



THE TORO COMPANY CODE OF CONDUCT



What We Believe

For nearly 100 years, The Toro Company has taken great pride in conducting itself as an ethical organization. From our roots as an engine manufacturer to the global company we are today, we have endeavored to do more than simply comply with the law. Toro cares deeply about protecting its reputation – that’s why we make business decisions that align with our ethical values.

Our Code of Conduct provides the framework for the ethical decision-making that makes Toro a trusted partner to our stakeholders – customers, suppliers, shareholders, communities and others. Our Code is a starting point for understanding how we achieve our goal of doing things right the first time.

Ultimately, the responsibility for proper conduct rests with each of us. There’s no substitute for personal integrity and sound judgment. If you face an ethical dilemma, we expect you to do the right thing. When in doubt, refer to the Code and don’t be afraid to ask for help.

When you’re in a difficult situation, ask yourself these questions:

- Is my action or decision the right thing to do?
- Could my action or decision withstand public scrutiny?
- Will my action or decision enhance Toro’s ethical reputation?

Together, we are all responsible for safeguarding Toro’s reputation as a global business leader and good corporate citizen. I’m counting on each of you to do your part as we work together to continually build and strengthen our great company, a trusting and caring organization, built on the strong foundation of our people and performance values.

Sincerely,



Mike Hoffman
Chairman and CEO,
The Toro Company



- 
- 4 **TRUSTING AND VALUING ORGANIZATION**
 - 6 **CARING FOR OUR PEOPLE**
 - Health & Safety
 - Respect for Diversity/Equal Opportunity
 - No Harassment
 - No Drugs or Alcohol
 - No Violence
 - 8 **PROTECTING OUR ASSETS**
 - Corporate Funds and Financial Records
 - Intellectual Property
 - Government Contracts
 - 9 **COMMUNICATING CORRECTLY**
 - Electronic Communications
 - Public Communications
 - Confidential Information
 - Data Privacy
 - Document Retention
 - 10 **KEEPING TORO'S INTERESTS FIRST**
 - Illegal Payments
 - Political Contributions
 - Outside Investments and Employment
 - Corporate Opportunities
 - Business Gifts and Entertainment
 - 12 **COMPETING FAIRLY IN A GLOBAL MARKET**
 - The Importance of Anti-Trust
 - What to Avoid – Do's and Don'ts
 - Competitive Intelligence
 - Foreign Corrupt Practices Act
 - Anti-Boycott Laws
 - Import and Export Laws
 - Corporate Social Responsibility
& Environmental Sustainability
 - 16 **TRADING TORO STOCK**
 - No Insider Trading
 - No Tipping
 - Material Nonpublic Information
 - 18 **ASKING THE RIGHT QUESTIONS**
 - 18 **REPORTING A VIOLATION**
 - 19 **ABIDING BY AND ENFORCING THE CODE**

What We Believe The Toro Company's success

is founded on a long history

of caring relationships

built on trust and integrity.

These relationships are

the foundation on which

we build market leadership

with the best in innovative

products and solutions

to make outdoor environments

beautiful. We are entrusted

to carry on this legacy

of excellence.

MAINTAINING HIGH MORAL, ETHICAL AND LEGAL STANDARDS

All members of the Toro family are responsible for conducting business with high moral, ethical and legal standards. As we expand around the world, our ability to grow and profit is directly linked to making decisions consistent with our business values and ethical principles. Each of us is obligated to follow this Code of Conduct in both letter and spirit. We hope that this Code will prepare you to handle any ethical dilemma that may arise.

FOLLOWING THE LETTER *and SPIRIT OF THE LAW*

We comply with both the letter and spirit of the law, wherever and whenever we conduct business. This Code applies to you, whether you are located in Indiana or Indonesia. When you act on Toro's behalf, we expect you to comply with all laws and regulations that apply to our business and your actions. If you're not sure what is required, please consult with our legal department or human resources representative before you act. If you suspect any violation of law or this Code, you should report it immediately.

RESPECTING OUR CULTURE

Toro's long-standing culture was founded on our People Values and Performance Values. These values are our guideposts for how we treat customers, partners, and each other. While this Code of Conduct applies to all employees, we do expect those in leadership and supervisory roles to create a trusting and respectful environment where employees feel comfortable discussing ethical concerns. Even in a company with a strong ethical foundation like ours, from time to time things will happen that are inconsistent with our values. The key is how we respond when those lapses occur.

WORKING TOGETHER

As an employee, an important expectation – and a vital component of your job – is that you adhere to the Code of Conduct and uphold our ethical standards. This means that:

- You must act responsibly, report unethical behavior and, if requested, cooperate in internal investigations.
- If, in good faith, you report any misconduct or suspected violation of the Code by others, we will not retaliate against you in any manner...nor will we tolerate any retaliation against you by other employees.
- If you choose to remain anonymous, we will respect your choice...but you should be aware that may limit the thoroughness of any investigation that we may undertake.



What We Believe

We value our culture of trust and respect.

That's why we're committed to providing a healthy, productive and supportive work environment. In order to fulfill that commitment, you and every employee must assume personal responsibility for complying with health and safety requirements, fulfilling our diversity and equal opportunity expectations, and creating a workplace free from drugs, harassment and violence. It is our mutual goal to create a protective and nurturing environment for one and all.



HEALTH & SAFETY

Everyone benefits from a workplace that is clean and safe. Preventing accidents and injuries is a cooperative effort. You should understand and comply with applicable safety rules in your work area. We will endeavor to provide you with information about use of safety devices, equipment and procedures to eliminate known safety hazards and ensure compliance with all federal, state and municipal safety standards.

RESPECT FOR DIVERSITY AND EQUAL OPPORTUNITY

To be a truly successful global company, we must treat each other with dignity, respect and fairness, regardless of race, color, religion, sex, national origin, age, sexual orientation, gender identity or expression, marital status, status with regard to public assistance, disability, or any other characteristic or status protected under law. As we strive to attract and retain the very best employees, we are committed to fostering an atmosphere that embraces diversity and supports Toro's programs and policies related to Equal Opportunity. All members of the Toro family will be treated fairly and consistently with regard to compensation, benefits, transfers, layoffs, training, educational assistance and promotional opportunities.

Recognizing and respecting diversity makes Toro a better place to work. We acknowledge the value of each employee and the fair consideration each applicant seeks.

We are proud to be an equal opportunity employer.

NO HARASSMENT

We expect to maintain a work environment that is free from intimidating, hostile and offensive behavior. When anyone is treated in a demeaning or degrading manner, the consequences can be serious – trust can be broken, relationships can be destroyed and lives can be changed. Harassment can take many forms – verbal or written – such as racial slurs, sexual innuendo or advances, and unwelcome physical contact. These behaviors will not be tolerated.

NO ILLEGAL DRUGS OR ALCOHOL IN THE WORKPLACE

We are committed to achieving a workforce and workplace that is drug- and alcohol-free – that’s why drug testing may have been a condition of your employment with us. Illegal drugs and alcohol can pose serious safety and health issues for you and your co-workers. When substance abuse – whether on- or off-the-job – impairs your ability to do your best for Toro, you act inconsistently with our performance values by hurting our productivity and impairing our reputation for quality. It takes courage to recognize a substance abuse problem and to take action to deal with it. If you conscientiously seek assistance and counseling for a substance abuse problem, we will not discipline you. Please ask for help from the human resources department or seek out our employee assistance program resources.

NO VIOLENCE

Violent behavior that threatens the safety of employees and visitors is prohibited. This includes possessing, storing or using any firearm or weapon on company property – we ban guns on our premises. Anyone who commits or threatens a violent act will be immediately removed from the workplace.



What We Believe

We must be vigilant in protecting our assets.

You are expected to be a careful steward of our resources, to act appropriately concerning our financial and accounting records, to protect our valuable intellectual property, and to adhere to all contractual and other commitments when doing business with the government.



CORPORATE FUNDS AND FINANCIAL RECORDS

Our assets must be safeguarded and used properly – you are expected to be a careful steward of the company’s resources. You must never commit fraud to achieve a financial goal, meet a profit guideline, influence the market value of our stock, or for any other purpose.

You must make financial decisions in the best interests of the company – not for personal gain or profit. It is not acceptable to:

- Establish corporate funds or hide assets that aren’t disclosed or recorded
- Make false accounting entries
- Cause our financial statements to be misleading
- Enter into arrangements that don’t reflect bona fide, legitimate transactions
- Disguise or misdirect payments

INTELLECTUAL PROPERTY

Our intellectual property is an important asset because it provides us with a key competitive advantage. These assets must be protected. Intellectual property includes trade secrets, copyrights, patents and trademarks. You cannot use or disclose to third parties our confidential and proprietary information, including our intellectual property, without appropriate authorization.

GOVERNMENT CONTRACTS

Many governments have specific and complex requirements for companies that do business with them. In order to avoid lost business and possible fines or penalties, we must fully comply with all governmental requirements and strictly adhere to all contractual commitments.

What We Believe

You are entrusted with using communication devices appropriately, not communicating officially on the company's behalf unless authorized, and holding in confidence our proprietary information.

ELECTRONIC COMMUNICATIONS

Our computers are company property and provided for company business. Therefore, they should be used primarily, if not exclusively, by you to do your job – personal use should be incidental and kept to a minimum. The information you store, the websites you visit, and e-mails you send are not considered private.

PUBLIC COMMUNICATIONS

We believe in communicating openly and honestly with each other and our stakeholders. At the same time, there are rules and regulations that govern what we say and how we say it. As an employee, you and your actions represent and reflect upon Toro and our brand reputation...but you may not speak on the company's behalf to the media or the investment community, unless you are authorized to do so. If you are approached, it's best to say that you can't comment, and then you should alert the company's designated spokespersons in public relations or corporate communications.

CONFIDENTIAL INFORMATION

Confidential information about Toro is for the company's benefit and not to be used for personal gain. Confidential information should be handled with care. Examples of confidential information include financial results before they have been released publicly, new product research and development activities, merger and acquisition discussions, and technical know-how. You must never disclose our confidential information unless required by law or under a confidentiality agreement specifically authorized by the legal department. You must take appropriate precautions and reasonable steps in order to protect our confidential information.

DATA PRIVACY

Privacy issues are a growing and global concern. Technology for data use and transfer presents an increasing challenge to our goal of appropriately maintaining the confidentiality of personal information. You are expected to collect, possess, store, transfer and use personal data, such as sensitive employee or customer information, only when authorized to do. In addition, you must take adequate precautions to protect the confidentiality of, and limit access to, that data.

DOCUMENT RETENTION

Toro has records retention and disposal procedures that you are expected to follow in order to ensure that our records are appropriately maintained, stored, produced and destroyed in accordance with sound business practices and applicable legal requirements. Knowing what to keep, how long to keep it, what to destroy, and how to destroy it promotes efficiency, cost savings, confidentiality and legal compliance. Records relevant to litigation or investigations may have special requirements – they may be subject to "holds" and kept beyond standard timeframes. Consult with the legal department if you have any questions.

What We Believe

We act and make decisions that are in the best interests of Toro. When your personal relationships or situation interferes with your ability to fulfill this commitment or impairs your ability to make objective decisions, a conflict of interest occurs. Often, even the appearance of impropriety can undermine confidence in you and the company, so you are expected to disclose anything that may represent a potential conflict of interest.



ILLEGAL PAYMENTS

We do not offer or give elected officials, government officials, suppliers, customers or commercial representatives any payments, gifts, or other benefits in order to improperly influence them in conducting their duties or dealing with us.

