketing, background in media and digital marketing, and knowledge of corporate governance and board best practices.

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Lisa Gersh

Age: 58

Lisa Gersh served as the Chief Executive Officer of Goop, Inc. (lifestyle publication curated by Gwyneth Paltrow) from 2014 to 2016. Ms. Gersh served as President and Chief Executive Officer of Martha Stewart Living Omnimedia, Inc. (integrated media and merchandising company) from 2012 to 2013. Prior thereto, she served as President and Chief Operating Officer of Martha Stewart Living Omnimedia, Inc. from 2011 to 2012. She served as President, Strategic Initiatives at NBC News, an operating subsidiary of NBC Universal (media company) from 2007 until January 2011. Ms. Gersh served as a director of Martha Stewart Living Omnimedia, Inc. from 2011 to 2013. Ms. Gersh was the founder and President of Oxygen Media from 1998 until 2007. Ms. Gersh has been a director of the Company since 2010.

The Board has nominated Ms. Gersh for election as a director because of her extensive experience in the media, branded products and entertainment industries, including television, digital entertainment and publishing. These roles involved operating and executive positions with multiple leading media and brand-driven companies, including as Chief Executive Officer of Goop, Inc., President and Chief Executive Officer of Martha Stewart Living Omnimedia and her role in leading NBC Universal's acquisition of the Weather Channel companies as the executive in charge of the investment. The Board believes Ms. Gersh possesses knowledge, expertise and perspectives, including business and strategic planning expertise, regarding media, brand-driven and entertainment industries, including the cable television and digital industries, marketing and branding expertise, and expertise in media trends and in building global brand-driven businesses.

Brian D. Goldner

Age: 53

Brian D. Goldner has served as the Chief Executive Officer of Hasbro, Inc. since 2008, and additionally has served as the Chairman of the Board since May 2015. In addition to being Chief Executive Officer, from 2008 to 2016 Mr. Goldner was also the President of Hasbro. Prior to 2008, Mr. Goldner served as the Chief Operating Officer of Hasbro from 2006 to 2008 and as President, U.S. Toys Segment from 2003 to 2006. Prior to joining Hasbro in 2000, Mr. Goldner held a number of management positions in the family entertainment and advertising industries, including as Executive Vice President and Chief Operating Officer of Bandai America, Worldwide Director in charge of the Los Angeles Office of J. Walter Thompson and as a Vice President and Account Director of Leo Burnett Advertising. Mr. Goldner serves on the Board of The Gap, Inc. and served on the

Board of Molson Coors Brewing Company from 2010 to 2016. Mr. Goldner has been a director of the Company since 2008.

The Board has nominated Mr. Goldner for election as a director because of the fundamental role he has played and continues to play in the transformation of Hasbro's business globally and in successfully formulating and executing the Company's strategy, including its expansion into new geographies and new categories, and its use of consumer insights, content creation and immersive storytelling to build global brands. Mr. Goldner has extensive experience and expertise in branded-products and entertainment industries and expertise in marketing, brand development, storytelling and brand building. Mr. Goldner is the chief architect of the Company's brand blueprint and has led the Company's transformation from a traditional toy and game manufacturer into a global organization dedicated to Creating the World's Best Play Experiences. Since 2000, under Mr. Goldner's leadership, the Company has conceptualized and implemented its brand blueprint, imagining and re-imagining core Hasbro brands globally, identifying Hasbro's Franchise Brands and developing new ways to express Hasbro's brands through entertainment, digital media and lifestyle licensing. Mr. Goldner has been a key driver behind the Company's use of immersive brand-driven entertainment experiences, including motion pictures and television based on the Company's brands, to develop brand recognition and build the Company's business. The Board believes Mr. Goldner possesses knowledge, expertise and experience regarding strategic and operational planning and execution in global brand and content-driven entertainment industries, including in delivering immersive branded-play offerings and in using storytelling to build global consumer franchises, expertise in global branded-entertainment industry trends and challenges, expertise in the media and entertainment industries, and expertise in marketing, product and brand development and delivery in the entertainment and consumer products spaces.

Mr. Goldner also serves as an officer and/or director of a number of the Company's subsidiaries at the request and convenience of the Company.

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Alan G. Hassenfeld

Age: 68

Alan G. Hassenfeld served as Chairman of the Board of Hasbro, Inc. from 1989 to 2008. Prior to May 2003, Mr. Hassenfeld served as Chairman of the Board and Chief Executive Officer of Hasbro since 1999. Prior thereto, he was Chairman of the Board, President and Chief Executive Officer of Hasbro since 1989. Mr. Hassenfeld serves on the Board of salesforce.com, inc. and served on the Board of Global Cornerstone Holdings Ltd. from 2011 until 2013. Mr. Hassenfeld is also co-chairman of the Governing Body of the International Council of Toy Industries CARE Process. Mr. Hassenfeld has been a director of the Company since 1978.

The Board has nominated Mr. Hassenfeld for election as a director because of his more than 40 years of experience in the toy, game and family entertainment industry, including his extensive service in senior leadership roles at Hasbro, culminating in his service as the Company's Chairman of the Board and Chief Executive Officer. Throughout his career at Hasbro, Mr. Hassenfeld held a number of positions of increasing responsibility in marketing and sales for the Company's domestic and international operations, including responsibilities overseeing global markets. He became Vice President of International Operations in 1972 and later served as Vice President of Marketing and Sales and then as Executive Vice President, prior to being named President of the Company in 1984 and President and Chief Executive Officer in 1989. The Board believes Mr. Hassenfeld possesses particular knowledge, expertise and experience regarding strategic and operational planning and execution in the toy, game and family entertainment industries, expertise in industry trends and challenges, global markets, and international business operations, expertise in issues of corporate social responsibility and sustainability, and experience and expertise in the competitive and financial positioning of the Company and its business.

Tracy A. Leinbach

Age: 57

Tracy A. Leinbach served as the Executive Vice President and Chief Financial Officer for Ryder System, Inc. (a global logistics and transportation and supply chain solutions provider) from 2003 until 2006. Prior thereto, Ms. Leinbach served as Executive Vice President, Fleet Management Solutions for Ryder since 2001. She is a director of Forward Air Corporation and Veritiv Corporation. Ms. Leinbach has been a director of the Company since 2008.

The Board has nominated Ms. Leinbach for election as a director because of her extensive business experience in global operations, strategic and financial planning, auditing and accounting. Ms. Leinbach held a number of positions involving increasing global operating and global financial management, responsibility and oversight, as well as global supply chain management, with Ryder, spanning a career with Ryder of over 21 years. During her career she lead the company's largest business unit in the U.S., as well as units in Europe, Mexico and Canada. In addition to extensive operating experience, her time with Ryder included service as controller and chief financial officer at many of Ryder's subsidiaries and divisions. Ms. Leinbach's career with Ryder culminated in her service as Executive Vice President and Chief Financial Officer. Prior to her career with Ryder, Ms. Leinbach worked for Price Waterhouse in public accounting and was a CPA. The Board believes Ms. Leinbach possesses particular knowledge, expertise and experience in strategic planning, management, operations, logistics and risk management for a large multinational company, corporate finance, sales, and expertise in issues regarding financial reporting and accounting issues for large public companies. The Board has determined that Ms. Leinbach qualifies as an Audit Committee Financial Expert due to her prior experience, including as the Chief Financial Officer of a public company (Ryder System, Inc.).

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Edward M. Philip

Age: 51

Edward M. Philip has served as the Chief Operating Officer of Partners in Health (a non-profit healthcare organization) since January 2013. In addition, Mr. Philip is a Special Partner at Highland Consumer Fund (consumer-oriented private equity fund), serving in this role since 2013. He served as Managing General Partner at Highland Consumer Fund from 2006 to 2013. Prior thereto, Mr. Philip served as President and Chief Executive Officer of Decision Matrix Group, Inc. (research and consulting firm) from May 2004 to November 2005. Prior thereto, he was Senior Vice President of Terra Networks, S.A. (global Internet company) from October 2000 to January 2004. In 1995, Mr. Philip joined Lycos, Inc. (an Internet service provider and search company) as one of its founding members. During his time with Lycos, Mr. Philip held the positions of President, Chief Operating Officer and Chief Financial Officer at different times. Prior to joining Lycos, Mr. Philip spent time as Vice President of Finance for the Walt Disney Company, and prior thereto Mr. Philip spent a number of years in investment banking. He is a director of BRP Inc. and United Continental Holdings, Inc. Mr. Philip has been a director of the Company since 2002.

The Board has nominated Mr. Philip for election as a director because of his more than 25 years of business and management experience, including years of experience as both an operating executive and chief financial officer of multinational corporations, and his experience in strategic, business and financial planning in consumer-based and technology-based industries and in overseeing management teams of such companies, as well as in managing teams responding to complex and critical international issues. The Board believes Mr. Philip possesses knowledge, expertise and perspectives regarding internet and technology based industries and the use of the internet and digital media for building businesses, expertise in strategic planning and execution in complex global organizations, expertise in consumer trends and in the family entertainment industry, corporate finance, financial reporting and accounting matters for large multinational public companies, as well as expertise in the operation and management of large multinational corporations.

Richard S. Stoddart

Age: 54

Richard S. Stoddart is the Chief Executive Officer of Leo Burnett Worldwide, serving in this role since February 2016. He served as Chief Executive Officer of Leo Burnett North America from 2013 to 2016 and as President of Leo Burnett North America from 2005 to 2013. Mr. Stoddart has been a director of the Company since 2014.

The Board has nominated Mr. Stoddart for election as a director because of his extensive experience in the advertising, marketing and communications industries, including in television, digital, social media and in print, and in building global brands and businesses. As the Chief Executive Officer of one of the largest advertising agencies, Mr. Stoddart is recognized for his leadership in the development and integration of shopper, digital, social and mobile capabilities as part of a company's overall marketing and brand strategy. The Board believes Mr. Stoddart possesses knowledge, expertise and experience regarding branding and brand building, marketing strategy and marketing communications across media platforms, including in traditional advertising, digital advertising and social media, expertise in media planning, launching branded content and products, and expertise in media trends and strategic planning for businesses building global content-driven brands.

Mary Beth West

Age: 55

Mary Beth West served as Executive Vice President, Chief Customer & Marketing Officer of J.C. Penney Company from 2015 through March 2017. From 2012 to 2014 she was the Executive Vice President, Chief Category & Marketing Officer for Mondelez International, Inc. Prior thereto, she served as the Chief Marketing Officer for Kraft Foods, Inc. from 1986 to 2012. Ms. West served as a director of J.C. Penney Company from 2006 through 2015. Ms. West has been a director of the Company since 2016.

The Board appointed Ms. West as a director in 2016 and has nominated Ms. West for re-election as a director because of her extensive experience and expertise in marketing, brand building, managing global franchises, understanding and applying consumer insights, developing retail and sales experiences, skill in managing teams and proven perspective in delivering top tier consumer experiences.

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Linda K. Zecher

Age: 63

Linda K. Zecher served as the President and Chief Executive Officer, and a member of the Board of directors, of Houghton Mifflin Harcourt Company, from 2011 to 2016. Prior thereto, she was Corporate Vice President, Worldwide Public Sector of Microsoft Corporation from 2003 to 2011. Ms. Zecher has been a director of the Company since 2014.

The Board has nominated Ms. Zecher for election as a director because of her extensive experience in leading the transformation of businesses in the fields of digital publishing, digital learning, and online sales and marketing, as well as her expertise and skill in driving technological innovation and in leading content development and distribution across channels and platforms. The Board believes Ms. Zecher possesses knowledge, expertise and experience in unified analog and digital content development and distribution, in strategic planning and execution for businesses focused on global cross-platform content development and delivery, and expertise in digital brand building, online business development and in driving technological innovation.

Vote Required. Under the Company's majority vote standard in order to be elected a director must receive a number of For votes that exceed the number of votes cast Against the election of the director. As such, an abstention is effectively a vote against a director. The Company's majority vote standard and mandatory resignation policy are discussed in detail beginning on page 13 of this proxy statement.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE ELECTION OF EACH OF THE TWELVE DIRECTOR NOMINEES NAMED ABOVE.

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GOVERNANCE OF THE COMPANY

Hasbro is committed to strong corporate governance, ethical conduct, sustainability and the accountability of our Board and our senior management team to the Company's shareholders.

Highlights of our efforts in these areas include:

- Comprehensive shareholder outreach program;
- Board is composed of a significant majority of independent directors;
- Board includes a balance of experience, tenure and qualifications in areas important to our business;
- We have a Lead Independent Director with clearly defined responsibilities;
- Board is elected annually under a majority vote standard, with a plurality carve-out for contested elections;
- Policy limiting the number of boards on which our directors may serve;
- No shareholder rights plan;
- Longstanding commitment to Corporate Sustainability;
- Proxy Access Bylaw provision adopted in 2015;
- Strong Clawback Policy;
- Policy prohibiting the pledging or hedging of Company stock;
- Share ownership and retention policy for our Board members and executive officers; and
- Written Code of Conduct and Corporate Governance Principles.

Code of Conduct

Hasbro has a Code of Conduct which is applicable to all of the Company's officers, other employees and directors, including the Company's Chief Executive Officer, Chief Financial Officer and Controller. The Code of Conduct addresses such issues as conflicts of interest, protection of confidential Company information, financial integrity, compliance with laws, rules and regulations, insider trading and proper public disclosure. Compliance with the Code of Conduct is mandatory for all Company officers, other employees and directors. Any violation of the Code of Conduct can subject the person at issue to a range of sanctions, including dismissal.

The Code of Conduct is available on Hasbro's website at www.hasbro.com, under Corporate Investors Corporate Governance. Although the Company generally does not intend to provide waivers of, or amendments to, the Code of Conduct for its Chief Executive Officer, Chief Financial Officer, Controller, or any other officers, directors or employees, information concerning any waiver of, or amendment to, the Code of Conduct for the Chief Executive Officer, Chief Financial Officer, Controller, or any other executive officer or director of the Company, will be promptly disclosed on the Company's website in the location where the Code of Conduct is posted.

Corporate Governance Principles

Hasbro has adopted a set of Corporate Governance Principles which address qualifications for members of the Board of Directors, director responsibilities, director access to management and independent advisors, director compensation and many other matters related to the governance of the Company. The Corporate Governance Principles are available on Hasbro's website at www.hasbro.com, under Corporate Investors Corporate Governance.

Director Independence

Hasbro's Board has adopted Standards for Director Independence (the Independence Standards) in accordance with The NASDAQ Stock Market's corporate governance listing standards. The Independence Standards specify criteria used by the Board in making determinations with respect to the independence of its members and include strict guidelines for directors and their immediate family members with respect to past employment or affiliation with the Company or its independent auditor. The Independence Standards are available on Hasbro's website at www.hasbro.com, under Corporate Investors Corporate Governance. A copy of the Independence Standards is also attached as Appendix A to this Proxy Statement.

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The Independence Standards restrict commercial relationships between directors and the Company and include the consideration of other relationships with the Company, including charitable relationships, in making independence determinations. The Board has determined in accordance with our Independence Standards, that each of the following directors are independent and have no relationships which impact an independence determination under the Company's Independence Standards: Basil L. Anderson, Alan R. Batkin, Kenneth A. Bronfin, Michael R. Burns, Hope Cochran, Sir Crispin H. Davis, Lisa Gersh, Alan G. Hassenfeld, Tracy A. Leinbach, Edward M. Philip, Richard S. Stoddart, Mary Beth West and Linda K. Zecher.

Alan G. Hassenfeld was formerly an employee and Chief Executive Officer of the Company. However, Mr. Hassenfeld's officer and employee relationship with the Company ended in December of 2005. Although Mr. Hassenfeld has a greater than 5% shareholding in the Company, which is detailed in the stock ownership tables in this Proxy Statement, that interest is only a minority interest in the total share ownership of the Company. The Board does not believe that the former employment relationship or equity interest impact Mr. Hassenfeld's independence.

The only member of the Company's Board who was determined not to be independent was Brian D. Goldner, the Company's current Chairman and Chief Executive Officer.

Lead Independent Director

At the Company's 2015 Annual Meeting, the role of Presiding Non-Management Director was replaced with an expanded role of Lead Independent Director. This reflected Hasbro's continued commitment to good governance and to providing a strong voice for its independent directors. Basil Anderson serves in the role of Lead Independent Director. Mr. Anderson has served on the Board since 2002 and currently also serves as Chairman of the Nominating, Governance and Social Responsibility Committee. We are identifying and appointing a new Lead Independent Director who will assume those duties at our upcoming Annual Meeting following Mr. Anderson's retirement from the Board.

The Lead Independent Director's primary responsibilities include:

reviewing and approving all information and materials to be sent to the Board;

reviewing and approving agendas and meeting schedules for all Board and Committee meetings, including to assure that there is sufficient time for discussion of all agenda items;

developing the agendas for, and moderating, executive sessions of the Board's non-management and independent directors;

advising management on the quality, quantity and timeliness of information provided to the Board;

presiding at all meetings of the Board at which the Chairman and Chief Executive Officer is not present, including all executive sessions of the non-management and independent directors;

providing feedback to the Chairman and Chief Executive Officer regarding the matters discussed at such meetings and sessions, as appropriate;

having the authority to call meetings of the non-management and independent directors whenever the Lead Independent Director deems it appropriate or necessary;

serving as the principal liaison between the non-management and independent directors and the Chairman and Chief Executive Officer and management;

serving as the liaison between the non-management and independent directors and other constituents of the Company, such as shareholders, and meeting and consulting with major shareholders as part of the Company's shareholder outreach programs and when otherwise requested by such shareholders;

serving as a conduit for third parties to contact the non-management and independent Directors as a group;

regularly consulting with the Chairman and Chief Executive Officer and other members of the Board on matters related to corporate governance and Board performance;

facilitating the retention of outside advisors for the independent directors and the Board as needed; and

performing such other duties as the Board may from time to time delegate or request.

Board Leadership Structure

The Chairman of the Company's Board is elected by the Board on an annual basis. Currently, Mr. Goldner serves as Chairman of the Board, as well as Chief Executive Officer. Mr. Goldner's appointment as Chairman in May of 2015 reflected the integral role he has played and continues to play in the transformation of Hasbro's business globally and in successfully formulating and executing the Company's strategy, including its expansion into new

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geographies and new categories, both before and following his appointment as Chief Executive Officer in 2008. The Board believes that combining these roles at this time is best for the Company and its shareholders as it will facilitate the functioning of the Board with senior management in strategic planning for the Company and in determining the Company's key business opportunities and objectives, and setting plans for achieving those objectives. Hasbro believes the combination of these roles with a proven leader positions the Company well for future success.

The Chairman of the Board provides leadership to the Board by, among other things, working with the Lead Independent Director and the Corporate Secretary to set Board calendars, determine agendas for Board meetings, ensure proper flow of information to Board members, facilitate effective operation of the Board and its Committees, help promote Board succession planning and the recruitment and orientation of new directors, oversee director performance, assist in consideration and Board adoption of the Company's strategic plan and annual operating plans, and help promote senior management succession planning.

