

CERTIFICATE OF THE DESIGNATION, PREFERENCES,  
RIGHTS AND LIMITATIONS OF  
CUMULATIVE PREFERENCE STOCK, SERIES A  
OF  
HASBRO INDUSTRIES, INC.

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Pursuant to Section 7-1.1-15 of the Business  
Corporation Act of the State of Rhode Island

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HASBRO INDUSTRIES, INC., a corporation organized and existing under the Business Corporation Act of the State of Rhode Island (the "Corporation"),

DOES HEREBY CERTIFY:

That, pursuant to the authority expressly vested in the Board of Directors by Article Fifth of the Certificate of Incorporation of the Corporation, as amended, and pursuant to the provisions of Section 7-1.1-15 of the Business Corporation Act of the State of Rhode Island, the Board of Directors, at a meeting duly held on April 7, 1983, adopted a resolution providing for the issuance of a series of Forty Thousand (40,000) shares of 5% Cumulative Non-Voting Preference Stock, Series A, which resolution is as follows:

RESOLVED, that, pursuant to the authority expressly granted to and vested in the Board of Directors of the Corporation by the provisions of Article Fifth of the Certificate of Incorporation of the Corporation, as amended, this Board of Directors hereby creates a series of Preference Stock of this Corporation to consist of Forty Thousand (40,000) shares with a par value of Two and 50/100 Dollars (\$2.50) each, and this Board of Directors hereby fixes the designation and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of the shares of such series (in addition to the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, set forth in the Certificate of Incorporation, as amended, which are applicable to all series of the Preference Stock of the Corporation), as follows:

Forty Thousand (40,000) shares of the Preference Stock, \$2.50 par value, of the Corporation are hereby constituted as a series of the Preference Stock designated as the 5% Cumulative Non-Voting Preferred Stock, Series A" (hereinafter called the "Series A Stock") with the voting powers and the preferences and rights hereinafter set forth.

## 1. Dividends.

(a) The holders of the Series A Stock shall be entitled to receive, when, as, and if declared by the Board of Directors and out of the assets of the Corporation which are legally available for the payment of dividends, cumulative preferential cash dividends payable quarterly on the last day of March, June, September and December in each year, commencing

June 30, 1983, at the annual rate of \$5.00 per share, and no more. The initial quarterly dividend payable with respect to each outstanding share of Series A Stock after the date of issuance of such share shall be in an amount determined by multiplying the annual dividend rate by a fraction, the numerator of which shall be the number of days from the date of issuance to the dividend payment date for such initial quarterly dividend and the denominator of which shall be 365. So long as any shares of the Series A Stock shall remain outstanding, no dividend whatsoever shall be paid upon any class of stock or series thereof ranking junior to the Series A Stock in the payment of dividends, nor shall any shares of any class of stock or series thereof ranking junior to or on a parity with the Series A Stock in payment of dividends be redeemed or purchased by the Corporation or any subsidiary thereof, nor shall any monies be paid to or made available for a sinking fund for the redemption or purchase of any shares of any class of stock or series thereof ranking junior to or on a parity with the Series A Stock in payment of dividends, unless in each instance full dividends on all outstanding shares of the Series A Stock for all past dividend periods shall have been paid at the rate fixed therefor and the dividend on all outstanding shares of the Series A Stock for the then current quarterly dividend period shall have been paid or declared and sufficient funds set apart for the payment thereof.

(b) No dividend shall be declared on any share or shares of any class of stock or series thereof ranking on a parity with the Series A Stock in respect of payment of dividends for any dividend period unless there shall have been declared on all shares then outstanding of the Series A Stock, for the same dividend period, or for the dividend period of the Series A Stock terminating within the dividend period of said parity stock, like proportionate dividends, ratably in proportion to the respective dividend rates fixed for the Series A Stock and said parity stock.

(c) Cash dividends upon shares of the Series A Stock shall commence to accrue and be cumulative from the date of issue thereof. Accumulation of dividends on any shares of the Series A Stock shall not bear interest.

## 2. Preference on Liquidation.

(a) In the event of any dissolution, liquidation or winding up of the affairs of the Corporation, either voluntary or involuntary, after payment or provision for the payment of the debts and other liabilities of the Corporation, the holders of shares of the Series A Stock shall be entitled to receive, out of the net assets of the Corporation, \$100.00 per share plus an amount equal to all dividends accrued and unpaid thereon to the date fixed for distribution, whether or not earned or declared, and no more, before any distribution shall be made to the holders of the Common Stock or any other class of stock or series thereof ranking junior to the Series A Stock with respect to the distribution of assets.

