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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Schedule TO
(Rule 14d-100)

Tender Offer Statement under Section
14(d)(1) or 13(e)(1) of the Securities Exchange Act of 1934

The Toro Company

(Name of Subject Company (Issuer))

The Toro Company (Issuer)

(Name of Filing Person (Identifying Status as Offeror, Issuer or Other Person))

Common Stock, Par Value $1.00 Per Share
(Title of Class of Securities)

891092108
(CUSIP Number of Class of Securities)

J. Lawrence McIntyre
Vice President, Secretary and General Counsel
The Toro Company
8111 Lyndale Avenue South, Bloomington, Minnesota 55420-1196
Telephone: (952) 888-8801
(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications on Behalf of Filing Persons)

Copy to:

Richard D. Katcher, Esq.
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Telephone: (212) 403-1000

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
$150,000,000	$19,005

* Calculated solely for purposes of determining the amount of the filing fee. Pursuant to rule 0-11(b)(1) of the Securities Exchange Act of 1934, as amended, the Transaction Valuation was calculated assuming that 2,500,000 outstanding shares of common stock, par value $1.00 per share, are being purchased at the maximum possible tender offer price of $60.00 per share.

** The amount of the filing fee, calculated in accordance with Rule 0-11(b)(1) of the Securities Exchange Act of 1934, as amended, and Fee Advisory #7 for Fiscal Year 2004 issued by the Securities and Exchange Commission, equals $126.70 per million of the value of the transaction.

[ ] Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: N/A	Filing Party: N/A
Form or Registration No.: N/A	Date Filed: N/A

[ ] Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

[ ] third-party tender offer subject to Rule 14d-1.
[X] issuer tender offer subject to Rule 13e-4.
[ ] going-private transaction subject to Rule 13e-3.
[ ] amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: [ ]

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This Tender Offer Statement on Schedule TO relates to the tender offer by The Toro Company, a Delaware corporation ("Toro"), to purchase for cash up to 2,500,000 shares of its common stock, par value $1.00 per share, including the associated preferred stock purchase rights issued under the Rights Agreement, dated as of May 20, 1998, between Toro and Wells Fargo Bank, N.A., as Rights Agent, at a price not more than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the offer to purchase, dated March 17, 2004 (the "Offer to Purchase") and the accompanying letter of transmittal (the "Letter of Transmittal"), which together, as each may be amended and supplemented from time to time, constitute the tender offer. This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) of the Securities Exchange Act of 1934, as amended. The information contained in the Offer to Purchase and the accompanying Letter of Transmittal, copies of which are attached to this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively, is incorporated herein by reference in response to all of the items of this Schedule TO as more particularly described below.

Item 1. Summary Term Sheet.

The information set forth under "Summary Term Sheet" in the Offer to Purchase is incorporated herein by reference.

Item 2. Subject Company Information.

(a) *Name and Address*. The name of the issuer is The Toro Company. The address of the principal executive offices of The Toro Company is 8111 Lyndale Avenue South, Bloomington, Minnesota 55420-1196. The telephone number of the principal executive offices of The Toro Company is (952) 888-8801.

(b) *Securities*. The information set forth in the Introduction to the Offer to Purchase is incorporated herein by reference.

(c) *Trading Market and Price*. The information set forth in Section 8 of the Offer to Purchase ("Price Range of Shares; Dividends; Rights Agreement") is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

The Toro Company is the filing person. The Company's address and telephone number are set forth in Item 2 above. The information set forth in Section 11 of the Offer to Purchase ("Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Shares") is incorporated herein by reference.

Item 4. Terms of the Transaction.

(a) *Material Terms*. The following sections of the Offer to Purchase contain information regarding the material terms of the transaction and are incorporated herein by reference.

- Summary Term Sheet;
- Introduction;
- Section 1 ("Number of Shares; Proration");
- Section 2 ("Purpose of the Tender Offer");
- Section 3 ("Procedures for Tendering Shares");
- Section 4 ("Withdrawal Rights");
- Section 5 ("Purchase of Shares and Payment of Purchase Price");
- Section 6 ("Conditional Tender of Shares");
- Section 7 ("Conditions of the Tender Offer");
- Section 9 ("Source and Amount of Funds");
- Section 11 ("Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Shares");
- Section 14 ("U.S. Federal Income Tax Consequences"); and

- Section 15 (“Extension of the Tender Offer; Termination; Amendment”).

(b) *Purchases*. The information set forth in the Introduction to the Offer to Purchase and in Section 11 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Shares”) is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

The information set forth in Section 11 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Shares”) is incorporated herein by reference.

Item 6. Purposes of the Transaction and Plans or Proposals.

(a); (b); (c) *Purposes; Use of Securities Acquired; Plans.* The following sections of the Offer to Purchase, which contain information regarding the purposes of the transaction, use of securities acquired and plans, are incorporated herein by reference.

- Summary Term Sheet; and
- Section 2 (“Purpose of the Tender Offer”).

Item 7. Source and Amount of Funds and Other Consideration.

(a); (b); (d). *Source of Funds; Conditions; Borrowed Funds*. The information set forth in Section 9 of the Offer to Purchase (“Source and Amount of Funds”) is incorporated herein by reference.

Item 8. Interest in Securities of the Subject Company.

(a); (b) *Securities Ownership; Securities Transactions*. The information set forth in Section 11 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Shares”) is incorporated herein by reference.

Item 9. Persons/Assets Retained, Employed, Compensated or Used.

The information set forth in Section 16 of the Offer to Purchase (“Fees and Expenses”) is incorporated herein by reference.

Item 10. Financial Statements.

(a); (b) *Financial Information; Pro Forma Information.* Not applicable. Notwithstanding that financial statements are not required pursuant to the Instruction 2 to Item 10, the Company has provided a summary of selected historical financial information and selected pro forma financial information for its most recent fiscal year and most recent fiscal quarter, and has incorporated by reference certain documents filed with the Securities and Exchange Commission, in Section 10 of the Offer to Purchase (“Certain Information Concerning Toro”).

Item 11. Additional Information

(a) *Agreements, Regulatory Requirements and Legal Proceedings.* The information set forth in Section 10 of the Offer to Purchase (“Certain Information Regarding Toro”), Section 11 of the Offer to Purchase (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Shares”) and Section 13 of the Offer to Purchase (“Legal Matters; Regulatory Approvals”) is incorporated herein by reference.

(b) *Other Material Information*. The information set forth in the Offer to Purchase and the accompanying Letter of Transmittal, copies of which are filed with this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively, as each may be amended or supplemented from time to time, is incorporated herein by reference.

Item 12. Exhibits

(a)(1)(A) Offer to Purchase, dated March 17, 2004.
(a)(1)(B) Letter of Transmittal.
(a)(1)(C) Notice of Guaranteed Delivery.
(a)(1)(D) Letter to brokers, dealers, commercial banks, trust companies and other nominees, dated March 17, 2004.

(a)(1)(E)	Letter to clients for use by brokers, dealers, commercial banks, trust companies and other nominees, dated March 17, 2004.
(a)(1)(F)	Letter from the Administrator of The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees to the participants in each of those plans, dated March 17, 2004.
(a)(1)(G)	Election Form for participants in The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees.
(a)(2)	Not applicable.
(a)(3)	Not applicable.
(a)(4)	Not applicable.
(a)(5)(A)	Summary Advertisement, dated March 17, 2004.
(a)(5)(B)	Letter from Kendrick B. Melrose, Chairman of the Board and Chief Executive Officer of Toro, to stockholders of The Toro Company, dated March 17, 2004.
(a)(5)(C)	Questions and Answers with Respect to the Tender Rights of Participants in The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees.
(a)(5)(D)	Press release, dated March 17, 2004.
(b)(1)	Multi-Year Credit Agreement (the “Multi-Year Credit Agreement”), dated as of February 22, 2002, by and among The Toro Company and Toro Credit Company, the borrowers and other obligated parties named therein, Bank of America, N.A. as Administrative Agent, U.S. Bank National Association and SunTrust Bank as co-syndication agents, Harris Trust and Savings Bank and Wells Fargo Bank, N.A. as co-documentation agents, and Banc of America Securities LLC as sole lead arranger and sole book manager (incorporated by reference to Exhibit 10(n) to Toro’s Quarterly Report on Form 10-Q for the quarter ended August 1, 2003).
(b)(2)	Amendment No. 1, dated as of December 11, 2002, to Multi-Year Credit Agreement (incorporated by reference to Exhibit 10(o) to Toro’s Quarterly Report on Form 10-Q for the quarter ended August 1, 2003).
(b)(3)	Amendment No. 2, dated as of July 9, 2003, to Multi-Year Credit Agreement (incorporated by reference to Exhibit 10(p) to Toro’s Quarterly Report on Form 10-Q for the quarter ended August 1, 2003).
(b)(4)	Amendment No. 3, dated as of March 10, 2004, to Multi-Year Credit Agreement.
(b)(5)	Loan Agreement, dated as of July 9, 2003, among Toro Receivables Company, as borrower, and The Toro Company, as servicer, and Three Pillars Funding Corporation, as lender, and SunTrust Capital Markets, Inc., as administrator (incorporated by reference to Exhibit 10(q) to Toro’s Quarterly Report on Form 10-Q for the quarter ended August 1, 2003).
(b)(6)	Bank of America, N.A. $50,000,000 Senior Revolving Credit Facility Term and Commitment Letter, dated March 12, 2004.
(c)	Not applicable.
(d)(1)(A)	The Toro Company Investment, Savings and Employee Stock Ownership Plan (2003 Restatement).
(d)(1)(B)	Amendment No. 1 to The Toro Company Investment, Savings and Employee Stock Ownership Plan (2003 Restatement).
(d)(1)(C)	Amendment No. 2 to The Toro Company Investment, Savings and Employee Stock Ownership Plan (2003 Restatement).
(d)(1)(D)	Amendment No. 3 to The Toro Company Investment, Savings and Employee Stock Ownership Plan (2003 Restatement).
(d)(1)(E)	Amendment No. 4 to The Toro Company Investment, Savings and Employee Stock Ownership Plan (2003 Restatement).

(d)(2)	The Toro Company Deferred Compensation Plan for Non-Employee Directors (incorporated by reference to Exhibit 10(l) to Toro's Quarterly Report on Form 10-Q for the quarter ended July 28, 2000).
(d)(3)	The Toro Company Deferred Compensation Plan for Officers (incorporated by reference to Exhibit 10(k) to Toro's Annual Report on Form 10-K for the fiscal year ended October 31, 2002).
(d)(4)	The Toro Company Chief Executive Officer Succession Incentive Award Agreement (incorporated by reference to Exhibit 10(j) to Toro's Quarterly Report on Form 10-Q for the quarter ended August 2, 2002).
(d)(5)	The Toro Company Directors Stock Plan (incorporated by reference to Exhibit 10(b) to Toro's Quarterly Report on Form 10-Q for the quarter ended April 28, 2000).
(d)(6)	The Toro Company 2000 Directors Stock Plan (incorporated by reference to Exhibit 10(m) to Toro's Quarterly Report on Form 10-Q for the quarter ended July 28, 2000).
(d)(7)	The Toro Company 1993 Stock Option Plan (incorporated by reference to Exhibit 10(f) to Toro's Quarterly Report on Form 10-Q for the quarter ended July 30, 1999).
(d)(8)	The Toro Company 2000 Stock Option Plan (incorporated by reference to the appendix to Toro's Proxy Statement on Form DEF 14A, filed with the Securities and Exchange Commission on January 31, 2002).
(d)(9)	The Toro Company Annual Management Incentive Plan II (incorporated by reference to the appendix to Toro's Proxy Statement on Form DEF 14A, filed with the Securities and Exchange Commission on January 31, 2002).
(d)(10)	The Toro Company Performance Share Plan (incorporated by reference to the appendix to Toro's Proxy Statement on Form DEF 14A, filed with the Securities and Exchange Commission on January 31, 2002).
(d)(11)	Toro Australia Pty. Limited General Employees Stock Plan.
(d)(12)(A)	The Hahn Equipment Co. Savings Plan for Union Employees (2002 Restatement).
(d)(12)(B)	Amendment No. 1 to The Hahn Equipment Co. Savings Plan for Union Employees (2001 and 2002 Restatements).
(d)(12)(C)	Amendment No. 2 to The Hahn Equipment Co. Savings Plan for Union Employees (2002 Restatement).
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(d)(14)	Form of Employment Agreement in effect for executive officers of The Toro Company (incorporated by reference to Exhibit 10(a) to Toro's Quarterly Report on Form 10-Q for the quarter ended July 30, 1999).
(d)(15)	The Toro Company Supplemental Management Retirement Plan (incorporated by reference to Exhibit 10(h) to Toro's Quarterly Report on Form 10-Q for the quarter ended April 28, 2000).
(d)(16)	The Toro Company Supplemental Retirement Plan (incorporated by reference to Exhibit 10(i) to Toro's Quarterly Report on Form 10-Q for the Quarter ended July 30, 1999).
(d)(17)	Rights Agreement, dated as of May 20, 1998, between The Toro Company and Wells Fargo Bank, N.A., as Rights Agent (incorporated by reference to Toro's Current Report on Form 8-K dated May 27, 1998, Commission File No. 1-8649).
(d)(18)	Certificate of Adjusted Purchase Price or Number of Shares, dated April 14, 2003, filed by The Toro Company with Wells Fargo Bank, N.A., as Rights Agent, in connection with the Rights Agreement dated as of May 20, 1998 (incorporated by reference to Exhibit 2 to Toro's Amendment No. 1 to Registration Statement on Form 8-A/A dated April 14, 2003, Commission File No. 1-8649).

(g) Not applicable.
(h) Not applicable.

Item 13. Information Required by Schedule 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

THE TORO COMPANY

By: /s/ J. Lawrence McIntyre

Name: J. Lawrence McIntyre
Title: Vice President, Secretary and General Counsel

Dated: March 17, 2004

EXHIBIT INDEX

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(d)(18)	Certificate of Adjusted Purchase Price or Number of Shares dated April 14, 2003 filed by The Toro Company with Wells Fargo Bank, N.A., as Rights Agent, in connection with the Rights Agreement dated as of May 20, 1998 (incorporated by reference to Exhibit 2 to Toro's Amendment No. 1 to Registration Statement on Form 8-A/A dated April 14, 2003, Commission File No. 1-8649).

Exhibit (a)(1)(A)

Offer to Purchase for Cash
Up to 2,500,000 Shares of its Common Stock
(Including the Associated Preferred Stock Purchase Rights)
At a Purchase Price Not Greater Than $60.00
Nor Less Than $56.50 Per Share
by

The Toro Company

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL

EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON WEDNESDAY, APRIL 14, 2004, UNLESS TORO EXTENDS THE TENDER OFFER.

The Toro Company, a Delaware corporation ("Toro"), is offering to purchase for cash up to 2,500,000 shares of its common stock, including the associated preferred stock purchase rights issued under the Rights Agreement, dated as of May 20, 1998, between Toro and Wells Fargo Bank, N.A. as Rights Agent, upon the terms and subject to the conditions set forth in this document and the letter of transmittal (which together, as they may be amended and supplemented from time to time, constitute the tender offer). Unless the context otherwise requires, all references to shares shall refer to common stock of Toro and shall include the associated preferred stock purchase rights; and, unless the associated preferred stock purchase rights are redeemed prior to the expiration of the tender offer, a tender of shares will constitute a tender of the associated preferred stock purchase rights. On the terms and subject to the conditions of the tender offer, we will determine the single per share price, not greater than $60.00 nor less than $56.50 per share, net to you in cash, without interest, that we will pay for shares properly tendered and not properly withdrawn in the tender offer, taking into account the total number of shares so tendered and the prices specified by the tendering stockholders. We will select the lowest purchase price that will allow us to purchase 2,500,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn, at prices not greater than $60.00 nor less than $56.50 per share. Toro will purchase at the purchase price all shares properly tendered at prices at or below the purchase price and not properly withdrawn, on the terms and subject to the conditions of the tender offer, including the odd lot, conditional tender and proration provisions. We reserve the right, in our sole discretion, to purchase more than 2,500,000 shares in the tender offer, subject to applicable law. Toro will not purchase shares tendered at prices greater than the purchase price and shares that we do not accept for purchase because of proration provisions or conditional tenders. Shares not purchased in the tender offer will be returned to the tendering stockholders at our expense as promptly as practicable after the expiration of the tender offer. See Section 1.

THE TENDER OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7.

IMPORTANT

If you wish to tender all or any part of your shares, you should either (1) (a) complete and sign a letter of transmittal according to the instructions in the letter of transmittal and mail or deliver it, together with any required signature guarantee and any other required documents, including the share certificates, to Wells Fargo Bank, N.A., the depositary for the tender offer, or (b) tender the shares according to the procedure for book-entry transfer described in Section 3, or (2) request a broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should contact that person if you desire to tender your shares. If you desire to tender your shares and (1) your share certificates are not immediately available or cannot be delivered to the depositary, (2) you cannot comply with the procedure for book-entry transfer, or (3) you cannot deliver the other required documents to the depositary by the expiration of the tender offer, you must tender your shares according to the guaranteed delivery procedure described in Section 3.

Holders or beneficial owners of shares under The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees (if such shares are not, at the time of tender, subject to any restrictions on transferability) who wish to tender any of such shares in the tender offer must follow the separate instructions and procedures described in Section 3.

OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER WE NOR OUR BOARD OF DIRECTORS MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH TO TENDER YOUR SHARES. IN SO DOING, YOU SHOULD READ CAREFULLY THE INFORMATION IN THIS OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL, INCLUDING OUR REASONS FOR MAKING THE TENDER OFFER. OUR DIRECTORS AND EXECUTIVE OFFICERS HAVE ADVISED US THAT THEY DO NOT INTEND TO TENDER ANY SHARES IN THE TENDER OFFER.

The shares are listed and traded on the New York Stock Exchange under the trading symbol "TTC." We publicly announced the tender offer on March 12, 2004, after the close of trading on the NYSE on that date. On March 12, 2004, the reported closing price of the shares on the NYSE was $56.31 per share. We urge stockholders to obtain current market quotations for the shares. See Section 8.

You may direct questions and requests for assistance to Morrow & Co., Inc., the information agent for the tender offer, or to Banc of America Securities LLC, the dealer manager for the tender offer, at their respective addresses and telephone numbers set forth on the back cover page of this document. You may direct requests for additional copies of this document, the letter of transmittal or the notice of guaranteed delivery to the information agent.

The Dealer Manager for the Tender Offer is:

Banc of America Securities LLC

March 17, 2004

We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering your shares in the tender offer. We have not authorized any person to give any information or to make any representation in connection with the tender offer other than those contained in this document or in the letter of transmittal. If given or made, you must not rely upon any such information or representation as having been authorized by us or the dealer manager.

We are not making the tender offer to (nor will we accept any tender of shares from or on behalf of) holders in any jurisdiction in which the making of the tender offer or the acceptance of any tender of shares would not be in compliance with the laws of such jurisdiction. However, we may, at our discretion, take such action as we may deem necessary for us to make the tender offer in any such jurisdiction and extend the tender offer to holders in such jurisdiction. In any jurisdiction the securities or blue sky laws of which require the tender offer to be made by a licensed broker or dealer, the tender offer is being made on our behalf by the dealer manager or one or more registered brokers or dealers, which are licensed under the laws of such jurisdiction.

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FORWARD-LOOKING STATEMENTS

This offer to purchase (including any documents incorporated by reference) contains or incorporates by reference not only historical information, but also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In addition, we or others on our behalf may make forward-looking statements from time to time in oral presentations, including telephone conferences and/or web casts open to the public, in press releases or reports, on our Internet web site or otherwise. Statements that are not historical are forward-looking and reflect expectations and assumptions. We try to identify forward-looking statements in this offer to purchase and elsewhere by using words such as "expect," "looking ahead," "anticipate," "estimate," "believe," "should," "intend," and similar expressions. Our forward-looking statements generally relate to our future performance, including our anticipated operating results and liquidity requirements, our business strategies and goals, and the effect of laws, rules and regulations and outstanding litigation on our business.