POLITICAL CONTRIBUTIONS

While we encourage you to be an engaged citizen and participate in the political process, company funds, resources or assets may not be used for contributions of any kind to a political party or a candidate for elected public office. A decision to contribute to a political candidate, using your own funds, is both a personal choice and your right. No one should pressure you to donate money or services to any candidate, ask you to disclose your political preferences or voting decisions, or take any action against you because they disagree with your choices.

OUTSIDE INVESTMENTS AND EMPLOYMENT

You may not own a significant investment in or hold any position with any customer, supplier or competitor of Toro unless you disclose it and receive approval from the Company's General Counsel. You may own stock in a publicly-traded company that is a customer, supplier or competitor of Toro if the amount is less than five percent of the outstanding shares.

CORPORATE OPPORTUNITIES

You may not, whether directly or indirectly, take personal advantage of any business opportunity that arises by virtue of your employment and belongs to Toro unless Toro is aware of and rejects the opportunity and gives you approval to pursue it.

BUSINESS GIFTS AND ENTERTAINMENT

We strive to conduct our business with customers, suppliers and other parties without giving or receiving gifts, trips, loans, use of facilities or equipment, or other personal benefits. You may only give or accept a gift in connection with Toro business that has nominal value, isn't hidden, is within normal and accepted business practice, does not violate laws or generally accepted ethical standards, cannot reasonably be construed as a bribe, payoff or kickback, and will not embarrass Toro. Examples of acceptable gifts include marketing trinkets such as a sleeve of golf balls or coffee cup.



What We Believe

We compete aggressively and encourage and promote the free enterprise system. You are expected to adhere to antitrust rules, gather competitive intelligence ethically, and comply with anti-boycott, import and export regulations.



THE IMPORTANCE OF ANTI-TRUST

We believe in the free enterprise system and open and fair competition. As long as we develop and produce superior products, we will continue to succeed.

Antitrust violations are serious and expensive. Some are enforced with criminal sanctions, including prison sentences, substantial fines and treble damages. We comply with the antitrust laws in our relationships with competitors, suppliers and customers. We do not agree with competitors on price, terms of sale, division of territory or customers...nor do we boycott particular firms or distribution channels. Furthermore, we do not dictate the resale price for our products to distributors or retailers nor discriminate or deal with them unfairly.

WHAT TO AVOID – DO'S AND DON'TS

- Don't discuss pricing information (price, terms or discounts) or Toro's costs, product developments or marketing plans with competitors.
- Don't negotiate or finalize an agreement with any distributor or customer regarding the resale of Toro products outside our standard practices.
- Do participate in business meetings and recognized trade association activities that are conducted openly and appropriately. But, restrict your discussion to the legitimate agenda topics.
- Do offer competing resellers at all levels the same prices and terms of sale, including discounts, financing, allowances, and promotions.

COMPETITIVE INTELLIGENCE

We respect the valid intellectual property rights and confidential information of others – just as we expect our rights and information to be respected. At the same time, analyzing publicly-available information about our competitors helps us better understand the marketplace and our customers' needs.

Competitive intelligence, when gathered legally and ethically, is vital to Toro's ability to compete. But, any practices that are illegal or do not reflect our ethics are prohibited. These actions can also damage our reputation and result in loss of sales or legal action.

On the job, you may be asked to obtain public information and samples, purchase competitors' products on the open market, gather information at business meetings or tradeshows, or participate in user groups. Under no circumstances should you use, or ask a third party to use, unlawful or unethical means such as deception, misrepresentation, theft, spying or bribery to gather competitive information. If you receive unsolicited confidential information or are uncertain about carrying out a competitive intelligence activity, please ask the legal department for guidance.