The Lead Independent Director, whose responsibilities are described in detail above, works with the Chairman in ensuring the proper operation of the Board, and serves as the principal liaison between the non-management, independent directors and the Chairman and other constituents of the Company, such as shareholders.

Majority Vote Standard

The Company has a majority vote standard for the election of directors in uncontested director elections (with a plurality vote standard applying to contested director elections), coupled with a director resignation policy for those directors who do not receive a majority vote.

In an election of directors which is not a contested election (as defined below), when a quorum is present, each nominee to be elected by shareholders shall be elected if the votes cast for such nominee exceed the votes cast against such nominee. In cases where as of the tenth (10th) day preceding the date on which the Company first mails its notice of meeting, for the meeting at which directors are being elected, the number of nominees for director exceeds the number of directors to be elected (referred to as a "contested election"), when a quorum is present, each nominee to be elected by shareholders shall be elected by a plurality of the votes cast.

In order for an incumbent director to become a nominee for re-election to the Board, such person must submit an irrevocable resignation, contingent on both that person not receiving a "for" vote that exceeds the "against" vote cast in an election that is not a contested election and acceptance of that resignation by the Board in accordance with the policies and procedures of the Board adopted for such purpose. In the event an incumbent director fails to receive a "for" vote that exceeds the "against" vote in an election that is not a contested election, the Company's Nominating, Governance and Social Responsibility Committee shall make a recommendation to the Board as to whether to accept or reject the resignation of such incumbent director.

The Board shall act on the resignation, taking into account the recommendation of the Nominating, Governance and Social Responsibility Committee, and publicly disclose (by filing an appropriate disclosure with the Securities and Exchange Commission) its decision regarding the resignation and, if such resignation is rejected, the rationale for that decision, within sixty (60) days following the final certification of the vote at which the election was held. The Nominating, Governance and Social Responsibility Committee in making its recommendation, and the Board in making its decision, may each consider all factors and information that they consider relevant and appropriate. Both the Nominating, Governance and Social Responsibility Committee, in making their recommendation, and the Board in making its decision, with respect to any given nominee who has not received the requisite vote in an election that is

not a contested election, will act without the participation of the nominee in question.

Overboarding Policy

The Company has a policy providing that our board members may not serve on the boards of directors of more than a total of four public companies (including the Company's Board) and/or registered investment fund families. If the director is also a sitting Chief Executive Officer of a public company, the director may not serve on more than one other public company board or registered investment fund family board, in addition to the Company's board.

Annual Self-Evaluation for the Board and Board Committees

Every year the entire Board, as well as each of the committees of the Board, conduct a self-evaluation process. This process includes each director and each committee member submitting confidential feedback on the

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performance of the Board, as well as the performance of each committee on which they serve. The feedback is then collected and reviewed and discussed by the applicable committees, as well as the entire Board of Directors. This feedback informs changes the Board and the committees consider making to their processes and areas of review for the next year.

Board Tenure

Although the Company does not have a formal policy with respect to Board tenure, the Board does seek to keep a balance of tenures to provide continuity of understanding of the business, long-term succession planning, and meaningful onboarding of new directors, including educating new directors with respect to the Company's business, while also providing for new perspectives brought to bear by new Board members. The Board is targeting a mix of tenures in which roughly one-third of the Board members have been on the Board for five years or less, one-third of the members have been on the Board for six to ten years, and one-third of the members have served on the Board for longer than ten years. Although that is a general target, the composition of Board tenures may vary over time for a number of factors, including the availability of appropriate director candidates.

Proxy Access

In response to the affirmative vote of a majority of our shareholders on a proxy access shareholder proposal at our 2015 Annual Meeting, and other feedback received from our shareholders, including as part of our ongoing shareholder outreach, in October 2015 the Board amended the Company's Amended and Restated By-Laws to implement a proxy access procedure. The By-Law amendment allows a shareholder or a group of up to 20 shareholders, who has maintained continuous ownership of at least 3% of the voting power of the Company's outstanding voting stock for at least 3 years, to include nominees for election to the Board of Directors in the Company's proxy statement. Subject to compliance with the requirements of the proxy access By-Law provisions, the shareholder or group of shareholders may include director nominees for up to the greater of (i) 20% of the Board, rounded down to the nearest whole number, or (ii) 2 nominees. Details concerning the Proxy Access procedure are set forth in this proxy statement beginning on page 20.

Share Retention Requirements

The Company has historically had share ownership guidelines which apply to all officers and employees at or above the Senior Vice President level and establish target share ownership levels which executives are expected to achieve over a five-year period and then maintain, absent extenuating circumstances. To further align executives' interests with the long-term interests of shareholders, effective March 1, 2014, the Company adopted amendments to the share ownership policy, which include a requirement to retain a portion of any net shares realized from stock vesting or option exercises during the five-year period an executive has to achieve their stock ownership requirement until the executive's ownership requirement level is satisfied. Until the applicable ownership level is achieved, the executive is required 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 to the executive following such executive becoming subject to the policy. Once the required stock ownership level is achieved, the executive is required to maintain the stock ownership level for as long as the executive is employed by the Company and is subject to the policy.

Equity Awards Granted in 2013 and Beyond Subject to Double Trigger Following a Change in Control

At the Company's 2013 Annual Shareholder Meeting, shareholders approved amendments to the Company's Restated 2003 Stock Incentive Performance Plan, as amended. This approval by our shareholders provided that all awards granted in 2013 and thereafter, including the equity awards granted to Mr. Goldner pursuant to his Amended and Restated Employment Agreement, will be subject to a double trigger change in control provision. This means that rather than vesting automatically upon a change in control, such awards will only vest following a change in control if the award recipient's employment with the Company is terminated under specified circumstances.

Clawback Policy

In 2012 the Company's Board adopted a Clawback Policy. All equity and non-equity incentive plan compensation granted by the Company in 2013 and thereafter is subject to this Clawback Policy. The policy

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provides that if an accounting restatement is required due to the Company's material non-compliance with any accounting requirements, then all of the Company's executive officers, regardless of whether they were at fault or not in the circumstances leading to the restatement, will be subject to forfeiting any excess in the incentive compensation they earned over the prior three years over what they would have earned if there had not been a material non-compliance in the financial statements.

Adoption of a Policy Prohibiting the Pledging or Hedging of Company Stock

In 2012 the Board adopted a policy prohibiting any pledges or hedges of Company stock by directors, officers or other employees on a prospective basis. The Board believes this policy furthers the interest of shareholders by ensuring that directors, officers and employees have the same economic incentives as shareholders and that equity held by directors, officers and employees will not be sold in situations beyond the control of the director, officer or employee.

No Tax Gross-Ups

We do not have any existing tax gross-up arrangements with any of our directors, officers or other employees and we have made a commitment to not enter into such arrangements in the future.

Corporate Social Responsibility

Corporate social responsibility (CSR) unites Hasbro's desire to play a part in building a safe and sustainable world for future generations and to positively impact the lives of millions of children and families every year. The Company focuses its CSR initiatives on three key areas: product safety, ethical sourcing and environmental sustainability. Another important element of the Company's CSR efforts is its tradition of supporting children worldwide through a variety of philanthropic programs. Hasbro recently received several prestigious recognitions in this area, including being named by the Ethisphere Institute as a 2017 World's Most Ethical Company. This was our sixth consecutive year to receive that award. We are also ranked #1 Most Community Minded Company in the consumer discretionary industry by The Civic 50 and #3/100 on Corporate Responsibility Magazine's 100 Best Corporate Citizens list (#1 in consumer discretionary sector for 2016).

Board Meetings and Director Attendance at the Annual Meeting

During 2016, the Board held seven meetings. All directors attended at least 75% of the aggregate of (i) the Board meetings held during their tenure as directors during 2016 and (ii) the meetings of any committees held during their tenure as members of such committees during 2016. Although the Company does not have a formal policy requiring attendance of directors at the annual meeting of shareholders, the expectation of the Company and the Board is that all directors will attend the annual meeting of shareholders unless conflicts prevent them from attending. All members of the Board who were members as of the 2016 Annual Meeting of Shareholders attended the 2016 Annual Meeting of Shareholders.

Board Committees

Audit Committee. The Audit Committee of the Board, which currently consists of Tracy A. Leinbach (Chair), Alan R. Batkin, Michael R. Burns, Hope Cochran, Richard S. Stoddart and Linda K. Zecher, held twelve meetings in 2016. The Audit Committee is responsible for the appointment, compensation and oversight of the Company's independent auditor and assists the Board in fulfilling its responsibility to oversee management's conduct of the Company's financial reporting process, the financial reports provided by the Company, the Company's systems of internal accounting and financial controls, and the quarterly review and annual independent audit of the Company's financial statements. The current Audit Committee Charter adopted by the Board is available on the Company's website at www.hasbro.com, under Corporate Investors Corporate Governance Committee Charters.

The Board has determined that each member of the Audit Committee meets both the Company's Independence Standards and the requirements for independence under The NASDAQ Stock Market's corporate governance listing standards. The Board has determined that Tracy A. Leinbach qualifies as an Audit Committee Financial Expert, as such term is defined in the rules and regulations promulgated by the United States Securities and Exchange Commission.

The Board does not have a policy setting rigid limits on the number of audit committees on which a member of the Company's Audit Committee can serve. Instead, in cases where an Audit Committee member serves on more than three public company audit committees, the Board evaluates whether such simultaneous service would impair the service of such member on the Company's Audit Committee.

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Compensation Committee. The Compensation Committee of the Board, which currently consists of Edward M. Philip (Chair), Basil L. Anderson, Kenneth A. Bronfin, Crispin H. Davis, Lisa Gersh and Linda K. Zecher, held five meetings in 2016. The Compensation Committee is responsible for establishing and overseeing the compensation and benefits for the Company's senior management, including all of the Company's executive officers, is authorized to make grants and awards under the Company's employee stock equity plan and shares responsibility for evaluation of the Company's Chief Executive Officer with the Nominating, Governance and Social Responsibility Committee.

The current Compensation Committee Charter adopted by the Board is available on the Company's website at www.hasbro.com, under Corporate Investors Corporate Governance Committee Charters. The Board has determined that each member of the Compensation Committee meets both the Company's Independence Standards and the requirements for independence under The NASDAQ Stock Market's corporate governance listing standards. For a further description and discussion concerning the Compensation Committee, including its composition and its processes and procedures for determining the compensation of the Company's executive officers, please see the Compensation Committee Report on page 24 of this Proxy Statement, and the Compensation Discussion and Analysis which begins immediately thereafter.

As is discussed beginning on page 45 of this Proxy Statement, in reviewing the proposed fiscal 2016 compensation and retention program for the Company's executive officers at the beginning of 2016, the Compensation Committee received input and recommendations from Compensation Advisory Partners LLC (CAP) who served as an outside compensation consultant for the Compensation Committee until October 2016. Beginning in October 2016 the Compensation Committee has received input and recommendations from Meridian Compensation Partners LLC (Meridian) with respect to executive compensation matters. For their work with respect to advising on the 2016 compensation program, both CAP and Meridian were retained by, and reported directly to, the members of the Committee. CAP advised the Committee with respect to the Committee's review of the Company's 2016 executive compensation programs and provided additional information as to whether the Company's proposed 2016 executive compensation programs were competitive, fair to the Company and the executives, reflected appropriate pay for performance, provided appropriate retention to executives, and were effective in promoting the performance of the Company's executives and achievement of the Company's business and financial goals. Meridian advised the Committee with respect to the 2016 executive compensation program and the extension to Mr. Goldner's employment agreement in December 2016. CAP and Meridian did not perform any other work for the Company in 2016 and in order to maintain Meridian's independence the Committee has established a policy that Meridian will not provide any services directly to the Company and will only provide services directly to the Committee. Meridian does not have any relationship with the Company which the Committee believes in any way adversely impacts Meridian's independence. The Committee's review of Meridian's independence is discussed in more detail on page 46 of this Proxy Statement.

In addition to the work performed by CAP and Meridian directly for the Committee with respect to the 2016 compensation program, Willis Towers Watson (Towers Watson) was retained by the Company's Human Resources and Compensation Departments to perform analysis on the Company's current and proposed compensation and benefit programs, including preparation of proxy tables and executive tally sheets for management, consulting and benefits administration services for the Company, including services for the Company's health and group benefits programs and retirement plans, work in connection with the Company's online total reward statements for employees and work providing compensation surveys and other compensation and benefits information.

Additionally, the Company's Human Resources and Compensation Departments retained Mercer LLC to perform consulting services relating to the Company's retirement investments and to provide compensation surveys and other compensation and benefits information.

Executive Committee. The Executive Committee of the Board, which currently consists of Alan G. Hassenfeld (Chair), Basil L. Anderson, Kenneth A. Bronfin, Brian D. Goldner, Tracy A. Leinbach and Edward M. Philip, did not meet in 2016. The Executive Committee acts on such matters as are specifically assigned to it from time to time by the Board and is vested with all of the powers that are held by the Board, except that by law the Executive Committee may not exercise any power of the Board relating to the adoption of amendments to the Company's Articles of Incorporation or By-laws, adoption of a plan of merger or consolidation, the sale, lease or exchange of all or substantially all the property or assets of the Company or the voluntary dissolution of the Company. The current Executive Committee Charter adopted by the Board is available on the Company's website at www.hasbro.com, under Corporate Investors Corporate Governance Committee Charters.

Finance Committee. The Finance Committee of the Board, which currently consists of Kenneth A. Bronfin (Chair), Michael R. Burns, Hope Cochran, Alan G. Hassenfeld, Richard S. Stoddart and Mary Beth West, met four times in 2016. The Finance Committee assists the Board in overseeing the Company's annual and long-term

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financial plans, capital structure, use of funds, investments, financial and risk management and proposed significant transactions. The current Finance Committee Charter adopted by the Board is available on the Company's website at www.hasbro.com, under Corporate Investors Corporate Governance Committee Charters. The Board has determined that each member of the Finance Committee meets both the Company's Independence Standards and the requirements for independence under The NASDAQ Stock Market's corporate governance listing standards.

Nominating, Governance and Social Responsibility Committee. The Nominating, Governance and Social Responsibility Committee of the Board (the Nominating Committee), which currently consists of Basil L. Anderson (Chair), Alan R. Batkin, Crispin H. Davis, Lisa Gersh, Tracy A. Leinbach, Edward M. Philip and Mary Beth West, met five times in 2016. The Nominating Committee identifies and evaluates individuals qualified to become Board members and makes recommendations to the full Board for possible additions to the Board and on the director nominees for election at the Company's annual meeting. The Nominating Committee also oversees and makes recommendations regarding the governance of the Board and the committees thereof, including the Company's governance principles, Board and Board committee evaluations and the Chair of the Nominating Committee shares with the Compensation Committee responsibility for evaluation of the Chief Executive Officer.

In addition, the Nominating Committee periodically reviews, and makes recommendations to the full Board with respect to, the compensation paid to non-employee directors for their service on the Company's Board, including the structure and elements of non-employee director compensation. In structuring the Company's director compensation, the Nominating Committee seeks to attract and retain talented directors who will contribute significantly to the Company, fairly compensate directors for their work on behalf of the Company and align the interests of directors with those of stockholders. As part of its review of director compensation, the Nominating Committee reviews external director compensation market studies to assure that director compensation is set at reasonable levels which are commensurate with those prevailing at other similar companies and that the structure of the Company's non-employee director compensation programs is effective in attracting and retaining highly qualified directors. In 2006, the Company adopted director stock ownership guidelines which require that a director may not sell any shares of the Company's Common Stock, including shares acquired as part of the yearly equity grant, until the director holds shares of common stock with a value equal to at least five times the current non-employee directors' annual retainer (currently requiring holdings with a value of \$475,000). Please see the Compensation of Directors section beginning on page 82 of this Proxy Statement for a full discussion of the Company's compensation of its directors.

Further, the Nominating Committee oversees the Company's codes of business conduct and ethics, and analyzes significant issues of corporate social responsibility and related corporate conduct, including product safety, environmental sustainability and climate change, human rights and ethical sourcing, responsible marketing, transparency, public policy matters, community relations and charitable contributions. The current Nominating, Governance and Social Responsibility Committee Charter adopted by the Board is available on the Company's website at www.hasbro.com, under Corporate Investors Corporate Governance Committee Charters. The Board has determined that each member of the Nominating Committee meets both the Company's Independence Standards and the requirements for independence under The NASDAQ Stock Market's corporate governance listing standards.

Identifying Director Nominees. In making its nominations for election to the Board the Nominating Committee seeks candidates who meet the current challenges and needs of the Board. As part of this process the Committee considers a number of factors, including, among others, a candidate's employment and other professional experience, past expertise and involvement in areas which are relevant to the Company's business, business ethics and professional reputation, independence, other board experience, and the Company's desire to have a Board that represents a diverse mix of backgrounds, perspectives and expertise. The Company does not have a formal policy for considering diversity in identifying and recommending nominees for election to the Board, but the Nominating Committee considers diversity of viewpoint, experience, education, skill, background and other qualities in its overall consideration of

nominees qualified for election to the Board. The Nominating Committee will consider and evaluate nominees recommended by shareholders for election to the Board on the same basis as candidates from other sources if such nominations are made in accordance with the process set forth in the following pages under Shareholder Proposals and Director Nominations. The Nominating Committee uses multiple sources for identifying and evaluating nominees for director, including referrals from current directors, recommendations by shareholders and input from third-party executive search firms. As part of the Company's robust board succession planning process and efforts to continually maintain the high functioning of the board, Hope Cochran and Mary Beth West were appointed to the Board in June 2016. The Company is proud that of the twelve director nominees standing for election to the Board at the 2017 Annual Meeting of Shareholders, five of those candidates are female.

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As of December 5, 2016 (the date that is 120 calendar days before the first anniversary of the release date of the proxy statement for the Company's last Annual Meeting of Shareholders) the Nominating Committee had not received a recommended nominee for election to the Board in 2017 from an individual shareholder, or group of shareholders, who beneficially owned more than 5% of the Company's Common Stock.

Role of the Board in Risk Oversight

The Board of Directors is actively involved in risk oversight for the Company. Although the Board as a whole has retained oversight over the Company's risk assessment and risk management efforts, the efforts of the various committees of the Board are instrumental in this process. Each committee, generally through its Chair, then regularly reports back to the full Board on the conduct of the committee's functions. The Board, as well as the individual Board committees, also regularly speaks directly with key officers and employees of the Company involved in risk assessment and risk management. Set forth below is a description of the role of the various Board committees, and the full Board, in risk oversight for the Company.

The Audit Committee assists the Board in risk oversight for the Company by reviewing and discussing with management, internal auditors and the independent auditors the Company's significant financial and other exposures, and guidelines and policies relating to enterprise risk assessment and risk management, including the Company's procedures for monitoring and controlling such risks. In addition to exercising oversight over key financial and business risks, the Audit Committee oversees, on behalf of the Board, financial reporting, tax, and accounting matters, as well as the Company's internal controls over financial reporting. The Audit Committee also plays a key role in oversight of the Company's compliance with legal and regulatory requirements.

