
**CHARTER OF THE COMPENSATION AND STOCK OPTION COMMITTEE
OF
THE BOARD OF DIRECTORS (THE “BOARD”)
OF
HASBRO, INC.**

Purpose

The primary purpose of the Compensation and Stock Option Committee (the “Committee”) of the Board of Hasbro, Inc. (the “Company”) is to: (a) discharge the Board’s responsibilities relating to compensation of the Company’s executives, including to oversee the compensation policies of the Company with respect to the Chief Executive Officer and the other executive officers; (b) oversee the Company’s incentive compensation and equity-based plans for employees and officers of the Company; and (c) prepare the annual report on executive compensation required to be included in the Company’s proxy statement in accordance with applicable rules and regulations.

The Committee shall review and reassess the adequacy of this Charter on an annual basis.

Structure, Processes and Membership

The Committee shall be comprised of not less than three members of the Board, and the Committee’s composition will meet the requirements of the Sarbanes-Oxley Act of 2002 (the “Act”), the New York Stock Exchange (the “NYSE”) and other applicable requirements.

Accordingly, in addition to any other applicable requirements, all of the members of the Committee will be directors:

1. Who have no material relationship to the Company that may interfere with the exercise of their independence from management and the Company;
2. Who are “Non-Employee Directors”, as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended;
3. Who are “Outside Directors”, as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended; and
4. Who do not receive any consulting or other fees from the Company other than board fees and fees related to service on the Committee or on other committees of the Board.

Committee members shall be appointed and removed by the Board, which shall designate the Committee Chair, who shall preside over meetings of the Committee. A majority of the members of the Committee shall constitute a quorum for doing business. All actions of the Committee shall be taken by a majority vote of the members of the Committee present at the meeting, provided a quorum is present.

The Committee shall hold regularly scheduled meetings and such special meetings as circumstances dictate. To the extent the Committee believes it to be appropriate or advisable, it shall meet in executive session, without management present. Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval thereof in writing. The Committee shall report regularly to the full Board.

Key Responsibilities

In order to fulfill its role, the Committee shall have the sole authority to retain and terminate consulting firms or other experts to assist in the evaluation of compensation for the Chief Executive Officer and other senior executives, and shall have the sole authority to approve such firms' and experts' fees and other retention terms. The Committee shall also have the power to adopt, amend or terminate compensation plans or arrangements applicable to any class of employees, officers or directors of the Company or any subsidiary of the Company and to make grants and awards under the Company's compensation plans, subject in each case only to any applicable laws or regulations requiring Board or shareholder approval.

Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company that it receives information from, and (ii) the accuracy of the information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board). The Committee has the authority to retain legal or other experts that it determines to be necessary to carry out its duties. It also has authority to determine compensation for such advisors.

The following functions shall be the common recurring activities of the Committee in carrying out its oversight function. These functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate, and as allowed by applicable legal and stock exchange requirements, given the circumstances.

- The Committee shall review and approve the compensation plan for the Company's Chief Executive Officer, and the corporate goals and objectives relevant to such compensation plan, evaluate (either alone or in conjunction with the Nominating, Governance and Social Responsibility Committee) the Chief Executive Officer's performance in light of those goals and objectives and set the Chief Executive Officer's compensation level based on this evaluation, all subject to final approval by the entire Board;
- In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee considers the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at

comparable companies, awards given to the Chief Executive Officer in past years and such other factors as the Committee deems appropriate;

- The Committee shall review and approve the compensation plans for the Company's other executive officers, and the corporate goals and objectives relevant to such compensation plans, evaluate the other executive officers' performance in light of those goals and objectives and set the other executive officers' compensation level based on these evaluations;
- The Committee shall make recommendations to the Board regarding incentive-compensation plans and equity-based plans and administer the Company's incentive-compensation plans and equity-based plans;
- The Committee shall prepare an annual report on executive compensation for inclusion in the Company's annual proxy statement that also describes the Committee's composition and responsibilities and how they were discharged; and
- The Committee shall annually perform an evaluation of the performance of the Committee and report to the Board on the results of such evaluation.

The Committee shall also perform any other activities consistent with the Articles of Incorporation and By-laws of the Company, and other governing laws, as the Board or the Committee shall deem appropriate.