



Reference Guide

Procedures and Practices For
Making Ethical Decisions

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Note: All modifications and updates to this document will be made on the electronic version found on the Toro TIP page.

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The Toro Company

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Dear Toro Employee:

Since its founding in 1914, Toro has earned an excellent reputation for the way in which we do business. This reputation is one of our most valuable assets, particularly in light of corporate scandals that have shaken the confidence of most investors.

Toro's continued growth and profitability are linked to our ability to make decisions that are consistent with our traditional business values and ethical principles. We have always endeavored to do more than comply with laws, regulations and policies. Instead, through the years, we have built an ethical business culture that is woven into the fabric of our daily work, guiding our choices and helping us to simply "do things right."

Toro's reference guide, Procedures and Practices for Making Ethical Decisions, brings Toro's existing policies and procedures related to ethics and compliance together in one place. It will give you a framework for making ethical decisions on behalf of your group and the organization based on the principles and values that have always made us successful. Together, we are equally responsible for safeguarding Toro's reputation as a global business leader, employer of choice, and good corporate citizen.

Thank you for your support.

Sincerely,

Michael J. Hoffman
President & CEO



Introduction

The Toro Company prides itself on achieving and maintaining superior ethical standards. This reference guide offers quick and easy access to the procedures and practices that reflect our expectations of workplace behavior within the Toro culture. The handbook also includes a cross-reference directing you to the unabridged versions of these policies, most of which are located on the Toro TIP intranet site (tip.toro.com). Additionally, the handbook offers guidance for those who wish to voice a concern or complaint or to seek advice on ethical issues that affect them in the workplace.

If you have any questions or need clarification on any information contained in this document, please contact your human resources representative or Larry McIntyre, vice president and general counsel, at (952) 887-8059.

In the policies that follow, there may be a conflict between the applicable laws of two or more countries where Toro conducts business. When you encounter such a conflict, it is important to consult the Legal department to understand how to resolve that conflict properly.

Our Foundation

Toro’s purpose, mission, and PIE cultural values provide a solid foundation to guide employees in making ethical business decisions.

Our Purpose (Why We Exist)

To help customers beautify and preserve the outdoor landscapes with environmentally-responsible solutions of customer-valued quality and innovation.

Our Mission (What We Will Accomplish)

To be the leading worldwide provider of outdoor landscaping products, support services and integrated systems. Also, to explore new opportunities that build revenue growth and sustainability using our core competencies to gain a leading market position.

Pride in Excellence Culture (Values We Live By To Achieve our Vision)

People Values

- Respect/Trust
- Teamwork/Partnership
- Empowerment
- Coaching
- Recognition
- Communication

Performance Values

- Conformance to Requirements
- Customer Responsive (internal & external)
- Building Growth & Profitability
- Prevention
- Adding Value
- Bias for Action



Equal Opportunity Employment

Toro is committed to recruit, hire, retain and promote without regard to race, color, religion, sex, national origin, age, sexual orientation, marital status, public assistance, or disability.

Why is this important? It is imperative that Toro employees are aware of the company's commitment to equal opportunity employment, and to encourage employees to report any witnessed acts of discrimination.

Drug and Alcohol Policy

Toro's policy is to achieve a totally "drug and alcohol free" workplace. Toro is committed to maintaining a safe, healthful and efficient working environment for all its employees. The presence of alcohol and drugs in the workplace poses serious safety and health risks to the user, all those who work with the user and to the success of our operations. We will not accept any risk to safety, quality or productivity that may be caused by on-the-job drug and alcohol use by employees. Toro reserves the right to prohibit an employee from re-entering the premises pending an investigation regarding violations of this or any other company policy or violations of any law.

Why is this important? In order to ensure the safety of all Toro team members, drug and alcohol use in the workplace is forbidden.

Child Labor

Toro and its employees must comply with state and federal laws regarding employment age restrictions. Under no circumstances will Toro allow employment of individuals under the age of 16 (sixteen). Additionally, Toro will not knowingly conduct business with any company or organization that permits the use of child labor.

Why is this important? Toro believes in treating employees with respect and trust and will not employ children. We will not compromise our professional integrity or its safety standards unnecessarily by employing or knowingly facilitating child labor.

Harassment

Toro is committed to maintaining a working environment that is free from all forms of discrimination and harassment. The company specifically prohibits any form of discrimination or harassment based on an individual's race, religion, sex, age, ethnicity, sexual orientation, or disability. It shall be a violation of this policy for any Toro employee to discriminate or harass any customer, vendor, or other employee. The company will actively investigate all complaints, either formal or informal, verbal or written, of discrimination or harassment, and take appropriate action against any individual who is found to have violated the policy, up to and including termination.

Why is this important? Toro believes in a discrimination-free working environment. All Toro employees must be respectful of each other, as well as of customers and vendors, under all circumstances. Violation of this policy will not be tolerated. Permitting such behavior is directly adverse to the Toro culture.

Workplace Violence

Toro is committed to maintaining a safe working environment. To that end, Toro explicitly prohibits violent behavior towards employees, visitors, or others in the workplace. It will be considered a violation of this policy for any person to possess weaponry or firearms of any type while on company property, or while conducting business on behalf of Toro. "Possession" of weaponry includes storage of any weapon in a locker, desk, purse or other repository on company property. Any employee who engages in, or threatens, violent acts while on Toro property will be removed. Employees removed under such circumstances will be prohibited from re-entry onto Toro property pending outcome of any investigation respecting violations under this policy.

Why is this important? Toro is committed to providing a safe working environment for its employees and visitors. It will be considered a violation of company policy for Toro employees to engage in violent behavior that threatens the safety of others in the workplace.

Information Systems Usage Policy

Toro provides e-mail, Internet and Intranet systems to assist employees with work responsibilities and performance. Employees should use these systems for official Toro business. Incidental and occasional personal use is permitted for convenience, but such personal usage is neither private nor confidential. Toro reserves the right to access and disclose as necessary all messages sent over the e-mail system, as well as the right to monitor all employee Internet usage without notice.

Why is this important? It is Toro's objective to achieve a productive and non-offensive workplace. Excessive or inappropriate use of information systems may impede achievement of these goals.

Bookkeeping

All of Toro's books, records, accounts, and financial statements must be maintained in reasonable detail, must appropriately reflect transactions and must conform both to applicable legal requirements and to Toro's systems of internal controls.

Why is this important? All Toro employees have an obligation to create and maintain accurate records. Records are to be retained in accordance with business needs and the records retention policy.

Protection of Company Property

Property of Toro, including, but not limited to, company funds, equipment, and technology, must be protected against abuse. Such property is not available for personal use by employees without prior authorization. Employees, officers, and directors of Toro are prohibited from using corporate property, information, or their positions as Toro agents for personal gain.

Why is this important? Toro's assets must be protected on all levels. Employees must respect this need by adhering to the principles set forth by this policy.

Protection of Intellectual Property

The intellectual property (i.e. inventions, patents, trademarks, copyrights and trade secrets) and original ideas contained in Toro's records or developed by an employee or independent contractor working for Toro constitute company property. Assets of this nature are of great value to Toro and must be adequately managed and protected from misuse.

Why is this important? Toro prides itself as a fair market competitor. In order to maintain the integrity of Toro's information, intellectual property and original ideas, employees must adhere to Toro's policy regarding protection of its property. Violation of this policy could result in the loss of Toro's competitive edge in the marketplace, as well as potential criminal sanctions.

Conflict of Interest

A conflict of interest occurs when personal interests interfere with an employee's ability to exercise judgment objectively or perform duties in the best interests of Toro. Employees must avoid actual or potential situations where their personal interests might conflict or allow for the appearance of impropriety in conducting the business of Toro. Toro personnel must not take for themselves opportunities that are discovered as a result of their position at Toro or through the use of corporate property or information. Competing with Toro in this, or any manner, is a direct conflict of interest and is prohibited.

Why is this important? Toro wishes to prevent conflicts of interest from interfering with the duty of its employees to act in the best interest of the company. Employees, officers and directors of Toro need to work to advance, not impede, the legitimate interests of the company.

Environmental Commitment

A commitment to protecting the environment is a company value and sound business strategy. Toro strives to comply with all applicable environmental laws and regulations. The company designs, produces and markets products, systems and services in an environmentally responsible manner.

Why is this important? Toro strives to comply with all applicable environmental laws and regulations, and conducts operations in a way that strives to protect the environment. It is important to Toro that our employees adhere to these principles.

Health and Safety Policy

Toro is committed to the health and safety of all employees as a company value and a way of doing business. Toro is responsible to local residents, our customers, and the general public as a member of the communities in which we operate. Health and safety is an integral part of every Toro operation, including manufacturing, research and development, engineering and logistics, distribution and transportation. We are dedicated to conducting all of our business activities in a safe and responsible manner, according to our health and safety principles.

Why is this important? Toro's superior reputation demands strict adherence to health and safety standards. In order to maintain its health and safety integrity, all employees must conduct themselves in a safe and responsible manner, and always remain mindful of Toro's duty to its customers and members of the community.

Product Safety Policy

Product safety is to be integrated into all functions and operations of the company to contribute to our economic success and the acceptability of our products in the marketplace. Safety is not achieved automatically. Consistent, determined, and progressive effort is required. Therefore, every employee of Toro shall devote the necessary energy and appropriate resources toward implementation of this policy so as to reduce accidents to our customers, to the public, and most of all to the users of our products.