(b) Nothing herein contained shall be deemed to prevent redemption of shares of the Series A Stock by the Corporation in the manner provided in Paragraph 3. Neither the merger nor consolidation of the Corporation into or with any other corporation, nor the merger or consolidation of any other corporation into or with the Corporation, nor a sale, transfer or lease of all or any part of the assets of the Corporation, shall be deemed to be a dissolution, liquidation or winding up of the Corporation within the meaning of this Paragraph 2.

(c) Written notice of any voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, stating a payment date and the place where the distributable amounts shall be payable shall be given by mail, postage prepaid, not less than 20 days prior to the payment date stated therein, to the holders of the record of the Series A Stock at their respective addresses as the same shall appear on the books of the Corporation.

(d) No payment on account of such dissolution, liquidation or winding up of the affairs of the Corporation shall be made to the holders of any class or series of stock ranking on a parity with the Series A Stock in respect of the distribution of assets, unless there shall likewise be paid at the same time to the holders of the Series A Stock like proportionate distributive amounts, ratably, in proportion to the full distributive amounts to which they and the holders of such parity stock are respectively entitled with respect to such preferential distribution.

## 3. Redemption and Sinking Fund.

(a) The Corporation shall have the right, at its option and by resolution of its Board of Directors, to redeem at any time shares of the Series A Stock, as a whole or in part, upon payment in cash, in respect of each share redeemed, at a re-

redemption price equal to \$100.00, plus, in each case, an amount equal to all dividends accrued and unpaid thereon to the date fixed for redemption, whether or not earned or declared, except, however, that the Corporation shall not have the right to redeem any shares of the Series A stock until five years from the date of their issuance.

(b) Within the twelve month period ending March 31, 1991 and during each twelve month period ending March 31, thereafter so long as any shares of the Series A Stock are outstanding, the Corporation (unless prevented from doing so by restrictions contained in any indenture, loan agreement or other debt instrument existing on January 31, 1983 or contained in any such agreement or instrument entered into thereafter which restrictions are no more restrictive than those contained in any such agreement or instrument existing on January 31, 1983, to which the Corporation is a party) shall acquire 5,000 shares of the Series A Stock by redemption of such shares at a price of \$100.00 per share, plus accrued and unpaid dividends, through the date fixed for redemption, whether or not earned or declared, through a sinking fund established with a bank in the manner meeting the requirements set forth in (c) below.

If the Corporation shall be prevented by law or by restrictions contained in any indenture, loan agreement or other debt instrument existing on January 31, 1983 or contained in any such agreement or instrument entered into thereafter which restrictions are no more restrictive than those contained in any such agreement or instrument existing on January 31, 1983, or for any other reason, from acquiring during any such twelve month period the number of shares of the Series A Stock that in the absence of such restrictions it would have been required to acquire during such period, the Corporation shall make up such deficit by acquiring such number of shares in the next succeeding twelve month period in which the Corporation is not prevented from acquiring shares of Series A Stock.

(c) Notice of any redemption pursuant to (a) or (b) above, specifying the date fixed for said redemption and the place where the amount to be paid upon redemption is payable shall be mailed, postage prepaid, at least 20 days but not more than 60 days prior to said redemption date to the holders of record of the Series A Stock to be redeemed at their respective addresses as the same shall appear on the books of the Corporation. If such notice of redemption shall have been so mailed, and if on or before the redemption date specified in such notice all funds necessary for such redemption shall have been irrevocably deposited in trust for the account of the holders of the shares of the Series A Stock to be redeemed (and so as to be and continue to be available therefor), then, on and after said redemption date, notwithstanding that any certificate for shares of the Series A Stock so called for redemption

shall not have been surrendered for cancellation, the shares represented thereby so called for redemption shall be deemed to be no longer outstanding, the right to receive dividends thereon shall cease to accrue, and all rights with respect to such shares of the Series A Stock so called for redemption shall forthwith cease and terminate, except only the right of the holders thereof to receive out of the funds so set aside in trust the amount payable on redemption thereof, but without interest. Any interest accrued on such funds shall belong to the Corporation. However, if such notice of redemption shall have been so mailed, and if prior to the date of redemption specified in such notice all said funds necessary for such redemption shall have been irrevocably deposited in trust, for the account of the holders of the shares of the Series A Stock to be redeemed (and so as to be and continue to be available therefor), with a bank or trust company named in such notice doing business in the Borough of Manhattan in the City of New York, New York or in the City of Providence, Rhode Island and having capital, surplus and undivided profits of at least \$50,000,000, thereupon and without awaiting the redemption date, all shares of the Series A Stock with respect to which such notice shall have been so mailed and such deposit shall have been so made shall be deemed to be no longer outstanding, and all rights with respect to such shares of the Series A Stock shall forthwith upon such deposit in trust cease and terminate, except the right of the holders thereof on or after the redemption date to receive from such deposit the amount payable upon the redemption, but without interest. Any interest accrued on such funds shall belong to the Corporation. In case the holders of shares of the Series A Stock which shall have been redeemed shall not within six years (or any longer period if required by law) after the redemption date claim any amount so deposited in trust for the redemption of such shares, such bank or trust company shall, upon demand, pay over to the Corporation any such unclaimed amount so deposited with it, and shall thereupon be relieved of all responsibility in respect thereof, and thereafter the holders of such shares shall look only to the Corporation for payment of the redemption price thereof, but without interest.

(d) Any provision of this Paragraph 3 to the contrary notwithstanding, in the event that any quarterly dividend due on the Series A Stock shall be in arrears, the Corporation shall not redeem any shares of the Series A Stock unless all outstanding shares of the Series A Stock are simultaneously redeemed; shall not purchase or otherwise acquire any shares of the Series A Stock except in accordance with a purchase offer made by the Corporation on the same terms to all holders of record of the Series A Stock nor purchase any shares of any class of stock or series thereof (or make any payment, or any payment or contribution to a sinking fund, for the redemption of any shares or any class of the stock or series thereof)

ranking junior to or on a parity with the Series A Stock in the payment of dividends, unless and until in each case dividends on all outstanding shares of Series A Stock for all past dividend periods have been paid and dividends on all outstanding shares of the Series A Stock for the then current quarterly dividend period shall have been paid or declared and sufficient funds set aside for the payment thereof.

(e) Shares of the Series A Stock redeemed or otherwise purchased or acquired by the Corporation shall not be reissued as shares of the Series A Stock but shall assume the status of authorized but unissued Preferred Stock, \$2.50 par value, of the Corporation.

(f) If less than all of the outstanding shares of the Series A Stock are to be redeemed pursuant to subparagraph (a) or (b) above, the particular shares to be redeemed shall be allocated among the respective holders of the Series A Stock pro rata and not by lot.

(g) Nothing contained in this paragraph 3 shall restrict or limit, or be interpreted or construed to restrict or limit, the right of the Corporation to reacquire through purchase in such manner and at such prices as the Board of Directors may determine from time to time, shares of Series A Stock in addition to those redeemed or acquired pursuant to subparagraphs (a) and (b).

4. **Voting Rights.** The holders of the Series A Stock, in addition to the voting rights expressly provided by applicable law, shall have the voting rights set forth below:

(a) (1) If at any time the equivalent of six or more consecutive full quarterly dividends payable on any series of Preferred Stock shall be in arrears, the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series A Stock (whether or not the payment of quarterly dividends shall be in arrears on the Series A Stock outstanding), together as one class with the holders of all other series of Preferred Stock so entitled to vote, as set forth in the resolutions creating such other series, shall have the exclusive right to elect two directors to fill such newly-created directorships. This right shall remain vested until all dividends in arrears on all outstanding series of Preferred Stock have been paid, or declared and set apart for payment, at which time (i) the right shall terminate (subject to revesting), (ii) the term of the two directors then in office elected in accordance with this subparagraph (a) shall terminate, and (iii) the number of directors constituting the Board of Directors of the Corporation shall be reduced by two.

(2) Whenever such right shall vest, it may be exercised initially either at a special meeting of holders of Preferred Stock entitled to vote or at the next annual meeting of stockholders, but thereafter it shall be exercised only at annual meetings of stockholders. A special meeting for the exercise of such right shall be called by the Secretary of the Corporation as promptly as possible, and in any event within 10 days after receipt of a written request signed by the holders of record of at least 25% of the outstanding shares of all series of Preferred Stock entitled to vote thereat or the holders of record of at least 40% of the outstanding Series A Stock and shall be held within 20 days after having been so called or within 20 days after proxy materials, if any, have been cleared in accordance with any applicable law. Notwithstanding the provisions of this subparagraph (a), no such special meeting shall be held during the 90-day period preceding the date fixed for the annual meeting of stockholders.

(3) Any director who shall have been elected by holders of the Preferred Stock in accordance with this subparagraph (a) shall hold office for a term expiring (subject to the earlier payment, or declaration and setting aside for payment, of all dividends in arrears on all outstanding series of Preferred Stock) at the next annual meeting of stockholders and during such term may be removed at any time, either with or without cause, by, and only by, the affirmative vote of the holders of record of a majority of all outstanding shares of the Series A Stock and the holders of all other series of Preferred Stock so entitled to vote, voting together as a class, given at a special meeting of such stockholders called for such purpose, and any vacancy created by such removal may also be filled at such meeting. A meeting for the removal of a director elected by the holders of Preferred Stock in accordance with this subparagraph (a) and the filling of the vacancy created thereby shall be called by the Secretary of the Corporation within 10 days after receipt of a request therefor, signed by the holders of not less than 25% of the outstanding shares of Preferred Stock or the holders of record of at least 40% of the outstanding Series A Stock entitled to vote thereat. Such meeting shall be held at the earliest practicable date thereafter.

(4) Any vacancy caused by the death or resignation of a director who shall have been elected in accordance with this subparagraph (a) may be filled only by holders of the outstanding shares of the Series A Stock voting as a class, together with the holders of all other series of Preferred Stock so entitled to vote, at a meeting called for such purpose. Such meeting shall be called by the Secretary of the Corporation at the earliest practicable date after such death or resignation and in any event within 10 days after receipt of a written request signed by the holders of record of at least

25% of the outstanding shares of Preferred Stock or the holders of record of at least 40% of the outstanding Series A Stock entitled to vote thereat.

(5) Any meeting of the holders of Preferred Stock called in accordance with the provisions of this subparagraph (a) for the election or removal of directors shall be held either at the place for the holding of the next annual meeting of the stockholders of the Corporation, if such place has been announced, or the place at which the most recent annual meeting of the stockholders of the Corporation was held. At such meeting the presence in person or by proxy of the holders of a majority of the outstanding shares of all outstanding Preferred Stock entitled to vote thereat shall be required to constitute a quorum; in the absence of a quorum, a majority of the holders present in person or by proxy shall have the power to adjourn the meeting from time to time without notice, other than announcement at the meeting, until a quorum shall be present.

(b) So long as any shares of the Series A Stock are outstanding, the Corporation shall not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Series A Stock, voting as a separate class, given in person or by proxy, either in writing or by vote at an annual meeting or a special meeting called for the purpose, amend, alter or repeal any of the provisions of the Certificate of Incorporation or of this resolution relating to the Series A Stock, so as to affect adversely the rights, powers or preferences of the Series A Stock.

(6) So long as any shares of the Series A Stock are outstanding, the Corporation shall not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the Series A Stock, voting as a separate class, given in person or by proxy, either in writing or by vote at an annual meeting or special meeting called for the purpose, sell, convey, exchange or transfer (for cash, shares of stock, securities or other consideration) all or substantially all of the property or assets of the Corporation to another corporation, or merge or consolidate the Corporation with or into another corporation if, immediately after such sale, conveyance, exchange, transfer, merger or consolidation, the rights, powers or preferences of the Series A Stock shall have been adversely affected and, in the event of a merger, if approval thereof by the holders of shares of the Preferred Stock, including the Series A Stock, of the Corporation is required by law. In any such case, effective provision shall be made in the instruments effecting or providing for such sale, conveyance, exchange, transfer, merger or consolidation so that the rights, powers or preferences of the Series A Stock shall not be adversely affected or, if adversely affected, such effect shall be only as approved, by the affirmative vote of the

holders of at least two-thirds of the outstanding shares of Series A Stock.

(d) Any action specified in this paragraph 4 as requiring the affirmative vote or consent of the holders of at least a specified proportion of the number of outstanding shares of the Series A Stock, or of all series of Preferred Stock so entitled to vote or consent, may be taken with such vote and consent and with such additional vote or consent, if any, of stockholders as may be from time to time required by the Certificate of Incorporation, as amended from time to time, or by law.

IN WITNESS WHEREOF, Hasbro Industries, Inc. has caused its corporate seal to be hereunto affixed and this certificate to be signed by Stephen Hassenfeld, its President, and Donald M. Robbins, its Secretary, this 11<sup>th</sup> day of May, 1983.

CORPORATE SEAL

HASBRO INDUSTRIES, INC.

ATTEST:

By: Stephen Hassenfeld  
President

Donald M. Robbins  
Secretary



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