The Finance Committee of the Board reviews and discusses with management the Company's financial risk management activities and strategies, including with respect to foreign currency, credit risk, interest rate exposure, and the use of hedging and other techniques to manage these risks. As part of its review of the operating budget and strategic plan the Finance Committee also reviews major business risks to the Company and the Company's efforts to manage those risks.

The Compensation Committee oversees the compensation programs for the Company's executive officers. As part of that process the Compensation Committee ensures that the performance goals and metrics being used in the Company's compensation plans and arrangements align the interests of executives with those of the Company and its shareholders and maximize executive and Company performance, while not creating incentives on the part of executives to take excessive or inappropriate risks.

The Nominating, Governance and Social Responsibility Committee has oversight over the Company's governance policies and structures, management and director succession planning, corporate social responsibility, and issues related to health, safety and the environment, as well as risks and efforts to manage risks to the Company in those areas.

The full Board then regularly reviews the efforts of each of its committees and discusses, at the level of the full Board, the key strategic, financial, business, legal and other risks facing the Company, as well as the Company's efforts to manage those risks.

Director Retirement Age

The Board has established a target retirement age of 72. Normally, a Director who has reached this age will serve out his or her current term and not stand for re-election at the end of that term. However, the Board recognizes that from time to time there may be unusual circumstances where exceptions need to be made to this general rule to retain needed continuity and expertise, or for other business reasons.

Additional Availability of Corporate Governance Materials

In addition to being accessible on the Company's website, copies of the Company's Code of Conduct, Corporate Governance Principles and the charters of the five committees of the Board of Directors are all available free of charge to any shareholder upon request to the Company's Chief Legal Officer and Corporate Secretary, c/o Hasbro, Inc., 1011 Newport Avenue, P.O. Box 1059, Pawtucket, Rhode Island 02861.

Shareholder Proposals and Director Nominations

General Shareholder Proposals

To Be Considered at the Annual Meeting and Considered for Inclusion in the Proxy Materials. Any proposal which a shareholder of the Company wishes to have considered for inclusion in the proxy statement and proxy

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relating to the Company's 2018 Annual Meeting of Shareholders must be received by the Secretary of the Company at the Company's executive offices no later than December 5, 2017 (the date that is 120 calendar days before the anniversary of the release date of the proxy statement relating to the 2017 Annual Meeting of Shareholders). The address of the Company's executive offices is 1011 Newport Avenue, Pawtucket, Rhode Island 02861. Such proposals must also comply with the other requirements of the rules of the United States Securities and Exchange Commission relating to shareholder proposals.

To Be Considered at the Annual Meeting But Not Included in the Proxy Materials. With the exception of the submission of director nominations for consideration by the Nominating Committee, which must be submitted to the Company in the manner described below, any new business proposed by any shareholder to be taken up at the 2018 Annual Meeting, but not included in the proxy statement or proxy relating to that meeting, must be stated in writing and filed with the Secretary of the Company no later than 150 days prior to the date of the 2018 Annual Meeting. Except for shareholder proposals made pursuant to the preceding paragraph, the Company will retain discretion to vote proxies at the 2018 Annual Meeting with respect to proposals received prior to the date that is 150 days before the date of such meeting, provided (i) the Company includes in its 2018 Annual Meeting proxy statement advice on the nature of the proposal and how it intends to exercise its voting discretion and (ii) the proponent does not issue a proxy statement.

Director Nominations

Director Nominations to be made at the Annual Meeting But Not Included in the Proxy Materials. The Company's By-laws provide that shareholders may themselves nominate directors for consideration at an annual meeting provided they give written notice to the Secretary of the Company. Such notice must be received at the principal executive office of the Company not less than 60 days nor more than 90 days prior to the one-year anniversary date of the immediately preceding annual meeting of shareholders and provide specified information regarding the proposed nominee and each shareholder proposing such nomination. Nominations made by shareholders in this manner are eligible to be presented by the shareholder to the meeting, but such nominees will not have been considered by the Nominating Committee as a nominee to be potentially supported by the Company and will not have been included in the Company's proxy materials.

Director Nominations to be Considered by the Company's Nominating Committee. To be considered by the Nominating Committee, director nominations must be submitted to the Chief Legal Officer and Corporate Secretary of the Company at the Company's executive offices, 1011 Newport Avenue, Pawtucket, Rhode Island 02861 not less than ninety (90) nor more than one hundred and twenty (120) days prior to the one-year anniversary of the preceding year's annual meeting. As such, director nominations to be considered for the Company's 2018 Annual Meeting of Shareholders must be submitted no later than February 17, 2018. The Nominating Committee is only required to consider recommendations made by shareholders, or groups of shareholders, that have beneficially owned at least 1% of the Company's Common Stock for at least one year prior to the date the shareholder(s) submit such candidate to the Nominating Committee and who undertake to continue to hold at least 1% of the Company's Common Stock through the date of the next annual meeting. In addition, a nominating shareholder(s) may only submit one candidate to the Nominating Committee for consideration.

Submissions to the Nominating Committee should include (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the Company that are owned beneficially or of record by the person, (iv) any other information

relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules and regulations promulgated thereunder, and (v) confirmation that the candidate is independent under the Company s Independence Standards and the rules of The NASDAQ Stock Market, or if the candidate is not independent under all such criteria, a description of the reasons why the candidate is not independent; and (b) as to the shareholder(s) giving the notice (i) the name and record address of such shareholder(s) and each participant in any group of which such shareholder is a member, (ii) the class or series and number of shares of capital stock of the Company that are owned beneficially or of record by such shareholder(s) and each participant in any group of which such shareholder is a member, (iii) if the nominating shareholder is not a record holder of the shares of capital stock of the Company, evidence of ownership as provided in Rule 14a-8(b)(2) under the Exchange Act, (iv) a description of all arrangements or understandings between such shareholder(s) and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such shareholder(s), and (v) any other information relating to such shareholder(s) that would be required to be disclosed in a proxy statement or other filings required to be

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made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

The Nominating Committee may require that any proposed nominee for election to the Board furnish such other information as may reasonably be required by the Nominating Committee to determine the eligibility of such proposed nominee to serve as director of the Company. The written notice from the nominating shareholder specifying a candidate to be considered as a nominee for election as a director must be accompanied by a written consent of each proposed nominee for director. In this written consent the nominee must consent to (i) being named as a nominee for director, (ii) serve as a director and represent all shareholders of the Company in accordance with applicable laws and the Company's Articles of Incorporation, By-laws and other policies if such nominee is elected, (iii) comply with all rules, policies or requirements generally applicable to non-employee directors of the Company, and (iv) complete and sign customary information requests upon the request of the Company.

Proxy Access Procedure for Director Nominees. Set forth below is a summary of the Company's proxy access procedure which was adopted in 2015 and which is contained in Section 2.10(d) of the Company's Amended and Restated By-laws. Shareholders are referred to the By-laws for the full details related to this procedure. Pursuant to the proxy access procedure, the Company shall include in its proxy statement (including its form of proxy) for any annual meeting of shareholders the name of any shareholder nominee for election to the Board of Directors submitted pursuant to Section 2.10(d) of the By-laws (each a *Shareholder Nominee*) provided (i) timely written notice of such Shareholder Nominee satisfying the requirements of Section 2.10(d) is delivered to the Secretary of the Company by or on behalf of a shareholder or shareholders that, at the time the notice is delivered, satisfy the ownership and other requirements of Section 2.10(d) (such shareholder or shareholders, and any person on whose behalf they are acting, the *Eligible Shareholder*), (ii) the Eligible Shareholder expressly elects in writing at the time of providing the notice required by Section 2.10(d) to have its nominee included in the Company's proxy statement, and (iii) the Eligible Shareholder and the Shareholder Nominee otherwise satisfy the requirements of Section 2.10 of the By-laws.

To be timely, an Eligible Shareholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Company not less than ninety (90) days nor more than one hundred and twenty (120) days prior to the one-year anniversary date of the immediately preceding annual meeting of shareholders; provided that if the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the one hundred twentieth (120th) day prior to such annual meeting and not later than the later of (x) the ninetieth (90th) day prior to the date of such annual meeting or (y) the tenth (10th) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs.

In addition to including the name of the Shareholder Nominee in the Company's proxy statement for the annual meeting, the Company also shall include (i) the information concerning the Shareholder Nominee and the Eligible Shareholder that is required to be disclosed in the Company's proxy statement pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; and (ii) if the Eligible Shareholder so elects, a Statement (defined below) (collectively, the *Required Information*). Nothing in Section 2.10(d) shall limit the Company's ability to solicit against and include in its proxy statement its own statements relating to any Shareholder Nominee.

The number of Shareholder Nominees (including Shareholder Nominees that were submitted by an Eligible Shareholder for inclusion in the Company's proxy statement pursuant to Section 2.10(d) but either are subsequently withdrawn or that the Board of Directors decides to nominate (each a *Board Nominee*)) appearing in the Company's proxy statement with respect to a meeting of shareholders shall not exceed the greater of (i) two (2) or (ii) 20% of the number of directors in office as of the last day on which notice of a nomination may be delivered pursuant to

Section 2.10(d) (the Final Proxy Access Nomination Date) or, if such amount is not a whole number, the closest whole number below 20% (the Permitted Number).

In the event that the number of Shareholder Nominees submitted by Eligible Shareholders pursuant to Section 2.10(d) exceeds the Permitted Number, each Eligible Shareholder shall select one Shareholder Nominee for inclusion in the Company's proxy statement until the Permitted Number is reached, going in the order of the amount (largest to smallest) of shares of the Company's capital stock each Eligible Shareholder disclosed as owned in the original written notice of the nomination submitted to the Company. If the Permitted Number is not reached after each Eligible Shareholder has selected one Shareholder Nominee, this selection process shall continue as many times as necessary, following the same order each time, until the Permitted Number is reached.