Why is this important? Any departure from Toro's policy of strict compliance with safety standards could prove detrimental to market and customer confidence and could also result in legal liability for the company. Toro only deviates from this policy with written approval from senior management.

Foreign Corrupt Practices Act

Under the Foreign Corrupt Practices Act Toro and its employees are prohibited from making any payments or gifts to foreign government officials or their affiliates for the purpose of obtaining or retaining business.

Why is this important? Toro must remain in compliance with U.S. laws and regulations regarding international relations and transactions. Failing to remain compliant could subject Toro to substantial fines and penalties.

Fraud and Theft

Employees of Toro must not use corporate funds or other assets for illegal or improper purposes. Employees must not use fraudulent, illegal or improper actions, to achieve financial goals, meet profit or cost cutting programs, or influence the market value of the company's stock.

Why is this important? Toro will not tolerate illegal activity of any kind. Allowing fraudulent behavior by employees would compromise Toro's reputation in the industry. Moreover, Toro's success is based largely on its ability to trust its employees. Thievery and other fraudulent acts would diminish that trust and negatively impact Toro's employee relations.

Internal Accounting Controls and Auditing

Accounting controls are designed to ensure that the books of the company accurately reflect business transactions as well as assets and liabilities of the company. Any employee may submit a good faith complaint regarding accounting or auditing matters to management without fear of retaliation of any kind. The Audit Committee of the Board of Directors oversees treatment of employee concerns in this area.

Why is this important? While employee concerns may be raised with a supervisor, Human Resources, or the Legal department under the company's open door policy, under Federal law we are required to provide for anonymous reporting by employees of concerns regarding questionable accounting or auditing matters. Please refer to page 15 on how to seek advice.

Anti-Boycott Regulations

Toro adheres to all United States' laws and regulations relating to international boycotts. Employees may not in any way participate or assist in a boycott of any country in violation of United States law. All boycott concerns should be discussed with the Legal department.

Why is this important? All Toro employees have a duty to remain compliant with U.S. laws governing the prohibition of participation in non-sanctioned international boycotts.

Antitrust Compliance

Toro believes in the free enterprise system and open and free competition. If we continue to produce superior products, we will succeed in an openly competitive environment. It is in pursuit of this philosophy that we have established and practiced high standards of business conduct that comply with both the spirit and the letter of the antitrust laws. We must continue to be alert to our responsibilities under laws regulating competition and not compromise these values for seemingly expedient needs of the business.

Why is this important? Toro and its employees must be aware of the importance of complying with antitrust laws. Violations of these laws could result in imposition of substantial monetary fines as well as possible imprisonment. Employees should seek the advice of the Legal department when confronted with business decisions involving significant risks of antitrust exposure for Toro or individual employees.

Gifts and Gratuities

Toro will sell and purchase products and services based upon merit alone. Employees and representatives of Toro are prohibited from offering or accepting significant gifts or gratuities from representatives of any company in connection with a transaction undertaken between Toro and that company. Any monetary transactions that could possibly be construed as kickbacks or bribes are strictly prohibited.

Why is this important? Toro will not allow for the receipt of gifts, gratuities and other favors that may interfere with an employee's ability to perform independently and in the best interest of the company.

Privacy Rights

Notwithstanding the exceptions set forth by Toro's Information Systems Usage Policy, it is the policy of The Toro Company that individual and company information in both manual and automated systems be protected from unauthorized disclosure. In particular, it is crucial that employee personnel files be accurately maintained and protected in order to ensure an employee's right to privacy. It is also of utmost importance to Toro that the privacy rights of its customers are protected. Employees are expressly prohibited from utilizing customer information for personal purposes. It is the responsibility of every Toro employee to protect information as stated in this policy.

Why is this important? Toro appreciates the privacy rights of its employees. In order to achieve a productive and secure working environment, employees must respect the privacy rights of others at all times. Additionally, in order to maintain the integrity of The Toro Company, customer information must be kept confidential in order to protect the privacy interests of our customer as well as the reputation of Toro.

Political Contributions

Employees may not cause corporate funds to be contributed to any candidate for public office or political party. Corporate funds may not be used to make a gift or other contribution to any government or public official, unless the gift or contribution is lawful and has been approved in advance by the Legal department.

Why is this important? Toro must remain in compliance with all laws and regulations governing political contributions. Any violation of this policy could compromise Toro's reputation and corporate integrity.

Insider Trading

Federal law prohibits employees from purchasing or selling securities while possessing material information that has not been publicly disseminated, and also prohibits the selective disclosure of such information to others who trade based on that information.

Why is this important? All employees of Toro are required to comply with all applicable laws regulating insider trading. Violation of this policy could result in criminal sanctions.

Public Disclosure of Information

Toro's policy with respect to public disclosure of information is one of openness, honesty and expedience. It is critical that information disclosed is consistent and articulated clearly to avoid misinterpretation or misunderstanding. All external inquiries regarding the financial status of Toro should be referred to the Director of Investor Relations. Other external inquiries, particularly from the media, should be directed to the Corporate Public Relations department. Employees should not express personal opinions not substantiated by fact on matters pertaining to Toro.

Why is this important? Employees of Toro are responsible for maintaining its superior public reputation. Employees must be precise and accurate whenever disclosing public information pertaining to any aspect of Toro.

Compliance Program Monitoring

It is the responsibility of all employees of Toro to adhere to Corporate Policies and Procedures. This responsibility includes reporting violations of policies and procedures and cooperating with any investigations (see Toro TIP intranet site).

Why is this important? It is important in perpetuating Toro's culture to maintain open lines of communication between employees and their supervisors in order to eliminate any hostile workplace environment. It is the duty of each employee to act responsibly and respectfully to one another.

Reporting Violations of Law and Policy

Any employee who, in good faith, believes that a violation or suspected violation of law or of Toro's corporate policy has occurred shall report the alleged act (or failure to act) immediately, or as soon as possible, to their supervisor, human resource representative, manager of employee relations, or the Legal department.

Why is this important? Toro operates its business in accordance with the highest level of integrity. It is the responsibility of all Toro employees to report violations when they occur in order to maintain these ethical standards.

Truth in Advertising

Any advertising, literature, or marketing materials generated by, or for benefit of, Toro must be accurate and supportable by factual documentation. Questions as to the accuracy of any of the enumerated materials should be directed to the Toro Legal department.

Why is this important? Maintenance of Toro’s reputation is extremely important. False, misleading and inaccurate advertisements and other similar marketing materials could result in damage to Toro’s corporate reputation.

Whistle-Blowers Anti-Retaliation Policy

Toro will discipline or take appropriate action against any employee who retaliates against any person who reports alleged legal infractions, financial fraud, discrimination or harassment, or any person who testifies, assists or participates in an investigation, or who testifies, assists or participates in a proceeding or hearing relating to a legal or ethical investigation. Retaliation includes, but is not limited to, any form of intimidation, reprisal or harassment.

Why is this important? Because Toro encourages its employees to report violations of company policy, any attempt at retaliation for such reporting will not be tolerated. Retaliation of this nature can lead to potential government investigations and expensive litigation. In order to maintain an open system of communication between Toro and its employees, no reprisals will be taken against employees reporting policy violations in good faith.

Cross-Reference Guide

These policies can be accessed in their entirety on the Toro TIP intranet site (tip.toro.com):

Best Business Practices

- Equal Opportunity Employment
- Drug and Alcohol Policy
- Harassment
- Workplace Violence
- Information Systems Usage Policy
- Anti-Boycott Regulations
- Antitrust Compliance

Corresponding Toro Policy

- Human Resources Policy A-1
- Human Resources Policy D-8
- Human Resources Policy O-1
- Human Resources Policy W-3
- Human Resources Policy I-8
- Human Resources Policy C-2
- Human Resources Policy C-2



Bookkeeping	Human Resources Policy C-2
Protection of Company Property	Human Resources Policy C-2
Conflict of Interest	Human Resources Policy C-2
Environmental Safety	Risk Management Policy
Health and Safety Policy	Risk Management Policy
Product Safety Policy	Human Resources Policy S-1A
Foreign Corrupt Practices Act	Human Resources Policy C-2
Fraud and Theft	Human Resources Policy C-2
Internal Accounting Controls and Auditing	Human Resources Policy A-3
Gifts and Gratuities	Human Resources Policy C-2
Political Contributions	Human Resources Policy C-2
Insider Trading	Human Resources Policy C-2
Public Disclosure of Information	Human Resources Policy P-10
Compliance Program Monitoring	Human Resources Policy C-2
Reporting Violations of Law and Policy	Human Resources Policy V-2

Toro continually reviews its existing policies and adopts new ones in response to a rapidly-changing business environment.

Seeking Help or Advice

Toro employees are encouraged to proactively obtain advice or discuss ethics-related issues.

Toro is committed to correcting and preventing ethical violations or conflicts. All reports are taken seriously. Each allegation is thoroughly and promptly investigated and, if substantiated, resolved through appropriate corrective action and/or discipline. Retaliation or retribution for reporting violations is wholly adverse to our ethical principles and will not be tolerated under any circumstances. If you feel you have been retaliated against, please contact Human Resources or the Legal department immediately.

Please follow this simple diagram to voice a concern or complaint. Your confidentiality will be maintained to the fullest extent possible:

