



THE TORO COMPANY

COMPENSATION & HUMAN RESOURCES COMMITTEE CHARTER

Purpose

The Compensation & Human Resources Committee (the "Committee") is appointed by the Board to discharge the Board's responsibilities relating to compensation of the Company's Chairman of the Board and the Company's Chief Executive Officer and all of the Company's elected executive officers and to review and monitor human resource and organizational matters affecting the Company as set forth herein.

The Committee has overall responsibility for approving and evaluating all compensation plans, policies and programs, as well as the philosophy and strategy, of the Company as they affect the Chairman and the CEO, the elected officers, senior executives and management employees.

Committee Membership

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence and other requirements established by law, the rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange listing standards.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating & Governance Committee. The Committee members may be replaced by the Board.

Committee Authority and Responsibilities

1. The Committee shall have access to the Human Resources staff of The Toro Company and shall have sole authority to retain and terminate any external compensation consultant to be used to assist it in the evaluation of the Chairman and CEO or elected officer compensation and shall have sole authority to approve the consultant's fees and the other terms and conditions of the consultant's retention. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
2. The Committee shall annually review and approve corporate goals and objectives relevant to the Chairman and the CEO's compensation, evaluate the Chairman and the CEO's performance in light of those goals and objectives, and recommend to the

Board the overall compensation levels for the Chairman and the CEO based on such evaluation. In evaluating the CEO, the Committee shall consider:

- i. The Company's performance and relative stockholder return
- ii. Succession management plans for senior level positions
- iii. Specific responsibilities addressed in the CEO evaluation process, such as leadership, strategic planning, corporate culture, communications/external relations, board interface, and other specific issues as identified from year to year
- iv. The value of compensation awards to chief executive officers' at comparable companies
- v. The awards given to the CEO in past years

Upon completion of such evaluation, the Chair of the Committee shall review the evaluation with the Board and, together with the presiding non-management director, present a summary of the evaluation to the CEO. Notwithstanding the foregoing, if any grant or award to the CEO is intended to qualify for the performance-based compensation exemption from the limitations on deductibility of executive compensation imposed by Section 162(m) of the Internal Revenue Code or any successor thereto, the Committee, rather than the Board, shall approve such award, but it may refer such award to the Board for ratification.

3. The Committee shall, at least annually, review and approve the annual base salaries and annual incentive opportunities of the Chairman and the CEO and all other elected officers. In addition, periodically and as and when appropriate, the Committee shall review and approve the following as they affect the Chairman and the CEO and all other elected officers: (a) all other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; (b) any employment agreements and severance arrangements; (c) any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits. The Committee shall review and approve any special or supplemental compensation and benefits for the Chairman and the CEO and the elected officers and persons who formerly served as the chief executive officer and/or as elected officers, including supplemental retirement benefits and the perquisites provided to them during and after employment.
4. The Committee shall receive annual reports on the Company's compensation programs as they affect all employees and shall review and monitor all compensation and significant benefit plans to ensure continued appropriateness. The Committee shall annually approve overall employee salary policies, as well as equity based programs for all categories of employees.
5. The Committee shall periodically review stock ownership guidelines for the Chairman and CEO, the elected officers and other senior executives. The Committee shall also periodically review Board of Director stock ownership guidelines and shall

recommend any proposed changes to such guidelines to the Nominating and Governance Committee of the Board.

6. The Committee shall review, approve and administer the Company's executive compensation plans, incentive compensation plans and equity-based plans, except for those plans that the Board chooses not to delegate or may not delegate as a matter of law or regulation or under the terms of any plan. The Committee shall oversee the Company's compliance with the requirement under NYSE rules that stockholders approve equity compensation plans.
7. The Committee shall oversee and monitor employee organizational and corporate culture plans and strategies to ensure that there is an alignment with the beliefs and philosophies of the Company. At least biannually, Management will present to the Committee an overview of the key initiatives that are designed to reinforce and strengthen the Company's core cultural values. As needed, Management will also report to the Committee concerning employee surveys, employee relations programs, collective bargaining agreements, employee lawsuits, summaries of significant human resource issues, employee complaints and compliance with policies and practices.
8. The Committee shall review and discuss with Management the Compensation Discussion and Analysis (CD&A) and recommend approval to the Board of the inclusion of the CD&A in the Company's annual proxy statement. The Committee shall also ensure preparation of the annual report on executive compensation required by the Securities and Exchange Commission to be included in the Company's proxy statement.
9. The Committee shall periodically, but no less than biannually, review Board of Director compensation and recommend any proposed changes in compensation to the Nominating and Governance Committee of the Board, taking into account director compensation at comparable companies.
10. The Committee may form and delegate authority to subcommittees when appropriate.
11. Following each meeting, the Committee shall make a report to the Board, including all items which require Board approval.
12. The Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance.