



## THE TORO COMPANY

### COMPENSATION & HUMAN RESOURCES COMMITTEE CHARTER

#### ***Purpose***

The Compensation & Human Resources Committee (the "Committee") is appointed by the Board of Directors (the "Board") of The Toro Company (the "Company") to discharge the Board's responsibilities relating to compensation of the Company's Chairman of the Board, the Company's Chief Executive Officer and all of the Company's other 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 of the Board, the CEO, the executive officers, and senior 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 ("SEC"), the New York Stock Exchange ("NYSE") listing standards and Section 162(m) of the Internal Revenue Code, as amended.

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 Company's Human Resources and Legal staff. In addition, the Committee shall (a) have sole discretion and authority to retain or obtain the advice of any external compensation consultant, independent legal counsel or other advisers (each, a "Committee Adviser"); and (b) be directly responsible for the appointment, compensation, oversight of the work and termination of any Committee Adviser retained by the Committee. The Committee shall have sole authority to approve the fees and other terms and conditions of the retention of any Committee Adviser. The Company shall provide for appropriate

funding, as determined by the Committee, for payment of compensation to any Committee Adviser retained by the Committee.

Before selecting any Committee Adviser, and from time to time as the Committee deems appropriate, the Committee shall review and consider all factors relevant to the Committee Adviser's independence from the Company's management that the Company considers appropriate, including, but not limited to, the following:

- i. The provision of other services to the Company by the person/entity that employs the Committee Adviser;
- ii. The amount of fees received from the Company by the person/entity that employs the Committee Adviser as a percentage of total revenue of such person/entity;
- iii. The policy and procedures of the person/entity that employs the Committee Adviser that are designed to prevent conflicts of interest;
- iv. Any business or personal relationship of the Committee Adviser with a member of the Committee;
- v. Any stock of the Company owned by the Committee Adviser; and
- vi. Any business or personal relationship of the Committee Adviser or the person/entity employing the Committee Adviser with an executive officer of the Company.

The Committee shall annually determine whether any conflicts of interest exist with respect to any Committee Adviser that has a role in determining or recommending the amount or form of executive officer or Board compensation. The Committee will make such determination after considering factors the Committee deems appropriate, including those indicated in (i) – (vi) above.

Notwithstanding the foregoing, the Committee is not required to conduct an independence assessment or determine whether any conflicts of interest exist with respect to (A) the Company's in-house legal counsel; and (B) any Committee Adviser whose role is limited to specified activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K, including: consulting on any Company broad-based plan that is available generally to all employees of the Company and does not discriminate in favor of executive officers or directors of the Company; or providing information that is not customized for the Company or that is customized based on parameters that are not developed by the Committee Adviser.

2. The Committee shall annually review and approve corporate goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in light of those goals and objectives, and determine and approve the overall compensation levels for 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; and
- v. The awards given to the CEO in past years.

The Chair of the Committee shall discuss the evaluation with the Board and, upon completion of such evaluation and together with the presiding non-management director, present a summary of the evaluation to the CEO. For purposes of clarity, 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 and long-term incentive opportunities of the Chairman of the Board, the CEO and all other executive officers. In addition, periodically and as and when appropriate, the Committee shall review and approve the following as they affect the Chairman of the Board, the CEO and all other executive 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; and (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 of the Board, the CEO and the other executive officers and persons who formerly served as the chief executive officer and/or as executive officers, including supplemental retirement benefits and the perquisites provided to them during and after employment.
4. As necessary, the Committee shall review and monitor all significant compensation policies and benefit plans to ensure continued appropriateness, including overall employee salary policies and equity-based programs for all categories of employees.
5. The Committee shall, at least annually, review and discuss the Company's compensation policies and practices as they affect all employees and relate to risk management practices and risk-taking incentives.
6. The Committee shall periodically review stock ownership guidelines for the CEO, the elected officers and other executive officers and senior management employees. The Committee shall also periodically review Board of Director stock ownership guidelines and shall recommend any proposed changes to such guidelines to the Board for incorporation into the Company's Corporate Governance Guidelines. The

Committee shall periodically monitor compliance with such stock ownership guidelines.

7. The Committee shall review, approve, and monitor 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 to the Committee 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.
8. 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 biennially, 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.
9. 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 SEC to be included in the Company's proxy statement.
10. The Committee shall provide recommendations to the Board on compensation-related proposals to be considered at the Company's annual meeting of shareholders, including an advisory vote on executive compensation, or say-on-pay, and the frequency with which the Company should submit to shareholders such say-on-pay proposals.
11. The Committee shall annually review Board compensation and recommend any proposed changes in compensation to the independent members of the Board, taking into account director compensation at comparable companies.
12. The Committee may form and delegate authority to subcommittees when appropriate.
13. Following each meeting, the Committee shall make a report to the Board, including all items which require Board approval.
14. The Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
15. The Committee shall annually review its own performance.