Forward-looking statements involve risks and uncertainties. These uncertainties include factors that affect all businesses operating in a global market as well as matters specific to Toro. The following are some of the factors known to us that could cause our actual results to differ materially from what we have anticipated in our forward-looking statements:

- Changes in global and domestic economies, including but not limited to slow growth rate, slow down in home sales, rise in interest rates, inflation, unemployment, and weaker consumer confidence, which could have a negative impact on our financial results.

- Continued threat of terrorist acts and war, which may result in heightened security and higher costs for import and export shipments of components or finished goods, and contraction of the U.S. and worldwide economies.

- Our ability to achieve the goals of the "6 + 8" initiative, which is intended to increase our after-tax return on sales to 6 percent or better and grow revenues at an average rate of 8 percent or better by the end of fiscal 2006.

- Increased competition, including competitive pricing pressures, new product introductions, and financing programs offered by both domestic and foreign companies.

- Weather conditions that reduce demand for our products.

- Fluctuations in the cost and availability of raw materials, such as steel, aluminum, oil and natural gas, and the ability to maintain favorable supplier arrangements and relationships.

- Our ability to acquire, develop, and integrate new businesses and manage alliances successfully, both of which are important to our revenue growth.

- Our ability to achieve projected sales and earnings growth for fiscal 2004.

- Market acceptance of new products as well as sales generated from these new products relative to expectations, based on existing and anticipated investments in manufacturing capacity and commitments to fund advertising, marketing, promotional programs, and research and development.

- Elimination or reduction of shelf space for our products at retailers.

- Unforeseen inventory adjustments or changes in purchasing patterns by our customers, which could reduce sales and necessitate lowering manufacturing volumes, or increase inventory above acceptable levels.

- Changes in our relationship with and terms from third party financing sources utilized by our customers.

- Unforeseen product quality problems in the development and production of new and existing products, which could result in loss of market share, reduced sales, and higher warranty expense.
- Degree of success in restructuring and plant consolidation, including our ability to cost-effectively expand existing manufacturing facilities, move production between manufacturing facilities, and close manufacturing facilities.
- The degree of recovery in the golf course market.
- Changing buying patterns, including but not limited to, a trend away from purchases at dealer outlets to price and value sensitive purchases at hardware retailers, home centers, and mass retailers.
- Increased dependence on The Home Depot, Inc. as a customer for the residential segment.
- Reduced government spending for grounds maintenance equipment due to reduced tax revenue and tighter government budgets.
- Governmental restrictions placed on water usage as well as water availability.
- Financial viability of some distributors and dealers, changes in distributor ownership, our success in partnering with new dealers, and our customers' ability to pay amounts owed to us.
- Changes in laws and regulations, including changes in accounting standards; taxation changes, including tax rate changes, new tax laws, revised tax law interpretations, or the repeal of the foreign export benefit; and environmental laws.
- The effects of litigation, including threatened or pending litigation, on matters relating to patent infringement, employment, and commercial disputes.
- Adverse changes in currency exchange rates or raw material commodity prices, and the costs we incur in providing price support to international customers and suppliers.

We wish to caution you not to place undue reliance on any forward-looking statement which speaks only as of the date made and to recognize that forward-looking statements are predictions of future results, which may not occur as anticipated. Actual results could differ materially from those anticipated in the forward-looking statements and from historical results, due to the risks and uncertainties described above, as well as others that we may consider immaterial or do not anticipate at this time. The foregoing risks and uncertainties are not exclusive and further information concerning Toro and our businesses, including factors that potentially could materially affect our financial results or condition, may emerge from time to time. We assume no obligation to update forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements. We advise you, however, to consult any further disclosures we make on related subjects in our annual report on Form 10-K, our future quarterly reports on Form 10-Q and current reports on Form 8-K that we file with or furnish to the Securities and Exchange Commission.

SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. It highlights the most material information in this document, but you should realize that it does not describe all of the details of the tender offer to the same extent described in this document. We urge you to read the entire document and the letter of transmittal because they contain the full details of the tender offer. We have included references to the sections of this document where you will find a more complete discussion.

Who is offering to purchase my shares?	Toro is offering to purchase your shares and the associated preferred stock purchase rights.
What will the purchase price for the shares be?	We will determine the purchase price that we will pay per share as promptly as practicable after the tender offer expires. The purchase price will be the lowest price at which, based on the number of shares tendered and the prices specified by the tendering stockholders, we can purchase 2,500,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn prior to the expiration date. The purchase price will not be greater than $60.00 nor less than $56.50 per share. We will pay this purchase price in cash, without interest, for all the shares we purchase under the tender offer, even if some of the shares are tendered at a price below the purchase price. *See Section 1.*
How many shares will Toro purchase?	We will purchase 2,500,000 shares properly tendered in the tender offer, or such fewer number of shares as are properly tendered, and not properly withdrawn prior to the expiration date. The 2,500,000 shares represent approximately 10.3% of our outstanding common stock as of March 10, 2004. Each share is coupled with an associated preferred stock purchase right that we will acquire with the shares we purchase. No additional consideration will be paid for the associated preferred stock purchase rights. Toro expressly reserves the right to purchase an additional number of shares not to exceed 2% of the outstanding shares, and could decide to purchase more shares, subject to applicable legal requirements. *See Section 1.* The tender offer is not conditioned on any minimum number of shares being tendered. *See Section 7.*
What will happen if more than 2,500,000 shares are tendered at or below the purchase price?	If more than 2,500,000 shares are tendered at or below the purchase price, we will purchase all shares tendered at or below the purchase price on a *pro rata* basis, except for “odd lots” (lots held by owners of less than 100 shares), which we will purchase on a priority basis as described in the immediately following paragraph and except for shares that were conditionally tendered and for which the condition was not satisfied.
If I own fewer than 100 shares and I tender all of my shares, will I be subject to proration?	If you own beneficially or of record fewer than 100 shares in the aggregate, you properly tender all of these shares at or below the purchase price before the tender offer expires and you complete the section entitled “Odd Lots” in the letter of transmittal, we

will purchase all of your shares without subjecting them to the proration procedure. *See Section 1.*

How will Toro pay for the shares?

We anticipate that we will obtain all of the funds necessary to purchase shares tendered in the tender offer, and to pay related fees and expenses, through available borrowings under two separate unsecured bank facilities and one facility secured by certain of Toro's domestic accounts receivable. The tender offer is not subject to the receipt of financing by us. *See Section 9.*

How long do I have to tender my shares?

You may tender your shares until the tender offer expires. The tender offer will expire on Wednesday, April 14, 2004 at 5:00 p.m., New York City time, unless we extend it. *See Section 1.* We may choose to extend the tender offer for any reason, subject to applicable laws. We cannot assure you that we will extend the tender offer or indicate the length of any extension that we may provide. *See Section 15.* If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely they have an earlier deadline for you to act to instruct them to accept the tender offer on your behalf. We urge you to contact the broker, dealer, commercial bank, trust company or other nominee to find out their deadline.

Can the tender offer be extended, amended or terminated, and under what circumstances?

We can extend or amend the tender offer in our sole discretion. If we extend the tender offer, we will delay the acceptance of any shares that have been tendered. We can terminate the tender offer under certain circumstances. *See Section 7* and *Section 15.*

How will I be notified if Toro extends the tender offer or amends the terms of the tender offer?

We will issue a press release by 9:00 a.m., New York City time, on the business day after the scheduled expiration date if we decide to extend the tender offer. We will announce any amendment to the tender offer by making a public announcement of the amendment. *See Section 15.*

What is the purpose of the tender offer?

Toro believes that the tender offer is a prudent use of its financial resources given its business profile, assets and the current market price of the shares, and that investing in its own shares is an attractive use of capital and an efficient means to provide value to its stockholders. The tender offer represents the opportunity for Toro to return cash to stockholders who elect to tender their shares, while at the same time increasing non-tendering stockholders' proportionate interest in Toro. Toro believes the tender offer, if completed, will be accretive to earnings per share. *See Section 2* and *Section 10.*

Are there any conditions to the tender offer?

Yes. The tender offer is subject to conditions, such as the absence of court and governmental action prohibiting the tender offer and of changes in general market conditions or our business that, in

	our reasonable judgment, are or may be materially adverse to us. *See Section 7*.
Following the tender offer, will Toro continue as a public company?	Yes. The completion of the tender offer in accordance with its terms and conditions will not cause Toro to be delisted from the New York Stock Exchange or to stop being subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). *See Section 12.*
How do I tender my shares?	The tender offer will expire at 5:00 p.m., New York City time, on Wednesday, April 14, 2004, unless Toro extends the tender offer. To tender your shares prior to the expiration of the tender offer: • you must deliver your share certificate(s) and a properly completed and duly executed letter of transmittal to the depositary at the address appearing on the back cover page of this document; or • the depositary must receive a confirmation of receipt of your shares by book-entry transfer and a properly completed and duly executed letter of transmittal; or • you must request a broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you; or • you must comply with the guaranteed delivery procedure. You should contact the information agent or the dealer manager for assistance. *See Section 3* and *the instructions to the letter of transmittal*. Please note that Toro will not purchase your shares in the tender offer unless the depositary receives the required documents prior to the expiration of the tender offer. If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely they have an earlier deadline for you to act to instruct them to accept the tender offer on your behalf. We urge you to contact your broker, dealer, commercial bank, trust company or other nominee to find out their applicable deadline.
Once I have tendered shares in the tender offer, can I withdraw my tender?	You may withdraw any shares you have tendered at any time before the expiration of the tender offer which will occur at 5:00 p.m., New York City time, on Wednesday, April 14, 2004, unless we extend the tender offer. If we have not accepted for payment the shares you have tendered to us, you may also withdraw your shares after 12:00 Midnight, New York City time, on Tuesday, May 11, 2004. *See Section 4.*
How do I withdraw shares I previously tendered?	You must deliver, on a timely basis, a written or facsimile notice of your withdrawal to the depositary at the address appearing on the back cover page of this document. Your notice of withdrawal must specify your name, the number of shares to be withdrawn and the name of the registered holder of these shares. Some additional requirements apply if the share certificates to be withdrawn have been delivered to the depositary or if your shares

	have been tendered under the procedure for book-entry transfer set forth in Section 3. *See Section 4.* Individuals who own shares through The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees or The Hahn Equipment Co. Savings Plan for Union Employees who wish to withdraw their shares must follow the instructions found in the materials sent to them separately. *See Section 4.*
Can I participate in the tender offer if I hold shares through The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees or The Hahn Equipment Co. Savings Plan for Union Employees?	Yes. Participants in The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees will receive instruction forms which they may use to direct the trustee for the plans to tender eligible shares held through their accounts. *See Section 3.*
Can I participate in the tender offer if I hold shares through Toro's Dividend Reinvestment Plan?	Yes. Participants in Toro's Dividend Reinvestment Plan may tender their shares by following the same procedures described above under the question "How do I tender my shares?" *See Section 3.*
How do holders of vested stock options for shares participate in the tender offer?	If you hold vested but unexercised options, you may exercise such options for cash in accordance with the terms of the applicable stock option plans and tender the shares received upon such exercise in accordance with this tender offer.
Has Toro or its Board of Directors adopted a position on the tender offer?	Our Board of Directors has approved the tender offer. However, neither we nor our Board of Directors makes any recommendation to you as to whether you should tender or refrain from tendering your shares or as to the price or prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which you should tender your shares. In so doing, you should read carefully the information in this offer to purchase and in the letter of transmittal, including our reasons for making the tender offer. Our directors and executive officers have advised us that they do not intend to tender any shares in the tender offer. *See Section 11.*

If I decide not to tender, how will the tender offer affect my shares?	Stockholders who choose not to tender will own a greater percentage interest in our outstanding common stock following the consummation of the tender offer.
What is the recent market price for the shares?	We publicly announced the tender offer on March 12, 2004, after the close of trading on the New York Stock Exchange on that date. On March 12, 2004, the reported closing price of the shares on the NYSE was $56.31 per share. On March 16, 2004, the last trading day prior to the printing of this offer to purchase, the reported closing price of the shares on the NYSE was $58.85. We urge you to obtain current market quotations for the shares. *See Section 8.*
When will Toro pay for the shares I tender?	We will pay the purchase price, net to you in cash, without interest, for the shares we purchase as promptly as practicable after the expiration of the tender offer and the acceptance of the shares for payment. *See Section 5.*
Will I have to pay brokerage commissions if I tender my shares?	If you are a registered stockholder and you tender your shares directly to the depositary, you will not incur any brokerage commissions. If you hold shares through a broker or bank, we urge you to consult your broker or bank to determine whether transaction costs are applicable. *See Section 3.*
What are the U.S. federal income tax consequences if I tender my shares?	Generally, you will be subject to U.S. federal income taxation when you receive cash from us in exchange for the shares you tender. In addition, the receipt of cash for your tendered shares will be treated either as (1) a sale or exchange or (2) a distribution from us in respect of our stock. *See Section 14.*
Will I have to pay any stock transfer tax if I tender my shares?	If you instruct the depositary in the letter of transmittal to make the payment for the shares to the registered holder, you will not incur any stock transfer tax. *See Section 5.*
Whom can I talk to if I have questions?	The information agent and the dealer manager can help answer your questions. The information agent is Morrow & Co., Inc., and the dealer manager is Banc of America Securities LLC. Their contact information is set forth on the back cover page of this document.

INTRODUCTION

To the Holders of our Common Stock:

We invite our stockholders to tender shares of our common stock, $1.00 par value per share, together with the associated preferred stock purchase rights, for purchase by us. Upon the terms and subject to the conditions set forth in this offer to purchase and in the letter of transmittal, we are offering to purchase up to 2,500,000 shares at a price not greater than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest. We will not pay any additional consideration for the preferred stock purchase rights.

The tender offer will expire at 5:00 p.m., New York City time, on Wednesday, April 14, 2004, unless extended (such date and time, as the same may be extended, the "expiration date"). We may, in our sole discretion, extend the period of time in which the tender offer will remain open.

We will select the lowest purchase price that will allow us to buy 2,500,000 shares or, if a lesser number of shares is properly tendered, all shares that are properly tendered and not properly withdrawn. We will acquire all shares that we purchase in the tender offer at the same purchase price regardless of whether the stockholder tendered at a lower price. However, because of the "odd lot" priority, proration and conditional tender provisions described in this offer to purchase, we may not purchase all of the shares tendered at or below the purchase price if more than the number of shares we seek are properly tendered. We will return tendered shares that we do not purchase to the tendering stockholders at our expense as promptly as practicable after the expiration of the tender offer. *See Section 1*.

We reserve the right to purchase more than 2,500,000 shares pursuant to the tender offer, subject to certain limitations and legal requirements. *See Section 1*.

Stockholders must complete the section of the letter of transmittal relating to the price at which they are tendering shares in order to properly tender shares.

We will pay the purchase price, net to the tendering stockholders in cash, without interest, for all shares that we purchase. Tendering stockholders whose shares are registered in their own names and who tender directly to Wells Fargo Bank, N.A., the depositary in the tender offer, will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 9 to the letter of transmittal, stock transfer taxes on the purchase of shares by us under the tender offer. If you own your shares through a bank, broker, dealer, trust company or other nominee and that person tenders your shares on your behalf, that person may charge you a fee for doing so. You should consult your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.

The tender offer is not conditioned upon any minimum number of shares being tendered. The tender offer is, however, subject to certain other conditions. *See Section 7*.

OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER WE NOR OUR BOARD OF DIRECTORS NOR THE DEALER MANAGER MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PURCHASE PRICE OR PURCHASE PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH TO TENDER YOUR SHARES. IN SO DOING, YOU SHOULD READ CAREFULLY THE INFORMATION IN THIS OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL, INCLUDING OUR REASONS FOR MAKING THE TENDER OFFER. *SEE SECTION 2*. OUR DIRECTORS AND EXECUTIVE OFFICERS HAVE ADVISED US THAT THEY DO NOT INTEND TO TENDER ANY SHARES IN THE TENDER OFFER.

If, at the expiration date, more than 2,500,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) are properly tendered at or below the purchase price and not properly withdrawn, we will buy shares:

- first, from all holders of "odd lots" (holders of less than 100 shares) who properly tender all their shares at or below the purchase price selected by us and do not properly withdraw them before the expiration date;

- second, on a *pro rata* basis from all other stockholders who properly tender shares at or below the purchase price selected by us, other than stockholders who tender conditionally and whose conditions are not satisfied; and

- third, only if necessary to permit us to purchase 2,500,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) from holders who have tendered shares at or below the purchase price subject to the condition that a specified minimum number of the holder's shares be purchased if any of the holder's shares are purchased in the tender offer (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

We may not purchase all of the shares tendered pursuant to the tender offer even if the shares are tendered at or below the purchase price. *See Section 1*, *Section 5* and *Section 6*, respectively, for additional information concerning priority, proration and conditional tender procedures.

Section 14 of this offer to purchase describes various United States federal income tax consequences of a sale of shares under the tender offer.

Participants in The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees may not use the letter of transmittal to direct the tender of their shares held in the applicable plan but instead must follow the separate instructions related to those shares. If the trustee for the plans has not received a participant's instructions at least three days prior to the expiration date of the tender offer, the trustee may not tender any shares held on behalf of that participant.

Stockholders who are participants in Toro's Dividend Reinvestment Plan may tender some or all of the shares attributed to such stockholder's account under the Dividend Reinvestment Plan by following the general instructions for tendering shares described in Section 3 of this offer to purchase.

Holders of vested but unexercised options to purchase shares may exercise such options for cash and tender some or all of the shares issued upon such exercise.

As of March 10, 2004, we had issued and outstanding 24,207,860 shares. The 2,500,000 shares that we are offering to purchase represent approximately 10.3% of the shares then outstanding. The shares are listed and traded on the NYSE under the symbol "TTC." *See Section 8.* We urge stockholders to obtain current market quotations for the shares.

THE TENDER OFFER

1. Number of Shares; Proration.

General. Upon the terms and subject to the conditions of the tender offer, Toro will purchase 2,500,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn in accordance with Section 4, before the scheduled expiration date of the tender offer, at prices not greater than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest.

The term "expiration date" means 5:00 p.m., New York City time, on Wednesday, April 14, 2004, unless and until Toro, in its sole discretion, shall have extended the period of time during which the tender offer will remain open, in which event the term "expiration date" shall refer to the latest time and date at

which the tender offer, as so extended by Toro, shall expire. See Section 15 for a description of Toro's right to extend, delay, terminate or amend the tender offer. In accordance with the rules of the Securities and Exchange Commission, Toro may, and Toro expressly reserves the right to, purchase under the tender offer an additional number of shares not to exceed 2% of the outstanding shares without amending or extending the tender offer. *See Section 15.* In the event of an over-subscription of the tender offer as described below, shares tendered at or below the purchase price will be subject to proration, except for odd lots. The proration period and, except as described herein, withdrawal rights, expire on the expiration date.

If we

- increase the price to be paid for shares above $60.00 per share or decrease the price to be paid for shares below $56.50 per share,

- increase the number of shares being sought in the tender offer and this increase in the number of shares sought exceeds 2% of the outstanding shares, or

- decrease the number of shares being sought, and

the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that we first publish, send or give notice, in the manner specified in Section 15, of any increase or decrease, we will extend the tender offer until the expiration of ten business days from the date that we first publish notice of any increase or decrease. For the purposes of the tender offer, a "business day" means any day other than a Saturday, Sunday or U.S. federal holiday and consists of the time period from 12:01 a.m. through 12:00 Midnight, New York City time.

The tender offer is not conditioned on any minimum number of shares being tendered. The tender offer is, however, subject to other conditions. *See Section 7*.

In accordance with Instruction 5 of the letter of transmittal, stockholders desiring to tender shares must specify the price or prices, not greater than $60.00 nor less than $56.50 per share, at which they are willing to sell their shares to Toro under the tender offer. Alternatively, stockholders desiring to tender shares can choose not to specify a price and, instead, specify that they will sell their shares at the purchase price that Toro ultimately pays for shares properly tendered and not properly withdrawn in the tender offer, which could result in the tendering stockholder receiving a price per share as low as $56.50 or as high as $60.00. If tendering stockholders wish to maximize the chance that Toro will purchase their shares, they should check the box in the section of the letter of transmittal captioned "Shares Tendered at Price Determined Pursuant to the Tender Offer." Note that this election could result in the tendered shares being purchased at the minimum price of $56.50 per share.

To tender shares properly, stockholders must specify one and only one price box in the appropriate section in each letter of transmittal. If you specify more than one price or if you fail to check any price at all you will not have validly tendered your shares. *See Section 3.*

As promptly as practicable following the expiration date, Toro will, in its sole discretion, determine the purchase price that it will pay for shares properly tendered and not properly withdrawn, taking into account the number of shares tendered and the prices specified by tendering stockholders. Toro will select the lowest purchase price, not greater than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest, that will enable it to purchase 2,500,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn in the tender offer. Toro will purchase all shares properly tendered at or below the purchase price (and not properly withdrawn), all at the purchase price, upon the terms and subject to the conditions of the tender offer, including the odd lot, proration and conditional tender provisions.

Toro will not purchase shares tendered at prices greater than the purchase price and shares that it does not accept in the tender offer because of proration provisions or conditional tenders. Toro will return to the tendering stockholders shares that it does not purchase in the tender offer at Toro's expense as promptly as practicable after the expiration date. By following the instructions to the letter of transmittal, stockholders can specify one minimum price for a specified portion of their shares and a different minimum price for other specified shares, but stockholders must submit a separate letter of transmittal for shares tendered at each

price. Stockholders also can specify the order in which Toro will purchase the specified portions in the event that, as a result of the proration provisions or otherwise, Toro purchases some but not all of the tendered shares pursuant to the tender offer.

If the number of shares properly tendered at or below the purchase price and not properly withdrawn prior to the expiration date is fewer than or equal to 2,500,000 shares, or such greater number of shares as Toro may elect to purchase, subject to applicable law, Toro will, upon the terms and subject to the conditions of the tender offer, purchase all such shares.

Priority of Purchases. Upon the terms and subject to the conditions of the tender offer, if greater than 2,500,000 shares, or such greater number of shares as Toro may elect to purchase, subject to applicable law, have been properly tendered at prices at or below the purchase price and not properly withdrawn prior to the expiration date, Toro will purchase properly tendered shares on the basis set forth below:

- First, we will purchase all shares tendered by all holders of “odd lots” who:
  - tender all shares owned beneficially or of record at a price at or below the purchase price selected by us (partial tenders will not qualify for this preference); and
  - complete the section entitled “Odd Lots” in the letter of transmittal and, if applicable, in the notice of guaranteed delivery.
- Second, subject to the conditional tender provisions described in Section 6, we will purchase all other shares tendered at prices at or below the purchase price selected by us on a *pro rata* basis with appropriate adjustments to avoid purchases of fractional shares, as described below.
- Third, only if necessary to permit us to purchase 2,500,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law), shares conditionally tendered (for which the condition was not initially satisfied) at or below the purchase price selected by us, will, to the extent feasible, be selected for purchase by random lot. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

Toro may not purchase all of the shares that a stockholder tenders in the tender offer even if they are tendered at prices at or below the purchase price. It is also possible that Toro will not purchase any of the shares conditionally tendered even though those shares were tendered at prices at or below the purchase price.

Odd Lots. For purposes of the tender offer, the term “odd lots” shall mean all shares properly tendered prior to the expiration date at prices at or below the purchase price and not properly withdrawn by any person, referred to as an “odd lot” holder, who owns beneficially or of record an aggregate of fewer than 100 shares and so certifies in the appropriate place on the letter of transmittal and, if applicable, on the notice of guaranteed delivery. To qualify for this preference, an odd lot holder must tender all shares owned beneficially or of record by the odd lot holder in accordance with the procedures described in Section 3. As set forth above, Toro will accept odd lots for payment before proration, if any, of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of an aggregate of 100 or more shares, even if these holders have separate accounts or share certificates representing fewer than 100 shares. By accepting the tender offer, an odd lot holder who holds shares in its name and tenders its shares directly to the depositary would not only avoid the payment of brokerage commissions, but also would avoid any applicable odd lot discounts in a sale of the odd lot holder’s shares on the NYSE. Any odd lot holder wishing to tender all of its shares pursuant to the tender offer should complete the section entitled “Odd Lots” in the letter of transmittal and, if applicable, in the notice of guaranteed delivery.

Proration. If proration of tendered shares is required, Toro will determine the proration factor as soon as practicable following the expiration date. Subject to adjustment to avoid the purchase of fractional shares and subject to the provisions governing conditional tenders described in Section 6 of this offer to purchase, proration for each stockholder that tenders shares will be based on the ratio of the total number of shares that we accept for purchase (excluding “odd lots”) to the total number of shares properly tendered (and not properly withdrawn) at or below the purchase price by all stockholders (other than “odd lot” holders).

Because of the difficulty in determining the number of shares properly tendered, including shares tendered by guaranteed delivery procedures, as described in Section 3, and not properly withdrawn, and because of the odd lot procedure and conditional tender provisions, Toro does not expect that it will be able to announce the final proration factor or commence payment for any shares purchased under the tender offer until at least five business days after the expiration date. The preliminary results of any proration will be announced by press release as promptly as practicable after the expiration date. Stockholders may obtain preliminary proration information from the information agent or the dealer manager and may be able to obtain this information from their brokers.

As described in Section 14, the number of shares that Toro will purchase from a stockholder under the tender offer may affect the U.S. federal income tax consequences to that stockholder and, therefore, may be relevant to that stockholder's decision whether or not to tender shares.

We will mail this offer to purchase and the letter of transmittal to record holders of shares and we will furnish this offer to purchase to brokers, dealers, commercial banks and trust companies whose names, or the names of whose nominees, appear on Toro's stockholder list or, if applicable, that are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares.

2. Purpose of the Tender Offer.

Toro believes that the tender offer is a prudent use of its financial resources given its business profile, assets and the current market price of the shares, and that investing in its own shares is an attractive use of capital and an efficient means to provide value to its stockholders. The tender offer represents the opportunity for Toro to return cash to stockholders who elect to tender their shares. Where shares are tendered by the registered owner of those shares directly to the depositary, the sale of those shares in the tender offer will permit the seller to avoid the usual transaction costs associated with open market sales. Furthermore, odd lot holders who hold shares registered in their names and tender their shares directly to the depositary and whose shares are purchased under the tender offer will avoid not only the payment of brokerage commissions but also any applicable odd lot discounts that might be payable on sales of their shares in NYSE transactions.

Stockholders who do not tender their shares pursuant to the tender offer and stockholders who otherwise retain an equity interest in Toro as a result of a partial tender of shares, proration or a conditional tender for which the condition is not satisfied will continue to be owners of Toro and will realize a proportionate increase in their relative equity interest in Toro and thus in Toro's future earnings and assets, and will bear the attendant risks and rewards associated with owning the equity securities of Toro, including risks resulting from Toro's purchase of shares. Toro believes the tender offer, if completed, will be accretive to earnings per share. *See Section 10.*

After the completion of the tender offer, Toro expects to have sufficient cash flow and access to funding to meet its cash needs for normal operations, anticipated capital expenditures and acquisition opportunities that may arise.

Neither Toro nor the Toro Board of Directors makes any recommendation to any stockholder as to whether to tender or refrain from tendering any shares or as to the price or prices at which stockholders may choose to tender their shares. Toro has not authorized any person to make any recommendation. Stockholders should carefully evaluate all information in the tender offer, should consult their own investment and tax advisors, and should make their own decisions about whether to tender shares, and, if so, how many shares to tender and the price or prices at which to tender. Toro has been advised that none of its directors or executive officers intends to tender any shares in the tender offer.

Assuming that Toro purchases 2,500,000 shares in the tender offer, Toro currently intends to make the following additional share repurchases from time to time on the open market and/or in private transactions:

- an aggregate of 800,000 shares during the remainder of fiscal 2004; and

- an aggregate of 200,000 shares during fiscal 2005.

Whether or not we make such repurchases will depend on many factors, including, without limitation, the number of shares, if any, that we purchase in this tender offer, whether or not, in Toro's judgment, such future repurchases would be accretive to earnings per share, Toro's business and financial performance and situation, the business and market conditions at the time, including the price of the shares, and such other factors as Toro may consider relevant. Any of these repurchases may be on the same terms or on terms that are more or less favorable to the selling stockholders than the terms of the tender offer. Rule 13e-4 of the Exchange Act prohibits Toro and its affiliates from purchasing any shares, other than pursuant to the tender offer, until at least ten business days after the expiration date of the tender offer, except pursuant to certain limited exceptions provided in Rule 14e-5 of the Exchange Act.

Toro will retire shares that it acquires pursuant to the tender offer and will return those shares to the status of authorized but unissued stock that will be available for Toro to issue without further stockholder action (except as required by applicable law or the rules of the NYSE or any other securities exchange on which the shares may then be listed) for various purposes including, without limitation, acquisitions, raising additional capital and the satisfaction of obligations under existing or future employee benefit or compensation programs or stock plans or compensation programs for directors.

3. Procedures for Tendering Shares.

Proper Tender of Shares. For stockholders to properly tender shares under the tender offer:

- the depositary must receive, at the depositary's address set forth on the back cover page of this offer to purchase, share certificates (or confirmation of receipt of such shares under the procedure for book-entry transfer set forth below), together with a properly completed and duly executed letter of transmittal, including any required signature guarantees, or an "agent's message," and any other documents required by the letter of transmittal, before the tender offer expires, or

- the tendering stockholder must comply with the guaranteed delivery procedure set forth below.

If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely they have an earlier deadline for you to act to instruct them to accept the tender offer on your behalf. We urge you to contact your broker, dealer, commercial bank, trust company or other nominee to find out their applicable deadline.

In accordance with Instruction 5 of the letter of transmittal, stockholders desiring to tender shares in the tender offer must properly indicate in the section captioned (1) "Price (in Dollars) Per Share at Which Shares are Being Tendered" on the letter of transmittal the price (in multiples of $.25) at which stockholders are tendering shares or (2) "Shares Tendered at Price Determined Pursuant to the Tender Offer" in the letter of transmittal that the stockholder will accept the purchase price determined by Toro in accordance with the terms of the tender offer.

If tendering stockholders wish to maximize the chance that Toro will purchase their shares, they should check the box in the section of the letter of transmittal captioned "Shares Tendered at Price Determined Pursuant to the Tender Offer." Note that this election could result in Toro purchasing the tendered shares at the minimum price of $56.50 per share.

A stockholder who desires to tender shares at more than one price must complete a separate letter of transmittal for each price at which such stockholder tenders shares, provided that a stockholder may not tender the same shares (unless properly withdrawn previously in accordance with Section 4) at more than one price. **To tender shares properly, stockholders must check one and only one price box in the appropriate section of each letter of transmittal. If you check more than one box or if you fail to check any box at all you will not have validly tendered your shares.**

Odd lot holders who tender all shares must complete the section captioned "Odd Lots" in the letter of transmittal and, if applicable, in the notice of guaranteed delivery, to qualify for the preferential treatment available to odd lot holders as set forth in Section 1.

We urge stockholders who hold shares through brokers or banks to consult the brokers or banks to determine whether transaction costs are applicable if they tender shares through the brokers or banks and not directly to the depositary.

Signature Guarantees. Except as otherwise provided below, all signatures on a letter of transmittal must be guaranteed by a financial institution (including most banks, savings and loans associations and brokerage houses) which is a participant in the Securities Transfer Agents Medallion Program. Signatures on a letter of transmittal need not be guaranteed if:

- the letter of transmittal is signed by the registered holder of the shares (which term, for purposes of this Section 3, shall include any participant in The Depository Trust Company, referred to as the "book-entry transfer facility," whose name appears on a security position listing as the owner of the shares) tendered therewith and the holder has not completed either the box captioned "Special Delivery Instructions" or the box captioned "Special Payment Instructions" in the letter of transmittal; or

- if shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act. *See Instruction 1 of the letter of transmittal*.

If a share certificate is registered in the name of a person other than the person executing a letter of transmittal, or if payment is to be made to a person other than the registered holder, then the certificate must be endorsed or accompanied by an appropriate stock power, in either case signed exactly as the name of the registered holder appears on the certificate, with the signature guaranteed by an eligible guarantor institution.

Toro will make payment for shares tendered and accepted for payment under the tender offer only after the depositary timely receives share certificates or a timely confirmation of the book-entry transfer of the shares into the depositary's account at the book-entry transfer facility as described above, a properly completed and duly executed letter of transmittal, or an agent's message in the case of a book-entry transfer, and any other documents required by the letter of transmittal.

Method of Delivery. **The method of delivery of all documents, including share certificates, the letter of transmittal and any other required documents, is at the election and risk of the tendering stockholder. If you choose to deliver required documents by mail, we recommend that you use registered mail with return receipt requested, properly insured.**

Book-Entry Delivery. The depositary will establish an account with respect to the shares for purposes of the tender offer at the book-entry transfer facility within two business days after the date of this offer to purchase, and any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of the shares by causing the book-entry transfer facility to transfer shares into the depositary's account in accordance with the book-entry transfer facility's procedures for transfer. Although participants in the book-entry transfer facility may effect delivery of shares through a book-entry transfer into the depositary's account at the book-entry transfer facility, either

- a properly completed and duly executed letter of transmittal, including any required signature guarantees, or an agent's message, and any other required documents must, in any case, be transmitted to and received by the depositary at its address set forth on the back cover page of this offer to purchase before the expiration date, or

- the guaranteed delivery procedure described below must be followed.

Delivery of the letter of transmittal and any other required documents to the book-entry transfer facility does not constitute delivery to the depositary.

The term "agent's message" means a message transmitted by the book-entry transfer facility to, and received by, the depositary, which states that the book-entry transfer facility has received an express

acknowledgment from the participant in the book-entry transfer facility tendering the shares that the participant has received and agrees to be bound by the terms of the letter of transmittal and that Toro may enforce the agreement against the participant.

Toro Employee Benefits Plans. Participants in The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees desiring to direct Putnam Fiduciary Trust Company, the trustee for the plans, to tender any shares held through their accounts under the applicable plan pursuant to the tender offer must instruct the trustee to tender such shares by properly completing, duly executing and returning to the trustee the election forms sent separately to such participants by Toro. The trustee will aggregate all such tenders and execute letters of transmittal on behalf of all plan participants desiring to tender plan shares. **Delivery of a letter of transmittal by a participant in one of the plans with respect to any plan shares does not constitute proper tender of such shares. Only the trustee can properly tender any plan shares. The deadline for submitting election forms to the trustee is earlier than the expiration date because of the need to tabulate participant instructions.** If a stockholder desires to tender shares owned outside of a plan, as well as plan shares, such stockholder must properly complete and duly execute a letter of transmittal for the shares owned outside the plan and deliver such letter of transmittal directly to the depositary, and follow the special instructions provided by Toro for directing the trustee to tender plan shares. Please direct any questions regarding the tender of plan shares to the trustee in accordance with the procedures described in the separate materials provided to plan participants.

Dividend Reinvestment Plan. Participants in Toro's Dividend Reinvestment Plan may tender their shares by following the general instructions for tendering shares described in this Section 3.

Federal Backup Withholding Tax. Under the federal income tax backup withholding rules, 28% of the gross proceeds payable to a stockholder or other payee pursuant to the tender offer must be withheld and remitted to the United States Treasury, unless the stockholder or other payee provides his or her taxpayer identification number (employer identification number or social security number) to the depositary and certifies that such number is correct or an exemption otherwise applies under applicable regulations. Therefore, unless such an exemption exists and is proven in a manner satisfactory to the depositary, each tendering stockholder should complete and sign the Substitute Form W-9 included as part of the letter of transmittal so as to provide the information and certification necessary to avoid backup withholding. Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, that stockholder must submit a statement, signed under penalties of perjury, attesting to that individual's exempt status. Tendering stockholders can obtain such statements from the depositary. *See Instruction 12 of the letter of transmittal.*

Any tendering stockholder or other payee who fails to complete fully and sign the Substitute Form W-9 included in the letter of transmittal may be subject to required federal income tax backup withholding of 28% of the gross proceeds paid to such stockholder or other payee pursuant to the tender offer.

Gross proceeds payable pursuant to the tender offer to a foreign stockholder or his or her agent will be subject to withholding of federal income tax at a rate of 30%, unless we determine that a reduced rate of withholding is applicable pursuant to a tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the conduct of a trade or business within the United States. For this purpose, a foreign stockholder is any stockholder that is not

- a citizen or resident of the United States,
- a corporation, partnership or other entity created or organized in or under the laws of the United States,
- a trust whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to make all substantial decisions, or

- an estate the income of which is subject to United States federal income taxation regardless of its source.

A foreign stockholder may be eligible to file for a refund of such tax or a portion of such tax if such stockholder meets the "complete redemption," "substantially disproportionate" or "not essentially equivalent to a dividend" tests described in Section 14 or if such stockholder is entitled to a reduced rate of withholding pursuant to a tax treaty and Toro withheld at a higher rate. In order to obtain a reduced rate of withholding under a tax treaty, a foreign stockholder must deliver to the depositary before the payment a properly completed and executed statement claiming such an exemption or reduction. Tendering stockholders can obtain such statements from the depositary. In order to claim an exemption from withholding on the grounds that gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, a foreign stockholder must deliver to the depositary a properly executed statement claiming such exemption. Tendering stockholders can obtain such statements from the depositary. *See Instruction 12 of the letter of transmittal.* We urge foreign stockholders to consult their own tax advisors regarding the application of federal income tax withholding, including eligibility for a withholding tax reduction or exemption and the refund procedure.

For a discussion of United States federal income tax consequences to tendering stockholders, *see Section 14.*

Guaranteed Delivery. If a stockholder desires to tender shares under the tender offer and the stockholder's share certificates are not immediately available or the stockholder cannot deliver the share certificates to the depositary before the expiration date, or the stockholder cannot complete the procedure for book-entry transfer on a timely basis, or if time will not permit all required documents to reach the depositary before the expiration date, the stockholder may nevertheless tender the shares, provided that the stockholder satisfies all of the following conditions:

- the stockholder makes the tender by or through an eligible guarantor institution;

- the depositary receives by hand, mail, overnight courier or facsimile transmission, before the expiration date, a properly completed and duly executed notice of guaranteed delivery in the form Toro has provided, specifying the price at which the stockholder is tendering shares, including (where required) a signature guarantee by an eligible guarantor institution in the form set forth in such notice of guaranteed delivery; and

- the depositary receives the share certificates, in proper form for transfer, or confirmation of book-entry transfer of the shares into the depositary's account at the book-entry transfer facility, together with a properly completed and duly executed letter of transmittal, or a manually signed facsimile thereof, and including any required signature guarantees, or an agent's message, and any other documents required by the letter of transmittal, within three NYSE trading days after the date of receipt by the depositary of the notice of guaranteed delivery.

Return of Unpurchased Shares. The depositary will return certificates for unpurchased shares as promptly as practicable after the expiration or termination of the tender offer or the proper withdrawal of the shares, as applicable, or, in the case of shares tendered by book-entry transfer at the book-entry transfer facility, the depositary will credit the shares to the appropriate account maintained by the tendering stockholder at the book-entry transfer facility, in each case without expense to the stockholder.

Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to Give Notice of Defects. Toro will determine, in its sole discretion, all questions as to the number of shares that we will accept, the price that we will pay for shares that we accept and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of shares, and our determination will be final and binding on all parties. Toro reserves the absolute right to reject any or all tenders of any shares that it determines are not in proper form or the acceptance for payment of or payment for which Toro determines may be unlawful. Toro also reserves the absolute right to waive any of the conditions of the tender offer or any defect or irregularity in any tender with respect to any particular shares or any particular stockholder, and Toro's interpretation of the terms of the tender offer will be final and binding on all parties. No tender of

shares will be deemed to have been properly made until the stockholder cures, or Toro waives, all defects or irregularities. None of Toro, the depositary, the information agent, the dealer manager or any other person will be under any duty to give notification of any defects or irregularities in any tender or incur any liability for failure to give this notification.