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An Eligible Shareholder must have owned (as defined below) continuously for at least three (3) years a number of shares that represents 3% or more of the total voting power of the Company's outstanding shares of capital stock entitled to vote on the election of directors (the Required Shares) as of both the date the written notice of the nomination is delivered to or mailed and received by the Company in accordance with Section 2.10(d) and the record date for determining shareholders entitled to vote at the meeting, and must continue to own the Required Shares through the meeting date. For purposes of satisfying the ownership requirement under Section 2.10(d), the shares of the Company's capital stock owned by one or more shareholders, or by the person or persons who own shares of the Company's capital stock and on whose behalf any shareholder is acting, may be aggregated, provided that the number of shareholders and other persons whose ownership of shares is aggregated for such purpose shall not exceed twenty (20). The following shall be treated as one Eligible Shareholder if such Eligible Shareholder shall provide, together with the notice delivered to the Company pursuant to this Section, documentation reasonably satisfactory to the Board of Directors or its designee that demonstrates compliance with the following criteria: (1) funds under common management and investment control; (2) funds under common management and funded primarily by the same employer; or (3) a family of investment companies or a group of investment companies (each as defined in the Investment Company Act of 1940 and the rules, regulations and forms adopted thereunder, all as amended). With respect to any one particular annual meeting, no person may be a member of more than one group of persons constituting an Eligible Shareholder under Section 2.10 (d).

A person shall be deemed to own only those outstanding shares of the Company's capital stock as to which the person possesses both (i) the full voting and investment rights pertaining to the shares and (ii) the full economic interest in (including the opportunity for profit and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses (i) and (ii) shall not include any shares (x) sold by such person or any of its affiliates in any transaction that has not been settled or closed, (y) borrowed by such person or any of its affiliates for any purposes or purchased by such person or any of its affiliates pursuant to an agreement to resell or (z) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such person or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of outstanding shares of the Company's capital stock, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of (A) reducing in any manner, to any extent or at any time in the future, such person's or affiliates' full right to vote or direct the voting of any such shares, and/or (B) hedging, offsetting or altering to any degree gain or loss arising from the full economic ownership of such shares by such person or affiliate.

A person shall own shares held in the name of a nominee or other intermediary so long as the person retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. A person's ownership of shares shall be deemed to continue during any period in which (i) the person has loaned such shares, provided that the person has the power to recall such loaned shares on five (5) business days notice or (ii) the person has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement that is revocable at any time by the person.

The Eligible Shareholder must provide with its timely notice of nomination the following information in writing to the Secretary of the Company: (i) one or more written statements from the record holder of the shares (and from each intermediary through which the shares are or have been held during the requisite three (3) year holding period) verifying that, as of a date within seven (7) calendar days prior to the date the written notice of the nomination is delivered to or mailed and received by the Company, the Eligible Shareholder owns, and has owned continuously for the preceding three (3) years, the Required Shares, and the Eligible Shareholder's agreement to provide, (A) within five (5) business days after the record date for the meeting, written statements from the record holder and intermediaries verifying the Eligible Shareholder's continuous ownership of the Required Shares through the record date, and (B) immediate notice if the Eligible Shareholder ceases to own any of the Required Shares prior to the date of the

applicable annual meeting of shareholders; (ii) documentation satisfactory to the Company demonstrating that a group of funds treated as one shareholder meet the applicable requirements; (iii) a representation that the Eligible Shareholder (including each member of any group of shareholders that together is an Eligible Shareholder hereunder): (A) intends to continue to own the Required Shares through the date of the annual meeting; (B) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control of the Company, and does not presently have such intent; (C) has not nominated and will not nominate for election to the Board of Directors at the meeting any person other than the Shareholder Nominee being nominated pursuant to Section 2.10(d); (D) has not engaged and will not engage in, and has not and will not be, a participant in another person's solicitation within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the meeting other than its Shareholder Nominee or a Board Nominee; (E) will not distribute to any shareholder any form of proxy for the meeting other than the form distributed by the Company; and (F) will provide facts, statements and other information in all communications with the Company

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and its shareholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; (iv) the written consent of each Shareholder Nominee to be named in the proxy statement as a nominee and to serve as a director if elected; (v) a copy of the Schedule 14N that has been filed with the SEC as required by Rule 14a-18 under the Exchange Act; (vi) in the case of a nomination by a group of persons that together is an Eligible Shareholder, the designation by all group members of one group member that is authorized to act on behalf of all members of the nominating shareholder group with respect to the nomination and matters related thereto, including withdrawal of the nomination; and (vii) an undertaking from the Eligible Shareholder as to the matters set forth in Section 2.10(d) of the By-laws.

The Eligible Shareholder may include with its timely notice of a nomination, a written statement for inclusion in the Company's proxy statement for the meeting, not to exceed 500 words, in support of the Shareholder Nominee's candidacy (the Statement). Notwithstanding anything to the contrary, the Company may omit from its proxy statement any information or Statement that it believes would violate any applicable law, rule, regulation or listing standard. At the request of the Company, each Shareholder Nominee must provide the Company with an agreement as to the matters specified in Section 2.10(d) of the By-laws.

The Company shall not be required to include a Shareholder Nominee in its proxy statement (or, if the proxy statement has already been filed, to allow the nomination of a Shareholder Nominee, notwithstanding that proxies in respect of such vote may have been received by the Company): (i) if the Eligible Shareholder has nominated for election to the Board of Directors at the annual meeting any person (other than the Shareholder Nominee) and does not expressly elect at the time of providing the notice to have its nominee included in the Company's proxy statement; (ii) if the Eligible Shareholder has or is engaged in, or has been or is a participant in another person's, solicitation within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the meeting other than its Shareholder Nominee or a Board Nominee; (iii) who is not independent under the applicable listing standards, any applicable rules of the SEC and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Company's directors, as determined by the Board of Directors; (iv) whose election as a member of the Board of Directors would cause the Company to be in violation of the By-Laws, the Articles of Incorporation, the listing standards of the principal exchange upon which the Company's capital stock is traded, or any applicable state or federal law, rule or regulation; (v) if the Shareholder Nominee is or becomes a party to any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity in connection with his or her nomination, service or action as a director of the Company, or any agreement, arrangement or understanding with any person or entity as to how the Shareholder Nominee would vote or act on any issue or question as a director, in each case that has not been disclosed to the Company; (vi) who is or has been, within the past three (3) years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended; (vii) whose then-current or within the preceding ten (10) years' business or personal interests place such Shareholder Nominee in a conflict of interest with the Company or any of its subsidiaries that would cause such Shareholder Nominee to violate any fiduciary duties of directors established pursuant to Rhode Island law, including but not limited to the duty of loyalty and duty of care, as determined by the Board of Directors; (viii) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past ten (10) years; (ix) who is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended; or (x) if such Shareholder Nominee or the applicable Eligible Shareholder shall have provided information to the Company in respect of such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading, as determined by the Board of Directors.

Notwithstanding anything to the contrary set forth herein, the Board of Directors or the person presiding at the meeting shall declare a nomination by an Eligible Shareholder to be invalid, and such nomination shall be disregarded notwithstanding that proxies in respect of such vote may have been received by the Company, if (i) the Shareholder Nominee and/or the applicable Eligible Shareholder shall have breached its or their agreements, representations, undertakings and/or obligations pursuant Section 2.10(d), as determined by the Board of Directors or the person presiding at the meeting or (ii) the Eligible Shareholder (or a qualified representative thereof) does not appear at the meeting to present any nomination pursuant to Section 2.10(d).

Any Shareholder Nominee who is included in the Company's proxy statement for a particular meeting of shareholders but either (i) withdraws from or becomes ineligible or unavailable for election at the meeting or (ii) does not receive a number of votes cast in favor of his or her election at least equal to 25% of the shares present in person or represented by proxy at the annual meeting and entitled to vote on the Shareholder Nominee's election, shall be ineligible to be included in the Company's proxy statement as a Shareholder Nominee pursuant to Section 2.10(d) for the next two (2) annual meetings of shareholders following the meeting for which the Shareholder Nominee has been nominated for election.

Table of Contents**CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

The Company has a policy that any transaction which would require disclosure under Item 404(a) of Regulation S-K of the rules and regulations of the United States Securities and Exchange Commission, with respect to a director or nominee for election as a director, must be reviewed and approved or ratified by the Company's full Board, excluding any director interested in such transaction. All other related person transactions which would require disclosure under Item 404(a), including, without limitation, those involving executive officers of the Company, must be reviewed and approved or ratified by either the Company's full Board or a committee of the Board which has been delegated with such duty. Any such related person transactions will only be approved or ratified if the Board, or the applicable committee of the Board, determines that such transaction will not impair the involved person's service to, and exercise of judgment on behalf of, the Company, or otherwise create a conflict of interest which would be detrimental to the Company. This policy is contained in Section 20, entitled "Code of Conduct; Conflicts of Interest" of the Company's Corporate Governance Principles.

The Company executed a license agreement with Lions Gate Entertainment Corp., dated March 27, 2015, to permit the Company to sell certain NERF Rebelle branded role-playing blasters and accessories during fiscal 2016 based on the motion picture *The Divergent Series: Allegiant*. The Company paid Lions Gate an advance of \$100,000 under this license and guaranteed total royalties to Lions Gate of \$200,000, inclusive of the advance. The Company pays Lions Gate a royalty on net sales of the licensed products. To date the Company has paid Lions Gate \$200,000 under this license.

In 2015 the Company entered into a Rights Agreement with NGC Films, Inc. ("NGC"), an affiliate of Lions Gate Entertainment Corp., pursuant to which NGC Films has the option to acquire rights to produce and release a motion picture based upon the Company's MONOPOLY property. Pursuant to that agreement NGC Films paid a \$250,000 option fee to the Company in 2015. If NGC ultimately exercises its option it will pay the Company an agreed upfront rights fee for the motion picture rights and a producer fee, as well as future contingent compensation based upon the receipts from the motion picture. The Company will pay NGC a royalty on sales of picture-based merchandise sold by the Company.

The Company is also entering an agreement in 2017 with Lions Gate Films Inc. ("Lions Gate Films") pursuant to which Lions Gate Films will distribute a motion picture being developed by the Company based upon the Company's MY LITTLE PONY property which is scheduled to be released in October 2017. Lions Gate Films will receive a specified distribution fee for distributing the motion picture.

Any agreement between the Company and Lions Gate, or any of its affiliates, is reviewed with and approved by the Company's Board of Directors, without the participation of Michael Burns. The Company believes the terms of these agreements are commercially reasonable and appropriate. Mr. Burns, a member of the Company's Board of Directors, is the Vice Chairman of Lions Gate Entertainment Corp.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee (the Compensation Committee or the Committee) of the Company's Board of Directors (the Board) establishes and oversees the compensation programs for the Company's executive officers, including all of the Company's Named Executive Officers appearing in the compensation tables following this report, and grants all awards under the Company's shareholder approved equity compensation plans. The Company only uses shareholder approved equity compensation plans. The Committee operates under a written charter, which has been established by the Company's full Board and which is reviewed and evaluated by both the Committee and the Board on an annual basis. The Compensation Committee charter is available on the Company's website at www.hasbro.com, under Corporate Investors Corporate Governance.

The Committee is composed solely of persons who are both Non-Employee Directors, as defined in Rule 16b-3 of the rules and regulations of the United States Securities and Exchange Commission, and outside directors, as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). The Board has determined that each member of the Committee is independent under the Company's Independence Standards and the requirements of The NASDAQ Stock Market's corporate governance listing standards. The exercise of independent judgment in furtherance of the interests of the Company and its shareholders is the guiding principle behind the Committee's actions.

The following section of this Proxy Statement, entitled Compensation Discussion and Analysis, contains a detailed discussion regarding the objectives of the Company's executive compensation programs, a review of how those programs drive Company performance, and a review of the processes and program elements used by the Committee to attract and retain top executive talent, align the interests of the executive team with those of the Company's shareholders, create a powerful linkage between pay and performance and maximize the business results of the Company.

The Committee has reviewed and discussed with management the Compensation Discussion and Analysis that follows this report. Based on its review and discussions with management, the Committee recommended to the Company's full Board, and the full Board has approved, the inclusion of the Compensation Discussion and Analysis in this Proxy Statement for the Meeting and, by incorporation by reference, in the Company's Annual Report on Form 10-K for the year ended December 25, 2016.

Report issued by the members of the Compensation Committee as of the Company's 2016 fiscal year end.

Edward Philip (Chair)

Basil Anderson

Kenneth Bronfin

Crispin Davis

Lisa Gersh

Linda Zecher



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In the following Compensation Discussion and Analysis, we describe the compensation programs for our Named Executive Officers (NEOs).

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The Company's Named Executive Officers (NEOs) for 2016 are listed in the following table. The titles in the table reflect Mr. Frascotti's promotion to President and Mr. Billing's change in role to Executive Vice President and Chief Strategy Officer, both effective in February 2017. Prior to that promotion Mr. Frascotti served as President, Hasbro Brands and prior to his change in role Mr. Billing served as Executive Vice President, Chief Global Operations and Business Development Officer.

Name	Title
Brian D. Goldner	Chairman and Chief Executive Officer
John A. Frascotti	President
Deborah M. Thomas	Executive Vice President and Chief Financial Officer
Duncan J. Billing	Executive Vice President and Chief Strategy Officer
Wiebe Tinga	Executive Vice President and Chief Commercial Officer

Business and Performance Overview

We are a global play and entertainment company committed to *Creating the World's Best Play Experiences*. We strive to do this through deep consumer engagement and the application of consumer insights, the use of immersive storytelling to build our brands, world-class product innovation and development of global business reach. We apply these principles to leverage our beloved owned and controlled brands, including our seven Franchise Brands: LITTLEST PET SHOP, MAGIC: THE GATHERING, MONOPOLY, MY LITTLE PONY, NERF, PLAY-DOH and TRANSFORMERS, as well as the licensed brands of our strategic partners. Key Partner brands in 2016 included MARVEL, STAR WARS, DISNEY PRINCESS and DISNEY FROZEN, DREAMWORKS TROLLS and YO-KAI WATCH.

Hasbro fulfills the fundamental need for play and connection for children and families around the world. The Company's wholly-owned Hasbro Studios and its film label, Allspark Pictures, create brand-driven storytelling across mediums, including television, film, digital and more. These elements are executed globally within the construct of our strategic plan, which we refer to as the brand blueprint. Using this blueprint, we innovate new brands and re-imagine, re-invent and re-ignite our owned and controlled brands through toy and game innovation, immersive content offerings, including television programming, motion pictures and digital content, digital gaming and a broad range of consumer products, ranging from traditional to digital, all informed by storytelling and consumer insights.

Record Revenues and Earnings. Following our record revenues and earnings in 2015, in 2016 we again delivered record revenues and earnings as we continued driving the performance of our Company across brands, business segments and geographic markets. We are connecting with consumers more deeply and across more demographics than ever before. Our focus remains on the long-term profitable growth of our Company and on achieving our strategic objectives and investment priorities.

2016 Financial Performance and Key Accomplishments

In 2016 we delivered net revenues of \$5.02 billion, the first year in our history in which we achieved revenues in excess of \$5 billion.

Net revenues increased 13% from 2015, inclusive of a negative \$61 million impact from foreign exchange.

Revenues grew in all major operating segments:

15% in the U.S. and Canada segment,

11% in the International Segment, and

8% in the Entertainment and Licensing segment.

Games category revenues increased 9%.

Revenues grew in both the Girls and Boys categories.

Franchise brand revenues grew 2% and Partner brand revenues grew 28%.

We had an extremely successful first year of selling DISNEY PRINCESS and DISNEY FROZEN small dolls and fashion dolls under license from The Walt Disney Company.

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Operating profit increased 14% to \$788 million.

Net earnings increased 22% to \$551.4 million, or \$4.34 per share.

We generated \$774.9 million in operating cash flow.

We delivered a 15.4% return on invested capital.

We accomplished these objectives while returning \$400.2 million to our shareholders in 2016, \$248.9 million in cash dividends and \$151.3 million in share repurchases.

In February 2017, our Board approved a 12% increase in the quarterly dividend, bringing the quarterly dividend to \$0.57 per common share. This is the highest quarterly dividend rate in our history. We have increased the quarterly dividend in 13 of the prior 14 years.

Providing value and return to our shareholders is our most fundamental corporate objective. The tables below compare the total return on our shares of common stock over the designated periods to the returns for the S&P 500 Index and Russell 1000 Consumer Discretionary Index and provide the Company's annual dividend rate and the year-over-year increases in dividend rates since 2007.

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The following graph charts the Company's net revenues (in millions of dollars) for every fiscal year since 2006.

The following tables provide: (i) the Company's GAAP diluted earnings per share, (ii) operating cash flow (in thousands of dollars), (iii) operating profit margin and (iv) return on invested capital for each of the five most recently completed fiscal years. Return on invested capital (ROIC) is computed as net earnings divided by the sum of long-term debt (less debt issuance costs), short-term borrowings and shareholders' equity.

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The following table provides the amounts we have returned to our shareholders since 2012, in the form of both cash dividends and share repurchases.

Shareholder Engagement

Hasbro has engaged with our major shareholders on governance and compensation matters for several years. We do this as part of our commitment to be responsive to shareholders and to ensure that our actions are informed by the viewpoints of you, our investors. Informed by our discussions with our shareholders, both our Board of Directors and our Chief Executive Officer, Brian Goldner, mutually decided to amend certain terms of Mr. Goldner's employment agreement. These amendments were implemented in August of 2014 and were described in detail in our proxy statement for the 2015 Annual Meeting.

Following these amendments our shareholders overwhelmingly supported our 2015 Say-on-Pay vote, with 96.7% of the shares voted at the 2015 Annual Meeting voting in favor of Say on Pay, and our 2016 Say-on-Pay Vote, with 97.4% of the shares voted at the 2016 Annual Meeting voting in favor of Say on Pay.

In 2016 we again spoke with shareholders who expressed an interest in speaking with management. In addition to speaking with any shareholders who reached out to us, we proactively extended an invitation to all 25 of our top shareholders (who held in aggregate approximately 46% of our outstanding shares) to meet and we had discussions with all of the top 25 holders who accepted our invitation, comprising holders of approximately 27% of our outstanding shares. Based upon our continuing dialog with shareholders and our 2016 Say-on-Pay vote results, we believe our current compensation program for our executive officers, including the changes we made to our compensation programs in 2014, reflect our shareholder's views and strongly drive our pay for performance objectives.

Extension and Amendment of the Employment Agreement with our Chief Executive Officer

The term of Mr. Goldner's employment agreement as our Chief Executive Officer was set to expire at the end of December 2017. In recognition of Mr. Goldner's instrumental ongoing leadership in transforming Hasbro from a traditional toy and game manufacturer to a premier global play and entertainment company, the key role he continues to play in bringing the Company's brand blueprint strategy to life globally through innovative play experiences, engaging storytelling, a comprehensive global consumer products licensing program, digital gaming and the long-term development of relationships with key strategic partners, and his proven track record of delivering strong returns to our shareholders over a sustained period of time, including the delivery of record revenues and earnings in both of the last two years, in December 2016 the Board agreed with Mr. Goldner to extend the term of Mr. Goldner's employment agreement to December 31, 2020. Mr. Goldner is the primary architect of the Company's highly successful brand blueprint strategy, has led the development of our storytelling and consumer products businesses, including the creation of Hasbro Studios in 2010, drives our ongoing international expansion, is a key catalyst to the continuing development of our capabilities around the blueprint and possesses a unique executive skillset spanning innovative play, consumer products, immersive storytelling, brand building and global business.

The changes in Mr. Goldner's compensation package beginning in 2017 were developed working closely with the Compensation Committee's outside compensation consultant, Meridian Partners. The Compensation Committee and Meridian reviewed current compensation programs at our peer companies, and designed Mr. Goldner's

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amended compensation plan to provide a highly performance-based total opportunity to Mr. Goldner that recognizes his talent, rewards him fairly for delivering strong Company performance, and is competitive with compensation offered by opportunities with other companies available to a person with his skills and background. The terms of this extension were also informed by our ongoing discussions with shareholders. As an example, no additional equity grants were made to Mr. Goldner at the time of this contract extension, as our shareholders expressed a strong desire to have a competitive annual compensation program serve as the primary driver of executive retention, rather than making significant special retention grants at the time contracts are extended. As part of the extension, the Board and Mr. Goldner agreed to the following amendments to Mr. Goldner's compensation beginning in fiscal 2017:

CEO Compensation

	2016 Compensation	Amended Compensation beginning in 2017
Base Salary	\$1.3 million	\$1.5 million
Annual Cash Bonus Target	150% of Base	175% of Base
Long-Term Equity Incentive Target*	400% of Base	450% of Base
Total Target Direct Compensation	\$8.45 million	\$10.875 million

* Annual Long-Term Equity Incentive Target continues to be delivered 50% by value in stock options (which vest ratably over three years) and 50% by value in contingent stock performance awards with three-year performance periods tied to net revenues, earnings per share and ROIC performance targets.

Executive Compensation Program Structure and Alignment with Performance

The Compensation Committee has implemented a carefully-structured executive compensation program that is tightly linked to long-term shareholder value creation. The program incorporates a combination of short- and long-term forms of executive compensation that are structured to incentivize company performance and the achievement of corporate objectives the Committee believes are critical to driving long-term shareholder value. At the same time, the program incorporates elements that ensure the Company is able to attract and retain top executive talent with the creativity, innovation, relentless drive and diverse skills in storytelling and entertainment, branded-play, consumer products, media and technology that are critical to the successful execution of our strategy and ongoing business transformation.

In support of this linkage to long-term shareholder value creation, a significant portion of the total compensation opportunity for our Named Executive Officers is performance-based and at risk. The following charts summarize the components of our 2016 compensation program for our CEO. The chart below shows that 82% of our CEO's total compensation for 2016, based on the values reflected in the following Summary Compensation Table, was performance based and at risk.

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2016 CEO Pay Program Elements			
Annual Cash Compensation		Long-Term Equity Incentive Plan	
Base Salary	Base cash compensation	Performance Contingent Stock Awards	Represent ~50% of annual target equity award value
	Set at industry competitive level, in light of individual experience and performance		Earned based on challenging goals that require strong performance
			Tied to achievement of EPS, Net Revenue and ROIC targets over a 3-year performance period
Management Incentive Awards	Performance-based; tied to company and individual achievement against stated annual financial and strategic goals	Stock Options	Represent ~50% of annual target equity award value
	Align management behavior with shareholder interests		7-year term
	Designed to be flexible to enable us to reward for strategic and operating performance not captured by the financial metrics listed below by allowing the Committee to adjust the payouts down to as little as 0, or up by up to 50% based on individual performance		Vest over a 3-year period
	Performance measures evaluated (weighting)		
	Total Net Revenues (40%)		

Operating Margin (40%)

Free Cash Flow (20%)

Our CEO's long-term equity compensation is 100% performance-based. While the value of the CEO's annual equity compensation is divided approximately evenly between performance contingent stock awards and stock options, for the other Named Executive Officers they receive approximately 25% of their long-term incentive target award in time-based restricted stock units, approximately 50% in contingent stock performance awards and approximately 25% in stock options. The CEO's compensation does not use time-based restricted stock units to further increase the linkage between earned pay and performance for the CEO.

Variable Compensation Outcomes

Annual and long-term incentives are based on clear, measurable and objective performance goals that consider the overall financial performance of the Company and the individual contribution of each NEO to that performance.

Performance goals for the annual management incentive awards were established by the Committee early in fiscal 2016 based on the 2016 operating plan and budget approved by the Company's Board of Directors. The Committee gives careful consideration to selecting metrics that will be used to drive annual business performance, and setting performance objectives that are both challenging but achievable. For 2016, the Committee selected three financial performance metrics to capture the most important aspects of the top and bottom line performance of the Company, in the form of revenues, profitability (operating margin), and cash generation (free cash flow, defined as cash flow from operations minus capital expenditures).

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There is no payout for a given metric if the Company achieves less than 80% of the target performance against that metric. The maximum payout for overachievement against a given metric is set at 200% of target, and that maximum is awarded when actual performance reaches 127% of target performance. In 2016, given the Company's strong financial performance, we achieved an aggregate weighted performance payout of 132% of target under the annual management incentive plan. In addition to the corporate financial objectives that are established under the annual performance plan, the CEO, in consultation with the Committee, sets individual objectives for each NEO at the beginning of the year and assesses the performance of the NEOs in achieving these objectives at the end of the year. Performance against these objectives is the key determinant of the individual modifier in the annual incentive. With respect to the CEO's individual objectives, the Board and Compensation Committee, working together, set these objectives in the beginning of the year and the Board evaluates the CEO's performance at the end of the year. The table below compares our actual 2016 performance (reflected at the budgeted foreign exchange rates used to set the objectives at the beginning of the year) against the corporate financial performance targets under the annual management incentive awards.

	Goal	Actual	Percentage Achievement	2016 Payout Percentage	2016 Weighted Payout
Revenue	\$ 4,648,327	\$ 5,019,822	108%	124%	49.6%
Operating Margin %	15.4%	15.7%	102%	106%	42.4%
Free Cash Flow	\$ 413,250	\$ 619,973	150%	200%	40%
			Total weighted payout		132%

All numbers are in thousands.

The annual management incentive award paid to Mr. Goldner for 2016 was based first on the Company's financial performance against the revenue, operating margin and free cash flow targets set forth above. 132% of Mr. Goldner's annual target cash incentive under the plan was \$2,574,000. The final management incentive paid to Mr. Goldner for 2016 also included a 50% individual performance modifier, to this base award, reflecting Mr. Goldner's performance against his other individual performance objectives under the plan, beyond delivering stated revenue growth, operating margin and free cash flow for 2016. This individual performance modifier added \$1,286,000 to the base financial formula award to arrive at the final management incentive award for Mr. Goldner of \$3,860,000.

Mr. Goldner's individual objectives for 2016 included the following, which were in addition to delivering the stated revenue, operating margin and free cash flow targets indicated above:

Additional Objectives for Mr. Goldner in 2016

Deliver growth in total shareholder return relative to identified peer group companies.

Grow revenues in the U.S. and Canada and International segments by more than a target amount for each segment set by the Committee.

Grow revenues in emerging markets by more than a target amount set by the Committee.

Continue achieving costs savings and efficiency enhancements through the Company's product to market initiative.

Continuing to revolutionize and grow Hasbro's games business, including Franchise brand Magic: The Gathering.

Continue to invest in and grow the Magic: The Gathering online game's capabilities and business.

Deliver at least a 12% ROIC.

Further develop and accelerate multi-layered digital marketing approaches for the Company's brands across the business.

Continue enhancing social media and content capabilities for the Company's brands.

Drive product innovation across the business.

Continue to accelerate growth in our business with on-line retailers.

Further the Company's succession planning across the senior management team.

In addition to the annual cash management incentive plan, each year the Committee approves annual long-term incentive awards tied to achievement of specified objectives over a period longer than one year. Target values are based on a designated percentage of each executive's base salary. For our CEO, these awards are comprised of performance contingent stock awards and stock options (other NEOs also receive time-based

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restricted stock units). The metrics for the performance contingent stock awards, stated cumulative diluted earnings per share, average return on invested capital and cumulative net revenues over a three-year period, are taken from the Company's long-term strategic plan, budget and operating plan that have been approved by the Company's Board.

Under the 2016 performance contingent stock award program, cumulative earnings per share is weighted 34%, average return on invested capital is weighted 33% and cumulative revenue is weighted 33%. Each metric is measured independently and must achieve a minimum of 90% of target over the performance period or no value is earned with respect to that metric. If a metric does not achieve a minimum of 90% of target over the performance period, but one or more of the other metrics achieve this threshold performance, an award is payable based on the achievement of those metrics that do achieve at least threshold performance.

The performance contingent stock awards with a trailing three-year performance period ending 2016 achieved 192% of the target performance. The prior three performance cycles ending in each of December 2012, 2013 and 2014 failed to achieve even a threshold payout and no shares were earned by any officers or employees under any of those contingent stock performance awards. The awards with a three-year performance period ending in December 2015 achieved 127% of target performance. The following table compares the actual results achieved against the targeted goals for each three-year performance period under the three most-recently completed contingent stock performance award periods. Those awards were made prior to the addition of average return on invested capital as a third performance metric.

Performance Period		Cumulative revenues*		Percentage Achieved	Cumulative EPS		Percentage Achieved Payout
		Target	Results		Target	Results	
2012	2014	\$14,022	\$12,733	9			