FOREIGN CORRUPT PRACTICES ACT

The Foreign Corrupt Practices Act (FCPA) criminalizes corrupt payments or bribes to foreign officials anywhere in the world where the purpose is to obtain or retain business or to secure an improper advantage. Paying or offering anything of value made with corrupt intent to a foreign official for a business purpose is a violation of the FCPA.

Recordkeeping Requirements

To comply with the FCPA, we must keep detailed records that accurately reflect our transactions and disposition of assets through a system of internal accounting controls that detect and prevent corrupt payments to foreign officials. As such, all of our books, records, accounts and financial statements must be maintained in reasonable detail, follow generally accepted accounting principles, appropriately reflect transactions, and conform to applicable legal requirements and our own internal control standards.

Gifts and Entertainment

The FCPA allows payments for reasonable and bona fide expenditures such as travel and lodging expenses directly related to promoting, demonstrating or explaining products and services or executing or performing a contract with a foreign government or its agency. Before offering gifts, meals, samples or other gratuities to foreign officials, you must have written approval from our legal department.

RED FLAGS Be aware of the following “red flags” that might signal a concern under the FCPA or laws prohibiting “money laundering” (disguising or concealing the monetary proceeds of illegal activity through otherwise legitimate transactions or sources). Consult with the legal department if you receive requests for:

- Payments in cash
- Using the services of a specific agent
(especially if he or she seems to lack the appropriate credentials or experience)
- Payments to be made to suspicious accounts
- Special or one-time payments to vendors
- Duplicate invoices or double payments.

FCPA KEY DEFINITIONS

- **ANYTHING OF VALUE** includes money, entertainment, offers of employment, payment or reimbursement of travel expenses, discounts on Toro products, etc.
- **CORRUPT INTENT** is when payment is made to induce the recipient to misuse his official position to wrongfully direct business.
- **FOREIGN OFFICIAL** This includes any person acting in an official capacity for, or on behalf of, a foreign government, a public international organization or any department, agency, or instrumentality thereof, a foreign political party or party official, or a candidate for foreign political office. In other words, if someone has the ability to influence a government decision, that person is most likely a foreign official.
- **BUSINESS PURPOSE** is when the purpose is to obtain or retain business or gain an improper business advantage. This includes payments made to reduce income taxes, sales taxes, and customs duties.

ANTI-BOYCOTT LAWS

We comply with all laws and regulations regarding foreign economic boycotts and refuse to comply with requests that are not supported by the United States government. These may include requests for information, action, or inaction to support or reinforce a boycott. Make sure all agreements, purchase orders and letters of credit are inspected and approved to eliminate these provisions.

IMPORT AND EXPORT LAWS

We comply with all federal import and export laws and regulations, including trade embargos and transporting goods and technical data to or from the United States. Many countries in which Toro operates have similar laws and regulations; employees involved in importing and exporting goods and data are responsible for knowing and following these laws.

CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL SUSTAINABILITY

We are committed to being a responsible corporate citizen and sustaining the environment as a company value and sound business strategy. Toro designs, produces and markets products, systems and services in an environmentally-responsible manner, and we're proud of our legacy of innovation and philanthropy that preserves and enhances the communities in which we live and work.



What We Believe
We comply with securities and insider trading

laws to protect the company—and you—
from serious liabilities and penalties.



NO INSIDER TRADING

You're an "insider" if you have material nonpublic information about Toro that could reasonably be expected to affect our stock price. Until that information is disclosed, you may not purchase or sell Toro securities.

"Insider trading" includes purchasing or selling any Toro stock or other Toro securities. It covers trades you make in employee benefit plans, like the 401(k) plan, or in the open market. It also applies to exercising options with an immediate sale of shares through a broker.

Trade restrictions aren't limited to Toro securities. When you're an "insider" who possesses material nonpublic information about another company, you cannot trade in the stock or other securities of that company. This may include Toro customers, suppliers or others who may be negotiating a major transaction, such as a merger and acquisition, with us. Be aware that what may seem immaterial to Toro may in fact be material to the other company.

