

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer	
1 Issuer's name The Toro Company	2 Issuer's employer identification number (EIN) 41-0580470
3 Name of contact for additional information Thomas Larson	4 Telephone No. of contact 952-888-8801
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 8111 Lyndale Avenue South	5 Email address of contact tom.larson@toro.com
8 Date of action September 16, 2016	7 City, town, or post office, state, and Zip code of contact Bloomington, MN 55420
9 Classification and description Two-for-One Stock Split of The Toro Company Common Stock	
10 CUSIP number 891092108	11 Serial number(s)
12 Ticker symbol TTC	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On August 18, 2016, the Company's Board of Directors declared a two-for-one stock split of the Company's common stock. The stock split is structured as a 100 percent stock dividend. Each shareholder will receive one additional share of Toro common stock for each share held on September 1, 2016, the record date. The distribution date for the new shares is September 16, 2016.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The basis for each share following the stock distribution on September 16, 2016, will equal 50 percent of the pre-distribution basis of that share. The number of shares held by each shareholder will double. Thus the stock split will not change the total basis of each shareholder's investment in the stock, nor will it change the interest that each shareholder maintains in the Company.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Each shareholder's existing tax basis in their shares of common stock will need to be spread over twice the number of shares as a result of the two-for-one stock split occurring on September 16, 2016.**

Part II Organizational Action (continued)


17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____
The stock split is not a taxable event and there will be no resulting tax consequences to U.S. shareholders pursuant to Internal Revenue Code 305(a), which states that gross income does not include a distribution of a corporation's stock made by such corporation to its shareholders with respect to its stock. Referencing Internal Revenue Code 307(a), shareholders must compute basis for split shares received by allocating the adjusted basis of the old stock between the old and the new stock.

18 Can any resulting loss be recognized? ▶ **From a U.S. federal income tax standpoint, the stock split is not a taxable event and there are no resulting tax consequences to U.S. residents. Therefore, the stock split will not result in any gains or losses.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ _____
The reportable tax year is 2016.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ September 16, 2016

Print your name ▶ **Thomas J. Larson** Title ▶ **Vice President, Corporate Controller**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			