NO TIPPING

"Tipping" occurs when you share material nonpublic information with others or recommend they buy or sell certain securities based on that information. This violates the law and can result in the same civil and criminal penalties as insider trading, even if you don't benefit directly from someone else's actions.

These rules also apply to your family members and others living in your home. You are responsible for making sure they understand and follow these guidelines. Even transactions that may seem necessary or justified (e.g., raising money for an emergency) are not exempt.

MATERIAL NONPUBLIC INFORMATION

Information is “material” if investors may reasonably feel it is important in deciding whether to buy, hold or sell our securities. It may be, but is not limited to, financial information. When in doubt, it is always safer to consider information as material and avoid trading.

“Nonpublic” means information is not generally known or available to others. It becomes public when released through normal channels like a press release and enough time has elapsed for investors to absorb and evaluate it. As a general rule, this period is two business days.

Examples of Material Nonpublic Information

- Financial performance (especially quarterly and year-end earnings and revenues) and changes in our financial projections or guidance.
- A potential joint venture, merger, significant business acquisition or divestiture, or tender offer.
- A major financing transaction.
- The development or impending release of a new product.
- New major contracts, customers, suppliers (or the loss of one of them).
- Changes in executive management.
- Actual or threatened litigation.



ASKING THE RIGHT QUESTIONS

In the course of every work day, we continually make decisions and take actions, usually without even thinking about our Code of Conduct. Remembering to ask yourself these simple questions will help you make ethical and responsible decisions – the right choice:

- Is it in the best interests of Toro?
- Is it truthful and accurate?
- Is it legal?
- Is it an accepted business practice?
- Does it enhance Toro’s reputation?
- Would I feel proud if it showed up in the newspaper?
- Is it consistent with our company values and policies?

If you can answer “yes” to each question, you are probably making the right decision. If not, you may have an ethical dilemma and a potential Code of Conduct issue.

ASKING FOR HELP

When in doubt, ask for help.

REQUESTING A WAIVER

The Audit Committee will consider any request for a waiver of any provision of this Code. Only the Board of Directors or the Audit Committee may approve a waiver for executive officers. Waivers will be granted only in exceptional circumstances and will be promptly disclosed as required by law.

REPORTING A VIOLATION

The Toro Company is dedicated to maintaining high moral and ethical standards in how we conduct our business, build relationships with our stakeholders, and treat one another.

It is important to hold one another accountable for our decisions and behaviors. If you see or learn about any activity that contradicts this Code, we encourage you to report it in good faith – without fear of retaliation of any kind.

Your supervisor is usually the best place to start. Or, if you prefer, talk with your Human Resources representative or a member of the legal department.

Any time, night or day, you may submit a report using the Ethics telephone “hotline” or our confidential web-based reporting tool. You may choose to remain anonymous, although that may limit our ability to conduct a thorough investigation.

Ethics Hotline 

United States **1.800.850.7247**
International **1.678.999.4558**

Web Reporting 

Visit Toro’s corporate website at **www.thetorocompany.com**, then click on Investor Information and Corporate Governance.

ABIDING BY THE CODE

Our Code of Conduct is designed to guide you in making ethical business decisions. We are all responsible for our ethical culture. Abiding by the Code keeps our brand strong and protects our reputation.

ENFORCING THE CODE

Failure to comply with the standards contained in this Code will result in appropriate discipline of the offending employee, up to and including termination, referral for criminal prosecution, and restitution of any losses or damages resulting from the violation.

Disciplinary action will be taken:

- If you authorize or participate directly in actions which are a violation of the Code.
- If you deliberately fail to report a violation or deliberately withhold relevant information concerning a violation of the Code.
- Against any employee who retaliates, directly or indirectly, or encourages others to do so, against the person who reports in good faith a potential violation of the Code.





The Toro Company 8111 Lyndale Avenue South Bloomington, MN 55420 www.thetorocompany.com