Tendering Stockholder's Representation and Warranty; Toro's Acceptance Constitutes an Agreement. A tender of shares under any of the procedures described above will constitute the tendering stockholder's acceptance of the terms and conditions of the tender offer, as well as the tendering stockholder's representation and warranty to Toro that:

- the stockholder has a net long position in the shares or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 of the Exchange Act, and

- the tender of shares complies with Rule 14e-4.

It is a violation of Rule 14e-4 for a person, directly or indirectly, to tender shares for that person's own account unless, at the time of tender and at the end of the proration period or period during which shares are accepted by lot (including any extensions thereof), the person so tendering:

- has a net long position equal to or greater than the amount tendered in

  - the shares, or

  - securities immediately convertible into, or exchangeable or exercisable for, the shares, and

- will deliver or cause to be delivered the shares in accordance with the terms of the tender offer.

Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. Toro's acceptance for payment of shares tendered under the tender offer will constitute a binding agreement between the tendering stockholder and Toro upon the terms and conditions of the tender offer.

Lost or Destroyed Certificates. Stockholders whose share certificate for part or all of their shares has been lost, stolen, misplaced or destroyed may contact Wells Fargo Bank, N.A., the transfer agent for Toro shares, at the address and telephone number set forth on the back cover of this offer to purchase, for instructions as to obtaining a replacement share certificate. That share certificate will then be required to be submitted together with the letter of transmittal in order to receive payment for shares that are tendered and accepted for payment. The stockholder may have to post a bond to secure against the risk that the share certificate may subsequently emerge. We urge stockholders to contact Wells Fargo Bank, N.A. immediately in order to permit timely processing of this documentation.

Stockholders must deliver share certificates, together with a properly completed and duly executed letter of transmittal, including any signature guarantees, or an agent's message, and any other required documents to the depositary and not to Toro, the dealer manager or the information agent. Toro, the dealer manager or the information agent will not forward any such documents to the depositary and delivery to Toro, the dealer manager or the information agent will not constitute a proper tender of shares.

4. Withdrawal Rights.

Stockholders may withdraw shares tendered under the tender offer at any time prior to the expiration date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after 12:00 Midnight, New York City time, on Tuesday, May 11, 2004 unless theretofore accepted for payment as provided in this offer to purchase.

For a withdrawal to be effective, the depositary must timely receive a written or facsimile transmission notice of withdrawal at the depositary's address set forth on the back cover page of this offer to purchase. Any such notice of withdrawal must specify the name of the tendering stockholder, the number of shares that the stockholder wishes to withdraw and the name of the registered holder of the shares. If the share certificates to be withdrawn have been delivered or otherwise identified to the depositary, then, before the

release of the share certificates, the serial numbers shown on the share certificates must be submitted to the depositary and the signature(s) on the notice of withdrawal must be guaranteed by an eligible guarantor institution, unless the shares have been tendered for the account of an eligible guarantor institution.

If a stockholder has tendered shares under the procedure for book-entry transfer set forth in Section 3, any notice of withdrawal also must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn shares and must otherwise comply with the book-entry transfer facility's procedures. Toro will determine all questions as to the form and validity (including the time of receipt) of any notice of withdrawal, in its sole discretion, and such determination will be final and binding. None of Toro, the depositary, the information agent, the dealer manager or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give this notification.

A stockholder may not rescind a withdrawal and Toro will deem any shares that a stockholder properly withdraws not properly tendered for purposes of the tender offer, unless the stockholder properly re-tenders the withdrawn shares before the expiration date by following one of the procedures described in Section 3.

Participants in The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees who wish to have Putnam Fiduciary Trust Company, the trustee for the plans, withdraw previously tendered shares held in a plan must follow the procedures set forth in the materials provided to such participants.

If Toro extends the tender offer, is delayed in its purchase of shares or is unable to purchase shares under the tender offer for any reason, then, without prejudice to Toro's rights under the tender offer, the depositary may, subject to applicable law, retain tendered shares on behalf of Toro, and stockholders may not withdraw these shares except to the extent tendering stockholders are entitled to withdrawal rights as described in this Section 4.

5. Purchase of Shares and Payment of Purchase Price.

Upon the terms and subject to the conditions of the tender offer, as promptly as practicable following the expiration date, Toro:

- will determine the purchase price it will pay for shares properly tendered and not properly withdrawn before the expiration date, taking into account the number of shares so tendered and the prices specified by tendering stockholders, and

- will accept for payment and pay for, and thereby purchase, shares properly tendered at prices at or below the purchase price and not properly withdrawn prior to the expiration date.

For purposes of the tender offer, Toro will be deemed to have accepted for payment, and therefore purchased shares, that are properly tendered at or below the purchase price and are not properly withdrawn, subject to the "odd lot," proration and conditional tender provisions of the tender offer, only when, as and if it gives oral or written notice to the depositary of its acceptance of the shares for payment under the tender offer.

Upon the terms and subject to the conditions of the tender offer, as promptly as practicable after the expiration date, Toro will accept for payment and pay a single per share purchase price not greater than $60.00 nor less than $56.50 per share for 2,500,000 shares, subject to increase or decrease as provided in Section 15, if properly tendered and not properly withdrawn, or such fewer number of shares as are properly tendered and not properly withdrawn.

Toro will pay for shares that it purchases under the tender offer by depositing the aggregate purchase price for these shares with the depositary, which will act as agent for tendering stockholders for the purpose of receiving payment from Toro and transmitting payment to the tendering stockholders.

In the event of proration, Toro will determine the proration factor and pay for those tendered shares accepted for payment as soon as practicable after the expiration date; however, Toro does not expect to be able to announce the final results of any proration and commence payment for shares purchased until at least five business days after the expiration date. Shares tendered and not purchased, including all shares tendered at prices greater than the purchase price and shares that Toro does not accept for purchase due to proration or conditional tenders, will be returned to the tendering stockholder, or, in the case of shares tendered by book-entry transfer, will be credited to the account maintained with the book-entry transfer facility by the participant therein who so delivered the shares, at Toro's expense, as promptly as practicable after the expiration date or termination of the tender offer without expense to the tendering stockholders. **Under no circumstances will Toro pay interest on the purchase price regardless of any delay in making the payment.** If certain events occur, Toro may not be obligated to purchase shares under the tender offer. *See Section 7.*

Toro will pay all stock transfer taxes, if any, payable on the transfer to it of shares purchased under the tender offer. If, however,

- payment of the purchase price is to be made to any person other than the registered holder,
- certificate(s) for shares not tendered or tendered but not purchased are to be returned in the name of and to any person other than the registered holder(s) of such shares, or
- if tendered certificates are registered in the name of any person other than the person signing the letter of transmittal,

the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person will be deducted from the purchase price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption therefrom, is submitted. *See Instruction 9 of the letter of transmittal.*

Any tendering stockholder or other payee who fails to complete fully, sign and return to the depositary the substitute Form W-9 included with the letter of transmittal may be subject to U.S. federal income tax backup withholding on the gross proceeds paid to the stockholder or other payee under the tender offer. *See Section 3.*

6. Conditional Tender of Shares.

Subject to the exception for holders of odd lots, in the event of an over-subscription of the tender offer, shares tendered at or below the purchase price prior to the expiration date will be subject to proration. *See Section 1.* As discussed in Section 14, the number of shares to be purchased from a particular stockholder may affect the tax treatment of the purchase to the stockholder and the stockholder's decision whether to tender. Accordingly, a stockholder may tender shares subject to the condition that Toro must purchase a specified minimum number of the stockholder's shares tendered pursuant to a letter of transmittal if Toro purchases any shares tendered. Any stockholder desiring to make a conditional tender must so indicate in the box entitled "Conditional Tender" in the letter of transmittal and indicate the minimum number of shares that Toro must purchase if Toro purchases any shares. We urge each stockholder to consult with his or her own financial or tax advisors.

After the expiration date, if more than 2,500,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law) are properly tendered and not properly withdrawn, so that we must prorate our acceptance of and payment for tendered shares, we will calculate a preliminary proration percentage based upon all shares properly tendered, conditionally or unconditionally. If the effect of this preliminary proration would be to reduce the number of shares that we purchase from any stockholder below the minimum number specified, the shares conditionally tendered will automatically be regarded as withdrawn (except as provided in the next paragraph). All shares tendered by a stockholder subject to a conditional tender that are withdrawn as a result of proration will be returned at our expense to the tendering stockholder.

After giving effect to these withdrawals, we will accept the remaining shares properly tendered, conditionally or unconditionally, on a *pro rata* basis, if necessary. If conditional tenders that would otherwise be regarded as withdrawn would cause the total number of shares that we purchase to fall below 2,500,000 (or such greater number of shares as we may elect to purchase, subject to applicable law) then, to the extent feasible, we will select enough of the shares conditionally tendered that would otherwise have been withdrawn to permit us to purchase such number of shares. In selecting among the conditional tenders, we will select by random lot, treating all tenders by a particular taxpayer as a single lot, and will limit our purchase in each case to the designated minimum number of shares to be purchased. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

7. Conditions of the Tender Offer.

Notwithstanding any other provision of the tender offer, Toro will not be required to accept for payment, purchase or pay for any shares tendered, and may terminate or amend the tender offer or may postpone the acceptance for payment of, or the purchase of and the payment for shares tendered, subject to Rule 13e-4(f) under the Exchange Act, if, at any time on or after March 17, 2004 and before the payment date, any of the following events shall have occurred (or shall have been reasonably determined by Toro to have occurred) that, in Toro's reasonable judgment and regardless of the circumstances giving rise to the event or events (including any action or omission to act by Toro), make it inadvisable to proceed with the tender offer or with acceptance for payment:

- there shall have been threatened, instituted or pending any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic or foreign, before any court, authority, agency or tribunal that directly or indirectly
  - challenges the making of the tender offer, the acquisition of some or all of the shares under the tender offer or otherwise relates in any manner to the tender offer, or
  - in Toro's reasonable judgment, could materially and adversely affect the business, condition (financial or other), assets, income, operations or prospects of Toro or any of its subsidiaries, or otherwise materially impair in any way the contemplated future conduct of the business of Toro or any of its subsidiaries or materially impair the contemplated benefits of the tender offer to Toro;
- there shall have been any action threatened, pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the tender offer or Toro or any of its subsidiaries, by any court or any authority, agency or tribunal that, in Toro's reasonable judgment, would or might, directly or indirectly,
  - make the acceptance for payment of, or payment for, some or all of the shares illegal or otherwise restrict or prohibit completion of the tender offer,
  - delay or restrict the ability of Toro, or render Toro unable, to accept for payment or pay for some or all of the shares,
  - materially impair the contemplated benefits of the tender offer to Toro, or
  - materially and adversely affect the business, condition (financial or other), income, operations or prospects of Toro and its subsidiaries, taken as a whole, or otherwise materially impair in any way the contemplated future conduct of the business of Toro or any of its subsidiaries;
- there shall have occurred
  - any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States or the European Union,
  - the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or the European Union,

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  - a material change in United States or any other currency exchange rates or a suspension of or limitation on the markets therefor,
  - the commencement or escalation of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any of its territories, including but not limited to an act of terrorism,
  - any limitation (whether or not mandatory) by any governmental, regulatory or administrative agency or authority on, or any event, or any disruption or adverse change in the financial or capital markets generally or the market for loan syndications in particular, that, in Toro's reasonable judgment, might affect the extension of credit by banks or other lending institutions in the United States,
  - any change in the general political, market, economic or financial conditions in the United States or abroad that could, in the reasonable judgment of Toro, have a material adverse effect on the business, condition (financial or other), assets, income, operations or prospects of Toro and its subsidiaries, taken as a whole, or otherwise materially impair in any way the contemplated future conduct of the business of Toro or any of its subsidiaries,
  - in the case of any of the foregoing existing at the time of the commencement of the tender offer, a material acceleration or worsening thereof, or
  - any decline in the market price of the shares or the Dow Jones Industrial Average or the Standard and Poor's Index of 500 Industrial Companies or the New York Stock Exchange or the Nasdaq Composite Index by a material amount (including, without limitation, an amount greater than 10%) from the close of business on March 16, 2004;

- a tender offer or exchange offer for any or all of the shares (other than this tender offer), or any merger, business combination or other similar transaction with or involving Toro or any of its subsidiaries or affiliates, shall have been proposed, announced or made by any person;
- any of the following shall have occurred
  - any "group" (as that term is used in Section 13(d)(3) of the Exchange Act) shall have been formed that shall own or have acquired or proposed to acquire, or any entity or individual shall have acquired or proposed to acquire, beneficial ownership of more than 5% of the outstanding shares,
  - any entity, group or person who has filed a Schedule 13D or Schedule 13G with the Securities and Exchange Commission before March 17, 2004 shall have acquired or proposed to acquire beneficial ownership of an additional 2% or more of the outstanding shares, or
  - any person, entity or group shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or made a public announcement reflecting an intent to acquire Toro or any of its subsidiaries or any of their respective assets or securities;
- any change or combination of changes shall have occurred or been threatened in the business, condition (financial or other), assets, income, operations, prospects or stock ownership of Toro or any of its subsidiaries, taken as a whole, that in Toro's reasonable judgment is or may reasonably be likely to be material and adverse to Toro or any of its subsidiaries or that otherwise materially impairs in any way the contemplated future conduct of the business of Toro or any of its subsidiaries;
- any approval, permit, authorization, favorable review or consent of any governmental entity required to be obtained in connection with the tender offer shall not have been obtained on terms satisfactory to Toro in its reasonable judgment; or
- Toro reasonably determines that the completion of the tender offer and the purchase of the shares may
  - cause the shares to be held of record by fewer than 300 persons, or

• cause the shares to be delisted from the NYSE or to be eligible for deregistration under the Exchange Act.

The foregoing conditions are for the sole benefit of Toro and may be asserted by Toro regardless of the circumstances (including any action or inaction by Toro) giving rise to any of these conditions, and may be waived by Toro, in whole or in part, at any time and from time to time, before the payment date, in its sole discretion. Toro's failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any of these rights, and each of these rights shall be deemed an ongoing right that may be asserted at any time and from time to time. Any determination or judgment by Toro concerning the events described above will be final and binding on all parties.

8. Price Range of Shares; Dividends; Rights Agreement.

The shares are listed and traded on the NYSE under the trading symbol "TTC." The following table sets forth the high and low sales prices for Toro common stock and cash dividends paid for each of the quarterly periods presented. Per share data and sales prices have been adjusted for all periods presented to reflect a two-for-one stock split effective April 1, 2003.

	High	Low	Dividend
Fiscal 2002:			
First Quarter	$24.60	$20.96	$0.06
Second Quarter	31.38	24.12	0.06
Third Quarter	30.00	23.15	0.06
Fourth Quarter	32.11	24.35	0.06
Fiscal 2003:			
First Quarter	$34.15	$30.36	$0.06
Second Quarter	38.25	30.15	0.06
Third Quarter	43.43	35.50	0.06
Fourth Quarter	50.41	37.78	0.06
Fiscal 2004:			
First Quarter	$51.00	$44.45	$0.06
Second Quarter (through March 16, 2004)	$59.48	46.33	—

We publicly announced the tender offer on March 12, 2004, after the close of trading on the New York Stock Exchange on that date. On March 12, 2004, the reported closing price of the shares on the NYSE was $56.31 per share. On March 16, 2004, the last trading day prior to the printing of the tender offer, the reported closing price of the shares on the NYSE was $58.85. **We urge stockholders to obtain current market quotations for the shares.**

The quarterly dividend of $0.06 per share announced on March 12, 2004 will be payable on April 12, 2004. Stockholders will be entitled to receive this dividend payment on all of their shares held of record on March 22, 2004, whether or not the shares are tendered in the tender offer.

We are currently reviewing our dividend policy with a view towards a possible increase later in our current fiscal year. Any future determination regarding our dividend policy will be at the discretion of our Board of Directors and will depend upon our financial condition, results of operations, terms of financing arrangements, capital requirements and such other factors as our Board of Directors deems relevant.

Rights Agreement.

On May 20, 1998, the Board of Directors of Toro declared a dividend of one preferred stock purchase right for each outstanding share of Toro common stock payable to stockholders of record at the close of business on June 14, 1998. The description and terms of the preferred stock purchase rights are set forth in a rights agreement, dated as of May 20, 1998, between Toro and Wells Fargo Bank, N.A., as rights agent. The

description set forth below reflects adjustments to the preferred stock purchase rights resulting from Toro's two-for-one stock split effective April 1, 2003.

Each preferred stock purchase right entitles the registered holder to purchase from Toro one two-hundredth of a share of series B junior participating voting preferred stock, par value $1.00 per share, of Toro (the "preferred shares") at a price of $180 per one one-hundredth of a preferred share, subject to adjustment.

The preferred stock purchase rights are not exercisable until the distribution date (as defined below). Until the distribution date, the preferred stock purchase rights will be evidenced by the certificates representing shares of common stock. Until the distribution date (or earlier redemption or expiration of the preferred stock purchase rights), the preferred stock purchase rights will be transferred with and only with the shares of common stock, and transfer of certificates representing shares of common stock will constitute transfer of the preferred stock purchase rights.

The preferred stock purchase rights will be exercisable and will be evidenced by separate certificates upon the "distribution date" which shall mean the earlier to occur of:

- 10 days following a public announcement that a person or group of affiliated or associated persons (an "acquiring person") has acquired beneficial ownership of 15% or more of the outstanding shares of common stock; or

- 10 business days (or such later date as may be determined by action of the Board of Directors of Toro prior to such time as any person or group of affiliated persons becomes an acquiring person) following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in the beneficial ownership by a person or group of 15% or more of the outstanding shares of common stock.

In the event that any person or group of affiliated or associated persons becomes an acquiring person, each holder of a preferred stock purchase right, other than preferred stock purchase rights beneficially owned by the acquiring person (which will thereafter be void), will have the right to receive that number of shares of common stock having a market value of two times the exercise price of the preferred stock purchase right. Furthermore, if Toro is acquired in a merger or other business combination transaction or 50% or more of its consolidated assets or earning power are sold after a person or group has become an acquiring person, each holder of a preferred stock purchase right (other than the acquiring person) will have the right to receive that number of shares of common stock of the acquiring company which at the time of the transaction will have a market value of two times the exercise price of the preferred stock purchase right.

Preferred shares purchasable upon exercise of the preferred stock purchase rights will not be redeemable. Each preferred share will be entitled to a minimum preferential quarterly dividend payment of $1 per share but will be entitled to an aggregate dividend of 200 times the dividend declared per share of common stock. In the event of liquidation, the holders of the preferred shares will be entitled to a minimum preferential liquidation payment of $200 per share but will be entitled to an aggregate payment of 200 times the payment made per share of common stock. Each preferred share will have 200 votes, voting together with the shares of common stock. Finally, in the event of any merger, consolidation or other transaction in which shares of common stock are exchanged, each preferred share will be entitled to receive 200 times the amount received per share of common stock. These rights are protected by customary antidilution provisions.

At any time after any person or group becomes an acquiring person and prior to the acquisition by that person or group of 50% or more of the outstanding shares of common stock, the Board of Directors of Toro may exchange the preferred stock purchase rights (other than rights owned by the acquiring person, which will have become void), in whole or in part, at an exchange ratio of one share of common stock, or one two-hundredth of a preferred share per preferred stock purchase right (subject to adjustment).

At any time prior to the time any person becomes an acquiring person, the Board of Directors of Toro may redeem the preferred stock purchase rights in whole, but not in part, at a price of $.005 per preferred stock purchase right. The redemption of the preferred stock purchase rights may be made effective at such time on such basis with such conditions as the Board of Directors of Toro in its sole discretion may establish. Immediately upon any redemption of the preferred stock purchase rights, the right to exercise the preferred

stock purchase rights will terminate and the only right of the holders of preferred stock purchase rights will be to receive the redemption price.

The preferred stock purchase rights will expire at the close of business on June 14, 2008, unless the final expiration date is extended or unless Toro redeems or exchanges the preferred stock purchase rights on an earlier date. The purchase price payable, and the number of preferred shares or other securities or property issuable, upon exercise of the preferred stock purchase rights are subject to adjustment from time to time to prevent dilution. With certain exceptions, no adjustment in the purchase price will be required until cumulative adjustments require an adjustment of at least 1% in such purchase price. The terms of the preferred stock purchase rights may be amended by the Board of Directors of Toro without the consent of the holders of the preferred stock purchase rights, except that from and after such time as any person or group of affiliated or associated persons becomes an acquiring person no such amendment may adversely affect the interests of the holders of the preferred stock purchase rights.

The preferred stock purchase rights have, and are intended to have, certain anti-takeover effects. The preferred stock purchase rights will cause substantial dilution to a person or group that attempts to acquire Toro on terms not approved by the Board of Directors of Toro, except pursuant to an offer conditioned on a substantial number of preferred stock purchase rights being acquired. The preferred stock purchase rights should not interfere with any merger or other business combination approved by the Board of Directors of Toro since the preferred stock purchase rights may be redeemed by Toro at the redemption price prior to the time that a person or group has acquired beneficial ownership of 15% or more of the common stock of Toro. To the extent any potential acquirors are deterred by the preferred stock purchase rights, the rights could delay or prevent a change in control or other transaction that might involve a premium price or otherwise be in the best interests of the stockholders of Toro and may have the effect of preserving incumbent management in office.

The foregoing description of the preferred stock purchase rights is qualified in its entirety by reference to the rights agreement, a copy of which has been filed with the Securities Exchange Commission as an exhibit to Toro’s Current Report on Form 8-K, dated May 27, 1998, and the related certificate of adjustment, a copy of which has been filed with the Securities Exchange Commission as Exhibit 2 to Amendment No. 1 to Toro’s registration statement on Form 8-A/A, dated April 14, 2003. You may obtain copies of the current report and the amended registration statement referred to in the preceding sentence in the manner provided in Section 10.

9. Source and Amount of Funds.

Assuming that 2,500,000 shares are purchased in the tender offer at a price between $56.50 and $60.00 per share, the aggregate purchase price will be between approximately $141.3 million and $150.0 million. Toro expects that its related fees and expenses for the tender offer will be approximately $1.0 million. Toro anticipates that it will obtain all of the funds necessary to purchase shares tendered in the tender offer, and to pay related fees and expenses, through available borrowings under two separate unsecured bank facilities and one facility secured by Toro’s outstanding accounts receivable. Toro maintains a $175.0 million committed unsecured bank credit line with a syndication of banks led by Bank of America, N.A. This credit line expires in February 2005. In connection with the tender offer, Toro has arranged an additional $50.0 million committed unsecured bank credit line with Bank of America, N.A. that expires in September 2004. Borrowings under the $175.0 million and $50.0 million facilities are required to be repaid by February 2005 and September 2004, respectively. Toro also maintains a $75.0 million committed credit line with Three Pillars Funding Corporation, an affiliate of SunTrust Bank, secured by certain of Toro’s domestic receivables, that expires, and is required to be repaid, in July 2004 but is renewable and extendable for two additional years. Interest expense on these credit lines is determined based on a LIBOR or commercial paper rate plus a basis point spread defined in the credit agreements. The weighted average of interest rates on Toro’s short-term debt outstanding as of October 31, 2003 and 2002 was 2.73% and 4.74%, respectively. The weighted average of interest rates on Toro’s short-term debt outstanding as of March 16, 2004 was 1.34%. The loan agreements governing the lines of credit contain covenants customary for loan agreements of these types, including interest coverage and debt to total capitalization ratios. Toro is in compliance with all covenants related to these lines of credit as of the date hereof. As of March 16, 2004, Toro had outstanding borrowings of $15.0 million and available borrowing capacity of $285.0 million under the three facilities. We intend to repay borrowings made to finance the purchase of shares purchased in the

tender offer using cash from Toro's operations. Toro believes that the borrowings under its facilities will be sufficient to purchase shares tendered in the offer and has no alternative financing plans. The tender offer is not subject to the receipt of financing.

10. Certain Information Concerning Toro.

Toro designs, manufactures, and markets professional turf maintenance equipment, turf and agricultural irrigation systems, landscaping equipment, and residential yard products. Our manufactured products are nationally advertised and sold at the retail level under the primary trademarks of Toro®, Toro® Wheel Horse®, Lawn-Boy®, Irritrol® Systems, Exmark®, Toro®, Dingo®, Aqua-TraXX®, Pope®, and Lawn Genie®, most of which are registered in the United States and in the principal foreign countries where we market our products. We emphasize quality and innovation in our customer service, products, manufacturing, and marketing. We strive to provide well-built, dependable products supported by an extensive service network.

Our executive offices are located at 8111 Lyndale Avenue South, Bloomington, Minnesota 55420-1196, telephone number (952) 888-8801. Our Internet address is *www.toro.com* for Toro branded product related information and *www.thetorocompany.com* for corporate and investor information. The information contained on our web site or connected to our web site is not incorporated by reference into this offer to purchase and should not be considered part of this offer to purchase.

Selected Historical Financial Information and Selected Pro Forma Financial Information. The following table shows (a) selected historical financial information for the fiscal year ended October 31, 2003 and the fiscal quarter ended January 30, 2004, and (b) selected pro forma financial information for the same periods, giving effect to the tender offer for the purchase of 2,500,000 shares at $58.25 per share, the mid-point of the price range. The pro forma information is based on our historical financial information for the year ended October 31, 2003 and for the quarter ended January 30, 2004 and gives effect to the tender offer as if the tender offer were completed on November 1, 2002 for income statement and balance sheet information. The pro forma information assumes that Toro would have used existing cash balances and debt facilities to finance the stock repurchase and the related impact on interest income and interest expense. The impact on interest income and interest expense reflected in the pro forma financial information was based on the average interest rates available to Toro during the periods presented. The pro forma financial information is intended for informational purposes only and does not purport to be indicative of the results that would actually have been obtained if the tender offer had been completed at the date indicated or that may be obtained in the future. Per share data for all periods presented reflects a two-for-one stock split effective April 1, 2003.

	Three Months Ended January 30, 2004 (Actual)	Three Months Ended January 30, 2004 (Pro Forma)	Fiscal Year Ended October 31, 2003 (Actual)	Fiscal Year Ended October 31, 2003 (Pro Forma)
	(dollars in thousands, except per share data)			
Net sales	$313,573	$313,573	$1,496,588	$1,496,588
Gross profit percentage	35.9%	35.9%	35.8%	35.8%
Earnings from operations	$ 16,595	$ 16,595	$ 129,268	$ 129,268
Interest Expense	3,882	4,103	16,285	18,776
Net earnings	9,325	9,057	81,620	79,783
Percentage of net sales	3.0%	2.9%	5.5%	5.3%
Basic net earnings per share	$ 0.37	$ 0.40	$ 3.26	$ 3.55
Diluted net earnings per share	0.36	0.38	3.12	3.37
Return on average stockholders' equity	2.1%	3.1%	20.3%	31.2%
Total assets	$920,161	$902,236	$ 927,432	$ 817,145
Long-term debt, including current portion	175,305	175,305	178,921	178,921
Short-term debt	2,308	132,112	2,138	39,313
Cash and cash equivalents	17,925	0	110,287	0
Stockholders' equity	433,217	285,488	437,202	289,740
Debt to capitalization ratio	29.1%	51.8%	29.3%	42.8%
Cash dividends per share of common stock	$ .06	$ .06	$ .24	$ .24

Additional Information. Toro is subject to the information requirements of the Exchange Act, and, in accordance therewith, files periodic reports, proxy statements and other information relating to its business, financial condition and other matters. Toro is required to disclose in these proxy statements certain information, as of particular dates, concerning the Toro directors and executive officers, their compensation, stock options granted to them, the principal holders of the securities of Toro and any material interest of such persons in transactions with Toro. Pursuant to Rule 13e-4(c)(2) under the Exchange Act, Toro has filed with the Securities and Exchange Commission an Issuer Tender Offer Statement on Schedule TO which includes additional information with respect to the tender offer. This material and other information may be inspected at the public reference facilities maintained by the Securities and Exchange Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of this material can also be obtained by mail, upon payment of the Securities and Exchange Commission's customary charges, by writing to the Public Reference Section at 450 Fifth Street, N.W., Washington, D.C. 20549. The Securities and Exchange Commission also maintains a web site on the Internet at http://www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Securities and Exchange Commission. These reports, statements and other information concerning Toro also can be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

Incorporation by Reference. The rules of the Securities and Exchange Commission allow us to "incorporate by reference" information into this document, which means that we can disclose important information to you by referring you to another document filed separately with the Securities and Exchange Commission. These documents contain important information about us.

SEC Filings (File No. 1-8649)	Period or Date Filed
Annual Report on Form 10-K	Year ended October 31, 2003
Quarterly Report on Form 10-Q	Quarter ended January 30, 2004
Current Reports on Form 8-K	March 12, 2004

We incorporate by reference the documents listed above and any additional documents that we may file with the Securities and Exchange Commission between the date of this offer to purchase and the expiration of the tender offer. You may request a copy of these filings, at no cost, by writing or telephoning us at our principal executive offices at the following address: Investor Relations, The Toro Company, 8111 Lyndale Avenue South, Bloomington, Minnesota 55420-1196, (952) 888-8801. Please be sure to include your complete name and address in the request.

11. Interests of Directors and Executive Officers; Transactions and Arrangements Concerning Shares.

As of March 10, 2004, Toro had 24,207,860 issued and outstanding shares of common stock and outstanding options to purchase 2,355,862 shares of common stock. The 2,500,000 shares Toro is offering to purchase under the tender offer represent approximately 10.3% of the shares outstanding as of March 10, 2004 and 9.4% of the shares assuming exercise of all outstanding options.

As of March 10, 2004, Toro's directors and executive officers as a group (22 individuals) beneficially owned an aggregate of 2,459,191 shares, representing approximately 10.2% of the outstanding shares. The directors and executive officers of Toro are entitled to participate in the tender offer on the same basis as all other stockholders. However, they have advised Toro that they do not intend to tender any shares in the tender offer. To Toro's knowledge, none of its affiliates intends to tender any shares in the tender offer.

The following table shows the amount of Toro shares beneficially owned by the directors and executive officers of Toro as of March 10, 2004. Column three of the table below reflects ownership percentages as of March 10**,** 2004. Column four of the table below reflects ownership percentages after giving effect to the tender offer, assuming Toro purchases 2,500,000 shares and that no director or executive officer of Toro tenders any shares (as is intended by the directors and executive officers of Toro). Amounts shown below reflect the two-for-one stock split effective April 1, 2003.

Name of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Percent of Class as of March 10, 2004(2)	Percent of Class After Tender Offer (assuming Toro purchases 2,500,000 shares and no director or executive officer tenders)(2)
Ronald O. Baukol	29,697(3)(4)	*	*
Robert C. Buhrmaster	26,839(3)(4)	*	*
Winslow H. Buxton	27,481(3)(4)(5)	*	*
Janet K. Cooper	30,249(3)(4)(5)	*	*
Timothy A. Ford	75,380(3)	*	*
Katherine J. Harless	5,893(3)(4)	*	*
Michael J. Hoffman	163,034(3)(4)	*	*
Kendrick B. Melrose	1,108,239(3)(4)(5)(6)	4.6%	5.1%
Karen M. Meyer	194,452(3)(4)	*	*
Robert H. Nassau	21,429(3)(4)	*	*
Dale R. Olseth	44,112(3)(4)	*	*
Gregg W. Steinhafel	24,525(3)(4)	*	*
Christopher A. Twomey	24,942(3)(4)(5)	*	*
Edwin H. Wingate	32,773(3)(4)(5)	*	*
Stephen P. Wolfe	221,607(3)(4)(5)	*	*
All directors and executive officers as a group (22)	2,459,191(3)(4)(5)(6)	10.2%	11.3%

* Less than 1% of the outstanding shares.

(1) Shares are deemed to be "beneficially owned" by a person if such person, directly or indirectly, has or shares (i) the power to vote or to direct the voting of such shares or (ii) the power to dispose or direct the disposition of such shares. In addition, beneficial ownership includes shares that such person has the right to acquire within 60 days.

(2) Common stock units that have not vested are not included for the purpose of calculating Percent of Class amounts.

(3) Includes shares held of record, shares that may be acquired upon exercise of stock options within 60 days and shares allocated to executive officers under The Toro Company Investment, Savings and Employee Stock Ownership Plan. Stock options exercisable within 60 days for each of the named directors and executive officers are as follows: Mr. Baukol, 16,000 shares, Mr. Buhrmaster, 16,000 shares, Mr. Buxton, 14,000 shares, Ms. Cooper 16,000 shares, Ms. Harless, 3,500 shares, Mr. Nassau, 12,000 shares, Mr. Olseth, 16,000 shares, Mr. Steinhafel, 12,000 shares, Mr. Twomey, 16,000 shares, Mr. Wingate, 16,000 shares, Mr. Melrose, 482,000 shares, Mr. Hoffman, 101,200 shares, Mr. Wolfe, 123,364 shares, Ms. Meyer, 105,600 shares, Mr. Ford, 62,000 shares, and all directors and executive officers as a group, 1,247,049 shares.

(4) Includes common stock units credited under The Toro Company Deferred Compensation Plan for Non-Employee Directors and vested common stock units credited under The Toro Company Deferred Compensation Plan for Officers ("Officers Deferred Plan"). Units credited for each of the nonemployee directors at March 10, 2004 were as follows: Mr. Baukol, 1,909.838 units, Mr. Buhrmaster, 1,909.838 units, Mr. Buxton 1,028.374, units, Ms. Cooper, 4,554.233 units, Ms. Harless, 1,474.438 units, Mr. Nassau, 7,051.714 units, Mr. Olseth, 7,051.714 units, Mr. Steinhafel, 587.643 units, Mr. Twomey, 1,028.364 units and Mr. Wingate, 7,051.714 units. Units credited for each of the named executive officers at March 10, 2004 were as follows: Mr. Melrose, 271,864.464 units, Mr. Hoffman, 6,167.995 units, Mr. Wolfe, 77,017.987 units, Ms. Meyer, 60,969.928 units, and all directors and executive officers as a group, 557,920 units.

(5) Includes shares held in trusts for estate planning purposes as follows: 12,453 shares for Mr. Buxton and his spouse, 7,914 shares for Mr. Twomey, 9,721 shares for Mr. Wingate's Family Trust, 8,205 shares for Mr. Wolfe and 57,470 shares for all directors and executive officers as a group, including spouses. The amount shown for Mr. Melrose includes 916 shares held of record by Mr. Melrose as custodian for minor children under the Minnesota Uniform Transfer to Minors Act.

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(6) Includes restricted stock in the amount of 24,454 shares in connection with the Chief Executive Officer Succession Incentive Agreement, which are subject to forfeiture until vested.

Based on Toro's records and information provided to Toro by its directors, executive officers, associates and subsidiaries, neither Toro, nor, to the best of Toro's knowledge, any directors or executive officers of Toro or any associates or subsidiaries of Toro, has effected any transactions in shares during the 60 day-period before the date hereof, except as set forth below:

Name	Date of Transaction	Nature of Transaction	Amount	Price
Michael E. Anderson	March 15, 2004	Option Exercise	4,000	The per share exercise price was $15.8125
Michael E. Anderson	March 15, 2004	Sale	4,000	The per share value on the date of transfer was $58.60
Kendrick B. Melrose	March 4, 2004	Transfer pursuant to an amendment of a divorce decree	17,900 shares	The per share value on the date of transfer was $56.70
Stephen D. Keating	February 27, 2004	Option Exercise	1,830	The per share exercise price was $32.275
Stephen D. Keating	February 27, 2004	Option Exercise	1,125	The per share exercise price was $48.32
Stephen D. Keating	February 27, 2004	Option Exercise	2,250	The per share exercise price was $23.625
Ram Kumar	February 26, 2004	Option Exercise	2,000	The per share exercise price was $15.8125
Ram Kumar	February 26, 2004	Sale	300	The per share value on the date of transfer was $53.97
Ram Kumar	February 26, 2004	Sale	1,700	The per share value on the date of transfer was $53.85
Kendrick B. Melrose	February 26, 2004	Gift to son	205 shares	The per share value on the date of transfer was $53.80
Kendrick B. Melrose	February 26, 2004	Gift to daughter-in-law	205 shares	The per share value on the date of transfer was $53.80
Paula Graff	February 13, 2004	Option Exercise	1,000 shares	The per share exercise price was $15.8125

Name	Date of Transaction	Nature of Transaction	Amount	Price
Paula Graff	February 13, 2004	Sale	1,000 shares	The per share value on the date of transfer was $51.12
David Tompos	February 13, 2004	Option Exercise	1,700 shares	The per share exercise price was $15.8125
David Tompos	February 13, 2004	Sale	1,700 shares	The per share value on the date of transfer was $51.16
Terry Volkmer	February 12, 2004	Option Exercise	5,000	The per share exercise price was $15.8125
Terry Volkmer	February 12, 2004	Sale	4,000	The per share value on the date of transfer was $50.55
Terry Volkmer	February 12, 2004	Sale	1,000	The per share value on the date of transfer was $50.69
Michael Drazan	January 23, 2004	Indirect sale by son	133 shares	The per share value on the date of transfer was $47.00

Change in Control Agreements. Each of the chief executive officer and the other four most highly compensated executive officers is a party to a change of control employment agreement adopted in fiscal 1995 and amended in fiscal 1998. The agreements are operative only upon the occurrence of a “change in control,” which includes substantially those events described below. Absent a change in control, the agreements do not require Toro to retain the executives or to pay them any specified level of compensation or benefits.

Each agreement provides that for three years after a change in control, there will be no adverse change in the executive’s salary, bonus opportunity, benefits or location of employment. If during this three year period the executive’s employment is terminated by Toro other than for cause, or if the executive terminates employment for good reason (as defined in the agreements, and including compensation reductions, demotions, relocation and excess travel), or voluntarily during the 30 day period following the first anniversary of the change in control, the executive is entitled to receive all accrued salary and annual incentive payments through the date of termination and, except in the event of death or disability, a lump sum severance payment (“Lump Sum Payment”) equal to three times the sum of base salary and annual bonus (and certain insurance and other welfare plan benefits). Further, in the event an excise tax is imposed on payments under the agreement, an additional payment (“gross-up”) is required in an amount such that after the payment of all taxes, both income and excise, the executive will be in the same after-tax position as if no excise tax under the Internal Revenue Code had been imposed.

Generally, and subject to certain exceptions, a change in control is deemed to have occurred if:

- a majority of Toro’s Board of Directors becomes comprised of persons other than persons for whose election proxies have been solicited by the Board, or who are then serving as directors appointed by the Board to fill vacancies caused by death or resignation (but not removal) of a director or to fill newly created directorships;

- another party becomes the beneficial owner of at least 15% of Toro's outstanding voting stock; or
- Toro's stockholders approve a definitive agreement or plan to merge or consolidate Toro with another party (other than certain limited types of mergers), to exchange shares of voting stock of Toro for shares of another corporation pursuant to a statutory exchange, to sell or otherwise dispose of all or substantially all of Toro's assets, or to liquidate or dissolve Toro.

If a change in control of Toro had occurred on January 1, 2004 and had resulted in the involuntary termination of the Chief Executive Officer and the other four most highly compensated executive officers of Toro at that time or the termination by such executives for good reason, the Lump Sum Payment to be made to the Chief Executive Officer and the other four most highly compensated executive officers of Toro in the aggregate would have been approximately $9,878,409 (before excise tax). Toro has also established a trust for the benefit of these officers which, in the event of a change of control, must be funded in an amount equal to Toro's accrued liability related to the agreements.

Board Compensation Arrangements Involving Toro Securities. Compensation for Toro non-employee directors includes stock components as well as cash. Cash compensation for fiscal 2003 included an annual retainer and meeting fees ($20,000 plus a fee of $1,000 for each meeting of the Board or a committee attended, except that no more than one committee meeting fee is paid for committee meetings held in a single day). The Chair of the Audit Committee receives $3,000 for each meeting attended and $500 for each interim conference call meeting in which the Chair participates and the Chairs of each of the other board committees receive $2,000 for each meeting they attend.

Non-employee directors also receive an annual grant of shares having a $10,000 market value (valued at the average of the closing prices of the shares during the three months prior to the award) and an annual grant of 2,000 stock options (with an exercise price per share equal to 100% of the fair market value of one share on the date of grant which is the first business day of the fiscal year) pursuant to The Toro Company Directors Stock Plan and The Toro Company 2000 Directors Stock Plan. A director may elect to receive the annual retainer fee and meeting fees in cash or shares, or a combination of both. Stock options granted to non-employee directors generally vest six months after grant and have a five year term. Upon a change of control of Toro, all unvested stock options vest in full.

A non-employee director may elect to defer receipt of Board compensation under the Deferred Compensation Plan for Non-Employee Directors. Deferred stock compensation is credited as common stock units, which are credited with dividends that are reinvested as additional units.

Compensation Arrangements Involving Toro Securities. Toro has outstanding options under two stock option plans, The Toro Company 1993 Stock Option Plan (the "1993 Plan") and The Toro Company 2000 Stock Option Plan (the "2000 Plan"). The 1993 Plan terminated on August 17, 2003. All options granted under the 1993 Plan are fully vested and no further options may be granted under that plan. Three million shares are reserved for issuance under the 2000 Plan; as of March 10, 2004, 588,686 shares remain available for future grants. Under the 2000 Plan, no more than 100,000 stock options may be granted to any individual during any calendar year. Under the 2000 Plan, the Compensation Committee of Toro's Board (the "committee") determines the size of awards under the plan. All options granted under the stock option plans have exercise prices that are equal to fair market value at the date of grant, and have a term of up to ten years from the date of grant. Historically, stock options have not been subject to vesting requirements. However, in December 2003, Toro instituted vesting requirements for stock option awards to certain Toro officers. The December 2003 option grants subject to vesting requirements vest over three years in three equal annual installments. Upon a change of control of Toro, all stock options vest in full and remain exercisable at least until the third anniversary of the change of control, unless the original term of an option expires earlier.

Under Toro's stockholder-approved Annual Management Incentive Plan II ("Annual Incentive Plan"), executive officers and other key employees are eligible to receive an annual cash bonus based on a percentage of base salary (determined by the executive officer's position) and Toro's level of achievement of performance goals and, for most participants, division and individual performance. If performance goals are exceeded, award amounts increase up to a pre-established maximum, but not more than 200% of the target award

amount. If goals are not met, awards are reduced or not paid at all. Proposed participants in the Annual Incentive Plan are recommended by management and selected by the committee. The maximum allowable award at target (planned) performance under the Annual Incentive Plan for Mr. Melrose is 75% of his base salary and for the other four most highly compensated executive officers of Toro, 55% of their base salaries. The percentage set for annual performance awards for fiscal 2003 was 70% for Mr. Melrose and 50% for the other four most highly compensated executive officers of Toro. Percentages are based on the executive's salary grade and job position and not on individual factors. Under the plan, the committee may select officers to receive Stock Retention Awards, which entitle an officer to convert up to 50% of a cash award payout under the plan to shares or deferred common stock units, and to receive one additional share for each two shares acquired in the conversion. Such deferrals are made into The Toro Company Deferred Compensation Plan for Officers.

Toro key employees may receive long term incentive compensation in the form of performance shares under Toro's stockholder-approved Performance Share Plan. Two million shares are reserved for issuance under the plan; as of March 10, 2004, 1,398,683 shares remain available for future grants. The committee determines the recipients, size, and terms of these awards. A recipient of a performance share Award may receive shares if Toro achieves pre-established performance goals, generally over a three year period. No more than 100,000 performance shares may be granted to any individual with respect to any such award cycle. A recipient generally forfeits the right to receive any shares pursuant to the award upon a termination of employment prior to the conclusion of the three year period, although a prorated award may be payable under some circumstances relating to a termination due to death, disability, or retirement. All performance shares automatically vest upon a change of control of Toro, unless the committee has provided otherwise in an award agreement.

Toro maintains The Toro Company Investment, Savings, and Employee Stock Ownership Plan, which is a tax-qualified defined contribution plan pursuant to which eligible Toro employees may, through investment of amounts deducted from payroll, accumulate Toro shares pursuant to a profit-sharing component of the plan and pursuant to an employee stock ownership plan component of the plan. Three million shares are reserved for issuance under this plan; as of March 10, 2004, 329,760.50 shares remain available for future grants. Toro also maintains The Toro Australia Pty. Limited General Employees Stock Plan, under which eligible Australian employees may, through investment of amounts deducted from payroll, invest in shares. Fifty thousand shares are reserved for issuance under this plan; as of March 10, 2004, 47,360 shares remain available for future grants.

Toro maintains The Toro Company Profit-Sharing Plan for Plymouth Union Employees which covers members of Local 1291 International Union Automobile Aerospace and Agricultural Implement Workers of America at Plymouth, Wisconsin and The Hahn Equipment Co. Savings Plan for Union Employees which covers members of Local 1633 of International Union, United Automobile Aerospace and Agricultural Implement Workers of America at Toro's Evansville, Indiana plant. Each of these plans is a 401(k) plan with an investment matching feature in the form of shares.

Chief Executive Officer Succession Incentive Award Agreement. In fiscal 1995, the Toro Board of Directors and Toro's stockholders approved a special incentive compensation plan for Mr. Melrose, to encourage him to remain with Toro until his 60th birthday, while assuring the timely development and election of his successor as Chief Executive Officer of Toro. On July 31, 1995, Toro issued 34,934 shares of restricted stock and 34,934 performance units to Mr. Melrose under the terms of the agreement. The value of each performance unit is equal to the fair market value of a share. The restricted stock and performance units vest based upon achievement of specified succession planning goals. Dividends are paid with respect to the restricted stock and the shares may be voted. Portions of the restricted stock and performance unit awards may be forfeited if specified goals are not achieved at various dates, ending on October 31, 2005 or termination of employment. For each of the fiscal years ended October 31, 2000 and 1999, 5,240 shares and performance units vested. The agreement entitles Mr. Melrose to require Toro to effect registered public offerings with respect to up to 161,156 shares owned by Mr. Melrose.

Except as otherwise described herein, neither Toro nor, to the best of Toro's knowledge, any of its affiliates, directors or executive officers, is a party to any agreement, arrangement or understanding with any other person relating, directly or indirectly, to the tender offer or with respect to any securities of Toro, including, but not limited to, any agreement, arrangement or understanding concerning the transfer or the voting of the securities of Toro, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, or the giving or withholding of proxies, consents or authorizations.

12. Effects of the Tender Offer on the Market for Shares; Registration under the Exchange Act.

The purchase by Toro of shares under the tender offer will reduce the number of shares that might otherwise be traded publicly and may reduce the number of Toro stockholders. These reductions may reduce the volume of trading in our shares and may result in lower stock prices and reduced liquidity in the trading of our shares following completion of the tender offer. As of March 10, 2004, we had issued and outstanding 24,207,860 shares. The 2,500,000 shares that we are offering to purchase pursuant to the tender offer represent approximately 10.3% of the shares outstanding as of that date. Stockholders may be able to sell non-tendered shares in the future on the NYSE or otherwise, at a net price higher or lower than the purchase price in the tender offer. We can give no assurance, however, as to the price at which a stockholder may be able to sell such shares in the future.

Toro anticipates that there will be a sufficient number of shares outstanding and publicly traded following completion of the tender offer to ensure a continued trading market for the shares. Based upon published guidelines of the NYSE, Toro does not believe that its purchase of shares under the tender offer will cause the remaining outstanding shares of Toro common stock to be delisted from the NYSE.

The shares are now "margin securities" under the rules of the Board of Governors of the Federal Reserve System. This classification has the effect, among other things, of allowing brokers to extend credit to their customers using the shares as collateral. Toro believes that, following the purchase of shares under the tender offer, the shares remaining outstanding will continue to be margin securities for purposes of the Federal Reserve Board's margin rules and regulations.

The shares are registered under the Exchange Act, which requires, among other things, that Toro furnish certain information to its stockholders and the Securities and Exchange Commission and comply with the Securities and Exchange Commission's proxy rules in connection with meetings of the Toro stockholders. Toro believes that its purchase of shares under the tender offer will not result in the shares becoming eligible for deregistration under the Exchange Act.

13. Legal Matters; Regulatory Approvals.

Except as described above, Toro is not aware of any license or regulatory permit that appears material to its business that might be adversely affected by its acquisition of shares as contemplated by the tender offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic, foreign or supranational, that would be required for the acquisition of shares by Toro as contemplated by the tender offer. Should any approval or other action be required, Toro presently contemplates that it will seek that approval or other action. Toro is unable to predict whether it will be required to delay the acceptance for payment of or payment for shares tendered under the tender offer pending the outcome of any such matter. There can be no assurance that any approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to its business and financial condition. The obligations of Toro under the tender offer to accept for payment and pay for shares is subject to conditions. *See Section 7.*

14. U.S. Federal Income Tax Consequences.

The following describes the material United States federal income tax consequences relevant to the tender offer. This discussion is based upon the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), existing and proposed Treasury Regulations, administrative pronouncements and judicial

decisions, changes to which could materially affect the tax consequences described herein and could be made on a retroactive basis.

This discussion deals only with shares held as capital assets and does not deal with all tax consequences that may be relevant to all categories of holders (such as financial institutions, dealers in securities or commodities, traders in securities who elect to apply a mark-to-market method of accounting, insurance companies, tax-exempt organizations, former citizens or residents of the United States or persons who hold shares as part of a hedge, straddle, constructive sale or conversion transaction). In particular, different rules may apply to shares received through the exercise of employee stock options or otherwise as compensation. This discussion does not address the state, local or foreign tax consequences of participating in the tender offer. Holders of shares should consult their tax advisors as to the particular consequences to them of participation in the tender offer.

As used herein, a "Holder" means a beneficial holder of shares that is a citizen or resident of the United States, a corporation or a partnership created or organized under the laws of the United States or any State thereof, a trust whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to make all substantial decisions, or an estate the income of which is subject to United States federal income taxation regardless of its source.

Holders of shares who are not United States holders ("foreign stockholders") should consult their tax advisors regarding the United States federal income tax consequences and any applicable foreign tax consequences of the tender offer and should also see Section 3 for a discussion of the applicable United States withholding rules and the potential for obtaining a refund of all or a portion of any tax withheld.

We urge stockholders to consult their tax advisors to determine the particular tax consequences to them of participating in the tender offer.

Non-Participation in the Tender Offer. Holders of shares who do not participate in the tender offer will not incur any tax liability as a result of the consummation of the tender offer.

Exchange of Shares Pursuant to the Tender Offer. An exchange of shares for cash pursuant to the tender offer will be a taxable transaction for United States federal income tax purposes. A Holder who participates in the tender offer will, depending on such Holder's particular circumstances, be treated either as recognizing gain or loss from the disposition of the shares or as receiving a distribution from us with respect to our stock.

Under Section 302 of the Code, a Holder will recognize gain or loss on an exchange of shares for cash if the exchange

- results in a "complete termination" of all such Holder's equity interest in us,
- results in a "substantially disproportionate" redemption with respect to such Holder, or
- is "not essentially equivalent to a dividend" with respect to the Holder.

In applying the Section 302 tests, a Holder must take account of shares that such Holder constructively owns under attribution rules, pursuant to which the Holder will be treated as owning shares owned by certain family members (except that in the case of a "complete termination" a Holder may, under certain circumstances, waive attribution from family members) and related entities and shares that the Holder has the right to acquire by exercise of an option. An exchange of shares for cash will be a substantially disproportionate redemption with respect to a Holder if the percentage of the then outstanding shares owned by such Holder immediately after the exchange is less than 80% of the percentage of the shares owned by such Holder immediately before the exchange. If an exchange of shares for cash fails to satisfy the "substantially disproportionate" test, the Holder may nonetheless satisfy the "not essentially equivalent to a dividend" test. An exchange of shares for cash will satisfy the "not essentially equivalent to a dividend" test if it results in a "meaningful reduction" of the Holder's equity interest in us. An exchange of shares for cash that results in a relatively minor (e.g., approximately 3%) reduction of the proportionate equity interest in us of a Holder whose relative equity interest in us is minimal (an interest of less than one percent should satisfy

this requirement) and who does not exercise any control over or participate in the management of our corporate affairs should be treated as "not essentially equivalent to a dividend." Holders should consult their tax advisors regarding the application of the rules of Section 302 in their particular circumstances.

If a Holder is treated as recognizing gain or loss from the disposition of the shares for cash, such gain or loss will be equal to the difference between the amount of cash received and such Holder's tax basis in the shares exchanged therefor. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holding period of the shares exceeds one year as of the date of the exchange.

If a Holder is not treated under the Section 302 tests as recognizing gain or loss on an exchange of shares for cash, the entire amount of cash received by such Holder pursuant to the exchange will be treated as a dividend to the extent of the Holder's allocable portion of our current and accumulated earnings and profits and then as a return of capital to the extent of the Holder's basis in the shares exchanged and thereafter as capital gain. Provided certain holding period requirements are satisfied, non-corporate Holders generally will be subject to U.S. federal income tax at a maximum rate of 15% on amounts treated as dividends. Such a dividend will be taxed at a maximum rate of 15% in its entirety, without reduction for the tax basis of the shares exchanged. To the extent that a purchase of a Holder's shares by us in the tender offer is treated as the receipt by the Holder of a dividend, the Holder's remaining adjusted basis (reduced by the amount, if any, treated as a return of capital) in the purchased shares will be added to any shares retained by the Holder, subject, in the case of corporate stockholders, to reduction of basis or possible gain recognition under the "extraordinary dividend" provisions of the Code in an amount equal to the non-taxed portion of the dividend. To the extent that cash received in exchange for shares is treated as a dividend to a corporate Holder, (i) it will be eligible for a dividends-received deduction (subject to applicable limitations) and (ii) it will be subject to the "extraordinary dividend" provisions of the Code. Corporate Holders should consult their tax advisors concerning the availability of the dividends-received deduction and the application of the "extraordinary dividend" provisions of the Code in their particular circumstances.

We cannot predict whether or the extent to which the tender offer will be oversubscribed. If the tender offer is oversubscribed, proration of tenders pursuant to the tender offer will cause us to accept fewer shares than are tendered. Therefore, a Holder can be given no assurance that a sufficient number of such Holder's shares will be purchased pursuant to the tender offer to ensure that such purchase will be treated as a sale or exchange, rather than as a dividend, for federal income tax purposes pursuant to the rules discussed above.

See Section 3 with respect to the application of federal income tax withholding and backup withholding.

We have included the discussion set forth above for general information only. We urge stockholders to consult their tax advisor to determine the particular tax consequences to them of the tender offer, including the applicability and effect of state, local and foreign tax laws.

15. Extension of the Tender Offer; Termination; Amendment.

Toro expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 shall have occurred or shall be deemed by Toro to have occurred, to extend the period of time during which the tender offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of the extension to the depositary and making a public announcement of the extension. Toro also expressly reserves the right, in its sole discretion, to terminate the tender offer and not accept for payment or pay for any shares not theretofore accepted for payment or paid for or, subject to applicable law, to postpone payment for shares upon the occurrence of any of the conditions specified in Section 7 by giving oral or written notice of termination or postponement to the depositary and making a public announcement of termination or postponement. Toro's reservation of the right to delay payment for shares that it has accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that Toro must pay the consideration offered or return the shares tendered promptly after termination or withdrawal of a tender offer. Subject to compliance with applicable law, Toro further reserves the right, in its sole discretion, and regardless of whether any of the events set forth in Section 7 shall have occurred or shall be deemed by Toro to have occurred, to amend the tender offer in any respect, including, without limitation, by decreasing or

increasing the consideration offered in the tender offer to holders of shares or by decreasing or increasing the number of shares being sought in the tender offer. Amendments to the tender offer may be made at any time and from time to time effected by public announcement, the announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced expiration date. Any public announcement made under the tender offer will be disseminated promptly to stockholders in a manner reasonably designed to inform stockholders of the change. Without limiting the manner in which Toro may choose to make a public announcement, except as required by applicable law, Toro shall have no obligation to publish, advertise or otherwise communicate any public announcement other than by making a release through Business Wire.

If Toro materially changes the terms of the tender offer or the information concerning the tender offer, Toro will extend the tender offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the Securities and Exchange Commission provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of the terms or information. If

- Toro increases or decreases the price to be paid for shares or increases or decreases the number of shares being sought in the tender offer and, if an increase in the number of shares being sought, such increase exceeds 2% of the outstanding shares, and

- the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that the notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this Section 15,

the tender offer will be extended until the expiration of such ten business day period.

16. Fees and Expenses.

Toro has retained Banc of America Securities LLC to act as the dealer manager in connection with the tender offer. Banc of America Securities LLC will receive reasonable and customary compensation. Toro also has agreed to indemnify Banc of America Securities LLC against certain liabilities in connection with the tender offer, including liabilities under the U.S. federal securities laws. Banc of America Securities LLC has rendered various investment banking and other services to Toro and its affiliates in the past, and may continue to render these services, for which they have received, and may continue to receive, customary compensation from Toro and its affiliates. In the ordinary course of its trading and brokerage activities, Banc of America Securities LLC and its affiliates may hold positions, for their own accounts or for those of their customers, in securities of Toro.

Toro has retained Morrow & Co., Inc. to act as information agent and Wells Fargo Bank, N.A. to act as depositary in connection with the tender offer. The information agent may contact holders of shares by mail, telephone, telegraph and in person, and may request brokers, dealers, commercial banks, trust companies and other nominee stockholders to forward materials relating to the tender offer to beneficial owners. The information agent and the depositary each will receive reasonable and customary compensation for their respective services, will be reimbursed by Toro for specified reasonable out-of-pocket expenses, and will be indemnified against certain liabilities in connection with the tender offer, including certain liabilities under the U.S. federal securities laws.

In connection with the tender offer, Putnam Fiduciary Trust Company, the trustee for each of The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees may contact participants in these plans by mail, telephone, fax, and personal interviews. The trustee for these plans receives reasonable and customary compensation for its services and is reimbursed for certain out-of-pocket expenses pursuant to arrangements with Toro to act as trustee for the plans. Under those arrangements, no separate fee is payable to the trustee in connection with the tender offer.

No fees or commissions will be payable by Toro to brokers, dealers, commercial banks or trust companies (other than fees to the dealer manager, the information agent and the trustee for Toro's employee plans, as described above) for soliciting tenders of shares under the tender offer. We urge stockholders holding shares through brokers or banks to consult the brokers or banks to determine whether transaction costs are applicable if stockholders tender shares through such brokers or banks and not directly to the depositary. Toro, however, upon request, will reimburse brokers, dealers, commercial banks and trust companies for customary mailing and handling expenses incurred by them in forwarding the tender offer and related materials to the beneficial owners of shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of Toro, the dealer manager, the information agent, the depositary or the trustee for Toro's employee plans for purposes of the tender offer. Toro will pay or cause to be paid all stock transfer taxes, if any, on its purchase of shares, except as otherwise provided in this document and Instruction 9 in the letter of transmittal.

17. Miscellaneous.

Toro is not aware of any jurisdiction where the making of the tender offer is not in compliance with applicable law. If Toro becomes aware of any jurisdiction where the making of the tender offer or the acceptance of shares pursuant thereto is not in compliance with applicable law, Toro will make a good faith effort to comply with the applicable law. If, after such good faith effort, Toro cannot comply with the applicable law, Toro will not make the tender offer to (nor will tenders be accepted from or on behalf of) the holders of shares in that jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the tender offer to be made by a licensed broker or dealer, the tender offer shall be deemed to be made on behalf of Toro by the dealer manager or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

Pursuant to Rule 13e-4(c)(2) under the Exchange Act, Toro has filed with the Commission an Issuer Tender Offer Statement on Schedule TO, which contains additional information with respect to the tender offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in Section 10 with respect to information concerning Toro.

Toro has not authorized any person to make any recommendation on behalf of Toro as to whether you should tender or refrain from tendering your shares in the tender offer. Toro has not authorized any person to give any information or to make any representation in connection with the tender offer other than those contained in this offer to purchase or in the letter of transmittal. If anyone makes any recommendation or representation to you or gives you any information, you must not rely upon that recommendation, representation or information as having been authorized by Toro or the dealer manager.

March 17, 2004

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The letter of transmittal and share certificates and any other required documents should be sent or delivered by each stockholder or that stockholder's broker, dealer, commercial bank, trust company or nominee to the depositary at one of its addresses set forth below.

The depositary for the tender offer is:

Wells Fargo Bank, N.A.

By registered mail:
Wells Fargo Bank, N.A.
Shareowner Services
Corporate Actions Department
P.O. Box 64858
St. Paul, Minnesota 55164-0858

By hand or overnight courier:
Wells Fargo Bank, N.A.
Shareowner Services
Corporate Actions Department
161 North Concord Exchange South
St. Paul, Minnesota 55075

Please direct any questions or requests for assistance to the information agent or the dealer manager at their respective telephone numbers and addresses set forth below. Please direct requests for additional copies of this offer to purchase, the letter of transmittal or the notice of guaranteed delivery to the information agent at the telephone number and address set forth below. Stockholders also may contact their broker, dealer, commercial bank, trust company or nominee for assistance concerning the tender offer. Please contact the depositary to confirm delivery of shares.

The information agent for the tender offer is:

Morrow & Co., Inc.

Morrow & Co., Inc.

Call Collect: (212) 754-8000
Banks and Brokerage Firms Call: (800) 654-2468
Stockholders Please Call: (800) 607-0088

The dealer manager for the tender offer is:

Banc of America Securities LLC

Banc of America Securities LLC
9 West 57th Street
New York, New York 10019
(212) 583-8564 (Call Collect)
(888) 583-8900, extension 8564 (Call Toll Free)

Exhibit (a)(1)(B)

LETTER OF TRANSMITTAL

To Tender Shares of Common Stock, Par Value $1.00 Per Share (Including the Associated Preferred Stock Purchase Rights) of The Toro Company Pursuant to the offer to purchase, dated March 17, 2004

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON WEDNESDAY, APRIL 14, 2004, UNLESS TORO EXTENDS THE TENDER OFFER.

The depositary for the tender offer is:

Wells Fargo Bank, N.A.

By registered mail:

Wells Fargo Bank, N.A.
Shareowner Services
Corporate Actions Department
P.O. Box 64858
St. Paul, Minnesota 55164-0858

By hand or overnight courier:

Wells Fargo Bank, N.A.
Shareowner Services
Corporate Actions Department
161 North Concord Exchange South
St. Paul, Minnesota 55075

Description of Shares Tendered

Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as names(s) appear(s) on certificate(s))	Certificate(s) Tendered (Attach and sign additional list if necessary)		
	Certificate Number(s)*	Number of Shares Represented By Certificate(s)	Number of Shares Tendered**
	Total Shares Tendered*		

*** Indicate in this box the order (by certificate number) in which shares are to be purchased in event of proration (attach additional signed list if necessary): See Instruction 7.
1st: 2nd: 3rd: 4th: 5th: 6th:

* Need not complete if shares are delivered by book-entry transfer.
** If you desire to tender fewer than all shares evidenced by any certificate(s) listed above, please indicate in this column the number of shares you wish to tender. Otherwise, all shares evidenced by such certificate(s) will be deemed to have been tendered. See Instruction 4.
*** If you do not designate an order and Toro purchases less than all shares tendered due to proration, the depositary will select the shares that Toro will purchase. See Instruction 7.

Delivery of this letter of transmittal to an address other than one of those set forth above will not constitute a valid delivery. You must deliver this letter of transmittal to the depositary. Deliveries to The Toro Company ("Toro"), Banc of America Securities LLC (the dealer manager for the tender offer) or Morrow & Co., Inc. (the information agent for the tender offer) will not be forwarded to the depositary and therefore will not constitute valid delivery to the depositary. Delivery of the letter of transmittal and any other required documents to the book-entry transfer facility will not constitute delivery to the depositary.

YOU MAY NOT USE THIS LETTER OF TRANSMITTAL TO TENDER SHARES HELD IN THE TORO COMPANY INVESTMENT, SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN, THE TORO COMPANY PROFIT-SHARING PLAN FOR PLYMOUTH UNION EMPLOYEES OR THE HAHN EQUIPMENT CO. SAVINGS PLAN FOR UNION EMPLOYEES. INSTEAD, YOU MUST USE THE SEPARATE TENDER INSTRUCTION FORMS SENT TO PARTICIPANTS IN THOSE PLANS.

You should use this letter of transmittal if you are causing the shares to be delivered by book-entry transfer to the depositary's account at the Depositary Trust Company ("DTC," which is hereinafter referred to as the "book-entry transfer facility") pursuant to the procedures set forth in Section 3 of the offer to purchase. Only financial institutions that are participants in the book-entry transfer facility's system may make book-entry delivery of the shares.

The information agent for the tender offer is:

Morrow & Co., Inc.

Morrow & Co., Inc.

Call Collect: (212) 754-8000
Banks and Brokerage Firms Call: (800) 654-2468
Stockholders Please Call: (800) 607-0088

BEFORE COMPLETING THIS LETTER OF TRANSMITTAL, YOU SHOULD READ THIS LETTER OF TRANSMITTAL AND THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

You should use this letter of transmittal only if (1) you are also enclosing certificates for the shares you desire to tender, or (2) you intend to deliver certificates for such shares under a notice of guaranteed delivery previously sent to the depositary, or (3) you are delivering shares through a book-entry transfer into the depositary's account at The Depositary Trust Company (i.e., the book-entry transfer facility) in accordance with Section 3 of the offer to purchase.

If you desire to tender shares in the tender offer, but you cannot deliver the certificates for your shares and all other required documents to the depositary by the expiration date (as set forth in the offer to purchase), or cannot comply with the procedures for book-entry transfer on a timely basis, then you may tender your shares according to the guaranteed delivery procedures set forth in Section 3 of the offer to purchase. See Instruction 2. Delivery of the letter of transmittal and any other required documents to the book-entry transfer facility does not constitute delivery to the depositary.

o **Check here if you are delivering tendered shares pursuant to a notice of guaranteed delivery that you previously sent to the depositary and complete the following:**

Name(s) of Tendering Stockholder(s):

Date of Execution of notice of guaranteed delivery:

Name of Institution that Guaranteed Delivery:

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o **Check here if any certificates evidencing the shares you are tendering with this letter of transmittal have been lost, stolen, destroyed or mutilated. If you check this box, you must complete an affidavit of loss and return it with your letter of transmittal. You should call Wells Fargo Bank, N.A. ("Wells Fargo"), the transfer agent, at (800) 468-9716 to get information about the requirements for replacement. You may be required to post a bond to secure against the risk that certificates may be subsequently recirculated. Please call Wells Fargo immediately to obtain an affidavit of loss, to receive further instructions on how to proceed, and to determine whether you will need to post a bond, so that the timely processing of this letter of transmittal will not be impeded. See Instruction 16.**

o **Check here if you are a financial institution that is a participating institution in the book-entry transfer facility’s system and you are delivering the tendered shares by book-entry transfer to an account maintained by the depositary at the book-entry transfer facility, and complete the following:**

Name(s) of Tendering Institution:

Account Number:

Transaction Code Number:

NOTE: SIGNATURES MUST BE PROVIDED BELOW

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

CHECK EXACTLY *ONE* BOX. IF YOU CHECK MORE THAN ONE BOX, OR IF YOU DO NOT CHECK ANY BOX, YOU WILL HAVE FAILED TO VALIDLY TENDER ANY SHARES.

SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER

(SEE INSTRUCTION 5)

o The undersigned wants to maximize the chance of having Toro purchase all shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this **ONE** box **INSTEAD OF ONE OF THE PRICE BOXES BELOW,** the undersigned hereby tenders shares and is willing to accept the purchase price determined by Toro pursuant to the tender offer (the “Purchase Price”). This action could result in receiving a price per share as low as $56.50.

— OR —

SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER

(SEE INSTRUCTION 5)

By checking **ONE** of the boxes below **INSTEAD OF THE BOX ABOVE,** the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the Purchase Price is less than the price checked below. **A stockholder who desires to tender shares at more than one price must complete a separate letter of transmittal for each price at which the stockholder tenders shares**. You cannot tender the same shares at more than one price, unless you have previously validly withdrawn those shares tendered at a different price in accordance with Section 4 of the offer to purchase.

Price (in Dollars) Per Share at Which Shares Are Being Tendered

o $56.50	o $57.50	o $58.50	o $59.50
o $56.75	o $57.75	o $58.75	o $59.75
o $57.00	o $58.00	o $59.00	o $60.00
o $57.25	o $58.25	o $59.25	

You WILL NOT have validly tendered your shares

unless you check ONE AND ONLY ONE BOX IN THIS FRAME.

ODD LOTS

(See Instruction 6)

To be completed **only** if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares.

On the date hereof, the undersigned either (check one box):

o is the beneficial or record owner of an aggregate of fewer than 100 shares and is tendering all of those shares, or

o is a broker, dealer, commercial bank, trust company or other nominee that (i) is tendering, for the beneficial owner(s) thereof, shares with respect to which it is the record holder, and (ii) believes, based upon representations made to it by such beneficial owner(s), that each such person was the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

In addition, the undersigned is tendering shares (check ONE box):

o at the Purchase Price, which will be determined by Toro in accordance with the terms of the tender offer (persons checking this box should check the box under the heading “Shares Tendered at Price Determined Pursuant to the Tender Offer”); or

o at the price per share indicated under the heading “Shares Tendered at Price Determined by Stockholder.”

CONDITIONAL TENDER

(See Instruction 11)

A tendering stockholder may condition his or her tender of shares upon Toro purchasing a specified minimum number of the shares tendered, as described in Section 6 of the offer to purchase. Unless Toro purchases at least the minimum number of shares you indicate below pursuant to the terms of the tender offer, Toro will not purchase any of the shares tendered below. It is the tendering stockholder's responsibility to calculate that minimum number, and we urge each stockholder to consult his or her own tax advisor in doing so. Unless you check the box immediately below and specify, in the space provided, a minimum number of shares that Toro must purchase from you if Toro purchases any shares from you, Toro will deem your tender unconditional.

o The minimum number of shares that Toro must purchase from me if Toro purchases any shares from me, is: ___________ shares.

If, because of proration, Toro will not purchase the minimum number of shares from you that you designate, Toro may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares. To certify that you are tendering all of the shares you own, check the box below.

o The tendered shares represent all shares held by the undersigned.

SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1 and 10)

Complete this box **ONLY** if the check for the aggregate Purchase Price of shares purchased (less the amount of any federal income or backup withholding tax required to be withheld) and/or certificate for shares not tendered or not purchased are to be issued in the name of someone other than the undersigned, or if shares tendered hereby and delivered by book-entry transfer which are not purchased are to be returned by crediting them to an account at the book-entry transfer facility other than the account designated above.

CHECK ONE OR BOTH BOXES AS APPROPRIATE:

o ***Issue Check to:***

o ***Issue Share Certificate to:***

Name:

(Please Print)

Address:

(Include Zip Code)

(Taxpayer Identification or Social Security Number)
(See Substitute Form W-9 Included Herewith)

CHECK and COMPLETE IF APPLICABLE:

o *Credit shares delivered by book-entry transfer and not purchased to the account set forth below:*

Account Number:

SPECIAL DELIVERY INSTRUCTIONS

(See Instructions 1 and 10)

Complete this box **ONLY** if the check for the aggregate Purchase Price of shares purchased (less the amount of any federal income or backup withholding tax required to be withheld) and/or certificate for shares not tendered or not purchased are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).

CHECK ONE OR BOTH BOXES AS APPROPRIATE:

o ***Deliver Check to:***

o ***Deliver Share Certificate to:***

Name:

(Please Print)

Address:

(Include Zip Code)

(Taxpayer Identification or Social Security Number)
(See Substitute Form W-9 Included Herewith)

Ladies and Gentlemen:

The undersigned hereby tenders to The Toro Company, a Delaware corporation (“Toro”), the above-described shares of Toro’s common stock, par value $1.00 per share, together with the associated preferred stock purchase rights issued under the Rights Agreement, dated as of May 20, 1998, between Toro and Wells Fargo Bank, N.A. as the Rights Agent (such shares, together with such rights, herein referred to as the “shares”). Unless the associated preferred stock purchase rights are redeemed prior to the expiration of the tender offer, a tender of any shares will also constitute a tender of the associated preferred stock purchase rights.

The tender of the shares is being made at the price per share indicated in this letter of transmittal, net to the seller in cash, without interest, on the terms and subject to the conditions set forth in this letter of transmittal and in Toro’s offer to purchase, dated March 17, 2004, receipt of which is hereby acknowledged.

Subject to and effective upon acceptance for payment of, and payment for, shares tendered with this letter of transmittal in accordance with the terms of the tender offer, the undersigned hereby (1) sells, assigns and transfers to or upon the order of Toro all right, title and interest in and to all of the shares tendered hereby which are so accepted and paid for; (2) orders the registration of any shares tendered by book-entry transfer that are purchased under the tender offer to or upon the order of Toro; and (3) appoints the depositary as attorney-in-fact of the undersigned with respect to such shares, with the full knowledge that the depositary also acts as the agent of Toro, with full power of substitution (such power of attorney being an irrevocable power coupled with an interest), to perform the following functions:

(a) deliver certificates for shares, or transfer ownership of such shares on the account books maintained by the book-entry transfer facility, together in either such case with all accompanying evidences of transfer and authenticity, to or upon the order of Toro, upon receipt by the depositary, as the undersigned’s agent, of the Purchase Price with respect to such shares;

(b) present certificates for such shares for cancellation and transfer on Toro’s books; and

(c) receive all benefits and otherwise exercise all rights of beneficial ownership of such shares, subject to the next paragraph, all in accordance with the terms of the tender offer.

The undersigned understands that Toro will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than $60.00 nor less than $56.50 per share (the “Purchase Price”), which it will pay for shares validly tendered and not validly withdrawn pursuant to the tender offer, after taking into account the number of shares so tendered and the prices specified by tendering stockholders. The undersigned understands that Toro will select the lowest purchase price that will allow it to purchase 2,500,000 shares or, if a lesser number of shares is validly tendered and not validly withdrawn, all such shares that are validly tendered and not validly withdrawn. The undersigned further understands that Toro reserves the right to purchase more than 2,500,000 shares pursuant to the tender offer, subject to certain limitations and legal requirements as set forth in the tender offer. Toro will purchase all shares validly tendered at or below the Purchase Price and not validly withdrawn, subject to the conditions of the tender offer and the “odd lot” priority, proration and conditional tender provisions described in the offer to purchase. The undersigned understands that all stockholders whose shares are purchased by Toro will receive the same Purchase Price for each share purchased in the tender offer.

The undersigned hereby covenants, represents and warrants to Toro that:

(a) the undersigned has a net long position in the shares at least equal to the number of shares being tendered within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is tendering the shares in compliance with Rule 14e-4 under the Exchange Act;

(b) has full power and authority to tender, sell, assign and transfer the shares tendered hereby;

(c) when and to the extent Toro accepts the shares for purchase, Toro will acquire good and marketable title to them, free and clear of all security interests, liens, restrictions, claims, charges, encumbrances, conditional sales agreements or other obligations relating to their sale or transfer, and the shares will not be subject to any adverse claims or rights;

(d) the undersigned will, upon request, execute and deliver any additional documents deemed by the depositary or Toro to be necessary or desirable to complete the sale, assignment and transfer of the shares tendered hereby and accepted for purchase; and

(e) the undersigned has read and agrees to all of the terms of the tender offer.

The undersigned understands that tendering of shares under any one of the procedures described in Section 3 of the offer to purchase and in the Instructions to this letter of transmittal will constitute an agreement between the undersigned and Toro upon the terms and subject to the conditions of the tender offer. The undersigned acknowledges that under no circumstances will Toro pay interest on the Purchase Price.

The undersigned recognizes that under certain circumstances set forth in the offer to purchase, Toro may terminate or amend the tender offer; or may postpone the acceptance for payment of, or the payment for, shares tendered, or may accept for payment fewer than all of the shares tendered hereby. The undersigned understands that certificate(s) for any shares not tendered or not purchased will be returned to the undersigned at the address indicated above.

The names and addresses of the registered holders should be printed, if they are not already printed above, exactly as they appear on the certificates representing shares tendered hereby. The certificate numbers, the number of shares represented by such certificates, and the number of shares that the undersigned wishes to tender, should be set forth in the appropriate boxes above.

Unless otherwise indicated under "Special Payment Instructions," please issue the check for the aggregate Purchase Price of any shares purchased (less the amount of any federal income or backup withholding tax required to be withheld), and/or return any shares not tendered or not purchased, in the name(s) of the undersigned or, in the case of shares tendered by book-entry transfer, by credit to the account at the book-entry transfer facility designated above. Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the aggregate Purchase Price of any shares purchased (less the amount of any federal income or backup withholding tax required to be withheld), and any certificates for shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature(s). In the event that both the "Special Payment Instructions" and the "Special Delivery Instructions" are completed, please issue the check for the aggregate Purchase Price of any shares purchased (less the amount of any federal income or backup withholding tax required to be withheld) and/or return any shares not tendered or not purchased in the name(s) of, and mail said check and any certificates to, the person(s) so indicated.

The undersigned recognizes that Toro has no obligation, under the Special Payment Instructions, to transfer any certificate for shares from the name of its registered holder, or to order the registration or transfer of shares tendered by book-entry transfer, if Toro purchases none of the shares represented by such certificate or tendered by such book-entry transfer.

All authority conferred or agreed to be conferred in this letter of transmittal shall survive the death or incapacity of the undersigned and any obligations or duties of the undersigned under this letter of transmittal shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the offer to purchase, this tender is irrevocable.

STOCKHOLDER(S) SIGN HERE

(See Instructions 1 and 8)
(Please Complete Substitute Form W-9)

Must be signed by registered holder(s) exactly as name(s) appear(s) on share certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by share certificates and documents transmitted herewith. If a signature is by an officer on behalf of a corporation or by an executor, administrator, trustee, guardian, attorney-in-fact, agent or other person acting in a fiduciary or representative capacity, please provide full title and see Instruction 8.

Signature(s) of Stockholder(s)

Dated: ______________________________ , 2004

Name(s):

Please Print

Capacity (full title):

Address:

Please Include Zip Code

(Area Code) Telephone Number:

Taxpayer Identification or
Social Security No.:

GUARANTEE OF SIGNATURE(S)

(If Required, See Instructions 1 and 8)

Authorized Signature

Name(s)

Name of Firm

Address

Address Line 2

(Area Code) Telephone No.

Dated: ______________________________ , 2004

INSTRUCTIONS TO LETTER OF TRANSMITTAL

FORMING PART OF THE TERMS OF THE TENDER OFFER

If you participate in The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit Sharing Plan for Plymouth Union Employees or the Hahn Equipment Co. Savings Plan for Union Employees, you must not use this letter of transmittal to direct the tender of the shares attributable to your account in one of those plans. Instead, you must use the separate "tender instruction forms" sent to participants in those plans. If you participate in The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees or the Hahn Equipment Co. Savings Plan for Union Employees, you should read the separate "tender instruction forms" and related materials carefully.

1. **Guarantee of Signatures.** Except as otherwise provided in this Instruction, all signatures on this letter of transmittal must be guaranteed by a financial institution that is a participant in the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution" as such term is defined in Rule 17Ad-15 under the Exchange Act (an "Eligible Institution"). Signatures on this letter of transmittal need not be guaranteed if either (a) this letter of transmittal is signed by the registered holder(s) of the shares (which term, for purposes of this letter of transmittal, shall include any participant in the book-entry transfer facility whose name appears on a security position listing as the owner of shares) tendered herewith and such holder(s) have not completed either the box entitled "Special Payment Instructions" or "Special Delivery Instructions" in this letter of transmittal; or (b) such shares are tendered for the account of an Eligible Institution. See Instruction 8. You may also need to have any certificates you deliver endorsed or accompanied by a stock power, and the signatures on these documents may also need to be guaranteed. See Instruction 8.

2. **Delivery of Letter of Transmittal and Certificates; Guaranteed Delivery Procedures.** You should use this letter of transmittal only if you are (a) forwarding certificates with this letter of transmittal, (b) going to deliver certificates under a notice of guaranteed delivery previously sent to the depositary, or (c) causing the shares to be delivered by book-entry transfer pursuant to the procedures set forth in Section 3 of the offer to purchase. In order for you to validly tender shares, the depositary must receive certificates for all physically tendered shares, or a confirmation of a book-entry transfer of all shares delivered electronically into the depositary's account at the book-entry transfer facility, together in each case with a properly completed and duly executed letter of transmittal, or an Agent's Message in connection with book-entry transfer, and any other documents required by this letter of transmittal, at one of its addresses set forth in this letter of transmittal by the expiration date (as defined in the offer to purchase).

The term "Agent's Message" means a message transmitted by the book-entry transfer facility to, and received by, the depositary, which states that the book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility tendering the shares, that the participant has received and agrees to be bound by the terms of the letter of transmittal, and that Toro may enforce this agreement against the participant.

Guaranteed Delivery. If you cannot deliver your shares and all other required documents to the depositary by the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, you may tender your shares, pursuant to the guaranteed delivery procedure described in Section 3 of the offer to purchase, by or through any Eligible Institution. To comply with the guaranteed delivery procedure, you must (1) properly complete and duly execute a notice of guaranteed delivery substantially in the form provided to you by Toro, specifying the price at which you are tendering your shares, including (where required) a Signature Guarantee by an Eligible Institution in the form set forth in the notice of guaranteed delivery; (2) arrange for the depositary to receive the notice of guaranteed delivery by the expiration date; and (3) ensure that the depositary receives the certificates for all physically tendered shares or book-entry confirmation of electronic delivery of shares, as the case may be, together with a properly completed and duly executed letter of transmittal with any required signature guarantees or an Agent's Message, and all other documents required by this letter of transmittal, within three New York Stock Exchange, Inc. trading days after receipt by the depositary of such notice of guaranteed delivery, all as provided in Section 3 of the offer to purchase.

The notice of guaranteed delivery may be delivered by hand, facsimile transmission or mail to the depositary and must include, if necessary, a guarantee by an eligible guarantor institution in the form set forth in such notice. For shares to be tendered validly under the guaranteed delivery procedure, the depositary must receive the notice of guaranteed delivery before the expiration date.

The method of delivery of all documents, including certificates for shares, is at the option and risk of the tendering stockholder. If you choose to deliver the documents by mail, we recommend that you use registered mail with return receipt requested, properly insured. In all cases, please allow sufficient time to assure delivery.

Except as specifically permitted by Section 6 of the offer to purchase, Toro will not accept any alternative, conditional or contingent tenders, nor will it purchase any fractional shares. By executing this letter of transmittal, you waive any right to receive any notice of the acceptance for payment of your tendered shares.

3. **Inadequate Space.** If the space provided in the box captioned "Description of Shares Tendered" is inadequate, then you should list the certificate numbers, the number of shares represented by the certificate(s) and the number of shares tendered with respect to each certificate on a separate signed schedule attached to this letter of transmittal.

4. **Partial Tenders and Unpurchased Shares.** (*Not applicable to stockholders who tender by book-entry transfer.*) If you wish to tender (i.e., offer to sell) fewer than all of the shares evidenced by any certificate(s) that you deliver to the depositary, fill in the number of shares that you wish to tender (i.e., offer for sale) in the column entitled "Number of Shares Tendered." In this case, if Toro purchases some but not all of the shares that you tender, Toro will issue to you a new certificate for the unpurchased shares. The new certificate will be sent to the registered holder(s) as promptly as practicable after the expiration date. Unless you indicate otherwise, all shares represented by the certificate(s) listed and delivered to the depositary will be deemed to have been tendered. In the case of shares tendered by book-entry transfer at the book-entry transfer facility, any tendered but unpurchased shares will be credited to the appropriate account maintained by the tendering stockholder at the book-entry transfer facility. In each case, shares will be returned or credited without expense to the stockholder.

5. **Indication of Price at Which Shares are Being Tendered.** In order to validly tender your shares by this letter of transmittal, you must either

a. check the box under "SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER" in order to maximize the chance of having Toro purchase all of the shares that you tender (subject to the possibility of proration); OR

b. check one of the boxes indicating the price per share at which you are tendering shares in the section entitled "SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER."

YOU MUST CHECK ONE, AND ONLY ONE, BOX. If you check more than one box or no boxes, then you will be deemed not to have validly tendered your shares. **If you wish to tender portions of your different share holdings at different prices, you must complete a separate letter of transmittal for each price at which you wish to tender each such portion of your share holdings.** You cannot tender the same shares at more than one price (unless, prior to tendering previously tendered shares at a new price, you validly withdrew those shares in accordance with Section 4 of the offer to purchase).

By checking the box under "Shares Tendered at Price Determined Pursuant to the Tender Offer" you agree to accept the Purchase Price resulting from the tender offer process, which may be as low as $56.50 and as high as $60.00 per share. By checking a box under "Shares Tendered at Price Determined by Stockholder," you acknowledge that doing so could result in none of the shares you tender being purchased if the Purchase Price for the shares turns out to be less than the price you selected.

6. **Odd Lots.** As described in Section 1 of the offer to purchase, if Toro purchases fewer than all shares properly tendered before the expiration date and not properly withdrawn, Toro will first purchase all shares tendered by any stockholder who (a) owns, beneficially or of record, an aggregate of fewer than 100 shares, and (b) tenders all of his or her shares at or below the Purchase Price. You will only receive this preferential treatment if you own fewer than 100 shares and tender ALL of the shares you own at or below the Purchase Price. Even if you otherwise qualify for "odd lot" preferential treatment, you will not receive such preference unless you complete the section entitled "Odd Lots" in this letter of transmittal.

7. **Order of Purchase in the Event of Proration.** As described in Section 1 of the offer to purchase, stockholders may specify the order in which their shares are to be purchased in the event that, as a result of proration or

otherwise, Toro purchases some but not all of the tendered shares pursuant to the terms of the tender offer. The order of purchase may have an effect on the federal income tax treatment of any gain or loss on the shares that Toro purchases. See Sections 1, 6 and 14 of the offer to purchase.

8. **Signatures on letter of transmittal, Stock Powers and Endorsements.**

a. **Exact Signatures.** If this letter of transmittal is signed by the registered holder(s) of the shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without any change whatsoever.

b. **Joint Holders.** If the shares are registered in the names of two or more persons, ALL such persons must sign this letter of transmittal.

c. **Different Names on Certificates.** If any tendered shares are registered in different names on several certificates, you must complete, sign and submit as many separate letters of transmittal as there are different registrations of certificates.

d. **Endorsements.** If this letter of transmittal is signed by the registered holder(s) of the shares tendered hereby, no endorsements of certificate(s) representing such shares or separate stock powers are required unless payment of the Purchase Price is to be made, or the certificates for shares not tendered or tendered but not purchased are to be issued, to a person other than the registered holder(s).
Signature(s) on any such certificate(s) or stock powers must be guaranteed by an Eligible Institution.

If this letter of transmittal is signed by a person other than the registered holder(s) of the shares tendered hereby, or if payment is to be made to a person other than the registered holder(s), the certificate(s) for the shares must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on the certificate(s) for such shares, and the signature(s) on such certificates or stock power(s) must be guaranteed by an Eligible Institution. See Instruction 1.

If this letter of transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or any other person acting in a fiduciary or representative capacity, such person should so indicate when signing and must submit to the depositary evidence satisfactory to Toro that such person has authority so to act.

9. **Stock Transfer Taxes.** Except as provided in this Instruction 9, no stock transfer tax stamps or funds to cover such stamps need to accompany this letter of transmittal. Toro will pay or cause to be paid any stock transfer taxes payable on the transfer to it of shares purchased under the tender offer. If, however:

a. payment of the Purchase Price is to be made to any person other than the registered holder(s);

b. certificate(s) for shares not tendered or tendered but not purchased are to be returned in the name of and to any person other than the registered holder(s) of such shares; OR

c. tendered certificates are registered in the name of any person(s) other than the person(s) signing this letter of transmittal,

then the depositary will deduct from the Purchase Price the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person(s) or otherwise) payable on account of the transfer of cash or stock thereby made to such person, unless satisfactory evidence of the payment of such taxes or an exemption from them is submitted with this letter of transmittal.

10. **Special Payment and Delivery Instructions.** If any of the following conditions holds:

a. check(s) for the Purchase Price of any shares purchased pursuant to the tender offer are to be issued to a person other than the person(s) signing this letter of transmittal; or

b. check(s) for the Purchase Price are to be sent to any person other than the person signing this letter of transmittal, or to the person signing this letter of transmittal, but at a different address; or

c. certificates for any shares not tendered, or tendered but not purchased, are to be returned to and in the name of a person other than the person(s) signing this letter of transmittal,

then, in each such case, you must complete the boxes captioned "Special Payment Instructions" and/or "Special Delivery Instructions" as applicable in this letter of transmittal and make sure that the signatures herein are guaranteed as described in Instructions 1 and 8.

11. **Conditional Tenders.** As described in Sections 1 and 6 of the offer to purchase, stockholders may condition their tenders on Toro purchasing all of their shares, or specify a minimum number of shares that Toro must purchase for the tender of any of their shares to be effective. If you wish to make a conditional tender you must indicate this choice in the box entitled "Conditional Tender" in this letter of transmittal or, if applicable, the notice of guaranteed delivery; and you must calculate and appropriately indicate, in the space provided, the minimum number of shares that Toro must purchase if Toro purchases any shares.

As discussed in Sections 1 and 6 of the offer to purchase, proration may affect whether Toro accepts conditional tenders. Proration may result in all of the shares tendered pursuant to a conditional tender being deemed to have been withdrawn, if Toro could not purchase the minimum number of shares required to be purchased by the tendering stockholder due to proration. If, because of proration, Toro will not purchase the minimum number of shares that you designate, Toro may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all of your shares and must have checked the box so indicating. Upon selection by random lot, if any, Toro will limit its purchase in each case to the designated minimum number of shares.

If you are an "odd lot" holder and you tender all of your shares, you cannot conditionally tender, since your shares will not be subject to proration.

All tendered shares will be deemed unconditionally tendered unless the "Conditional Tender" box is checked and appropriately completed. When deciding whether to tender shares conditionally, we urge each stockholder to consult his or her own tax advisor.

12. **Tax Identification Number and Backup Withholding.** Under the federal income tax laws, the depositary will be required to withhold 28% of the amount of any payments made to certain stockholders pursuant to the tender offer. In order to avoid such backup withholding, each tendering stockholder that is a U.S. person (including a U.S. resident alien) must provide the depositary with such stockholder's correct taxpayer identification number by completing the Substitute Form W-9 set forth below.

In general, if a stockholder is an individual, the taxpayer identification number is the social security number of such individual. If the depositary is not provided with the correct taxpayer identification number, the stockholder may be subject to a $50 penalty imposed by the Internal Revenue Service and payments that are made to such stockholder pursuant to the tender offer may be subject to backup withholding. Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order to satisfy the depositary that a foreign individual qualifies as an exempt recipient, such stockholder must submit an IRS Form W-8, signed under penalties of perjury, attesting to that individual's exempt status. You can obtain such statements from the depositary.

For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the Substitute Form W-9 if shares are held in more than one name), consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

Failure to complete the Substitute Form W-9 will not, by itself, cause shares to be deemed invalidly tendered, but may require the depositary to withhold 28% of the amount of any payments made pursuant to the tender offer. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, the taxpayer may obtain a refund, provided that the required information is furnished to the Internal Revenue Service.

NOTE: FAILURE TO COMPLETE AND RETURN THE SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE TENDER OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

Unless Toro determines that a reduced rate of withholding is applicable pursuant to a tax treaty or that an exemption from withholding is applicable because gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, Toro will be required to withhold federal income tax at a rate of 30% from such gross proceeds paid to a foreign stockholder or his agent. For this purpose, a foreign stockholder is any stockholder that is not (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, (iii) a trust whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to make all substantial decisions, or (iv) an estate the income of which is subject to United States federal income taxation regardless of its source. A foreign stockholder may be eligible to file for a refund of such tax or a portion of such tax if such stockholder meets the "complete redemption," "substantially disproportionate" or "not essentially equivalent to a dividend" tests described in the offer to purchase under the caption "The Tender Offer — 14. U.S. Federal Income Tax Consequences" or if such stockholder is entitled to a reduced rate of withholding pursuant to a treaty and Toro withheld at a higher rate.

In order to obtain a reduced rate of withholding under a tax treaty, a foreign stockholder must deliver to the depositary, before the payment, a properly completed and executed statement claiming such an exemption or reduction. A stockholder can obtain such statements from the depositary. In order to claim an exemption from withholding on the grounds that gross proceeds paid pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States, a foreign stockholder must deliver to the depositary a properly executed statement claiming exemption. A stockholder can obtain such statements from the depositary. We urge foreign stockholders to consult their own tax advisors regarding the application of federal income tax withholding, including eligibility for a withholding tax reduction or exemption and the refund procedure.

13. **Irregularities.** Toro will determine in its sole discretion all questions as to the Purchase Price, the number of shares to accept, and the validity, eligibility (including time of receipt), and acceptance for payment of any tender of shares. Any such determinations will be final and binding on all parties. Toro reserves the absolute right to reject any or all tenders of shares it determines not be in proper form or the acceptance of which or payment for which may, in the opinion of Toro, be unlawful. Toro also reserves the absolute right to waive any of the conditions of the tender offer and any defect or irregularity in the tender of any particular shares, and Toro's interpretation of the terms of the tender offer, including these instructions, will be final and binding on all parties. No tender of shares will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as Toro shall determine. None of Toro, the dealer manager (as defined in the offer to purchase), the depositary, the information agent (as defined in the offer to purchase) or any other person is or will be obligated to give notice of any defects or irregularities in tenders and none of them will incur any liability for failure to give any such notice.

14. **Questions; Requests for Assistance and Additional Copies.** Please direct any questions or requests for assistance or for additional copies of the offer to purchase, the letter of transmittal or the notice of guaranteed delivery to the information agent at the telephone number and address set forth below. You may also contact the dealer manager or your broker, dealer, commercial bank or trust company for assistance concerning the tender offer.

15. **Stock Option Plans.** If you hold vested options in Toro's stock option plans, then you may exercise such vested options by paying the cash exercise price and receiving shares which you may then tender in accordance with the terms of the tender offer.

16. **Lost, Stolen, Destroyed or Mutilated Certificates.** If any certificate representing any shares has been lost, stolen, destroyed or mutilated, you should notify Wells Fargo Bank, N.A. ("Wells Fargo"), the transfer agent for the shares, by calling (800) 468-9716 and asking for instructions on obtaining replacement certificate(s) at the address specified on the cover of this letter of transmittal. Wells Fargo will require you to complete an affidavit of loss and return it to Wells Fargo. You will then be instructed by Wells Fargo as to the steps you must take in order to replace the certificate. You may be required to post a bond to secure against the risk that the certificate may be subsequently recirculated.

We cannot process this letter of transmittal and related documents until you have followed the procedures for replacing lost, stolen, destroyed or mutilated certificates. We urge you to contact the transfer agent, Wells Fargo,

immediately, in order to receive further instructions, for a determination as to whether you will need to post a bond, and to permit timely processing of this documentation.

Important: The depositary must receive this letter of transmittal (together with certificate(s) for shares or confirmation of book-entry transfer and all other required documents) or, if applicable, the notice of guaranteed delivery, before the expiration date.

YOU MUST COMPLETE AND SIGN THE SUBSTITUTE FORM W-9 BELOW. Please provide your social security number or other taxpayer identification number ("TIN") and certify that you are not subject to backup withholding.

SUBSTITUTE FORM W-9
Department of the Treasury Internal Revenue Service
Payer's Request for TIN and Certification

Name:

Please check the appropriate box indicating your status:
o Individual/Sole proprietor o Corporation o Partnership o Other o Exempt from backup withholding

---

Address (number, street, and apt. or suite no.)

City, state, and ZIP code

Part I Taxpayer Identification Number ("TIN")

PLEASE PROVIDE YOUR TIN ON THE APPROPRIATE LINE AT THE RIGHT. For most individuals, this is your social security number. If you do not have a number, see the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9. If you are awaiting a TIN, write "Applied For" in this Part I, complete the "Certificate Of Awaiting Taxpayer Identification Number" below and see "IMPORTANT TAX INFORMATION."

Social Security Number
OR

Employer Identification Number

Part II Certification

Under penalties of perjury, I certify that:

(1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and

(2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and

(3) I am a U.S. person (including a U.S. resident alien).

Certification Instructions — You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Sign Here Signature of U.S. person 4 Date 4

<u>NOTE</u>**: FAILURE TO COMPLETE AND RETURN THE SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU ON ACCOUNT OF THE TENDER OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS, AND PLEASE SEE "IMPORTANT TAX INFORMATION."**

COMPLETE THE FOLLOWING CERTIFICATION IF YOU WROTE "APPLIED FOR"

INSTEAD OF A TIN ON THE SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a TIN to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a TIN by the time of payment, 28% of all reportable payments made to me will be withheld.

Sign Here Signature of U.S. person 4 Date 4

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION

NUMBER ON SUBSTITUTE FORM W-9

Guidelines for Determining the Proper Identification Number for the Payee (You) to Give the Payer — Social Security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer. All “Section” references are to the Internal Revenue Code of 1986, as amended. “IRS” is the Internal Revenue Service.

	For this type of account:	Give the name and social security number of —
1.	Individual	The individual
2.	Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3.	Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4.	a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee(1)
	b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)
5.	Sole proprietorship or single-owner LLC	The owner(3)

	For this type of account:	Give the name and employer identification number of —
6.	Sole proprietorship or single-member LLC	The owner(3)
7.	A valid trust, estate, or pension trust	The legal entity(4)
8.	Corporate or LLC electing corporate status on Form 8832	The corporation
9.	Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10.	Partnership or multi-member LLC	The partnership
11.	A broker or registered nominee	The broker or nominee
12.	Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

(1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has a social security number, that person’s number must be furnished.
(2) Circle the minor’s name and furnish the minor’s social security number.
(3) You must show your individual name, but you may also enter your business or “doing business as” name. You may use either your social security number or your employer identification number (if you have one).
(4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

NOTE: If no name is circled when there is more than one name listed, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION

NUMBER ON SUBSTITUTE FORM W-9

Obtaining a Number

If you do not have a taxpayer identification number, apply for one immediately. To apply for a SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office. Get Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for a TIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1 (800) TAX-FORM, or from the IRS Web Site at www.irs.gov.

Payees Exempt From Backup Withholding

Payees specifically exempted from backup withholding include:

1. An organization exempt from tax under Section 501(a), an individual retirement account (IRA), or a custodial account under Section 403(b)(7) if the account satisfies the requirements of Section 401(f)(2).
2. The United States or any of its agencies or instrumentalities.
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities.
4. A foreign government or any of its political subdivisions, agencies or instrumentalities.
5. An international organization or any of its agencies or instrumentalities.

Payees that may be exempt from backup withholding include:

6. A corporation.
7. A foreign central bank of issue.
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
9. A futures commission merchant registered with the Commodity Futures Trading Commission.
10. A real estate investment trust.
11. An entity registered at all times during the tax year under the Investment Company Act of 1940.
12. A common trust fund operated by a bank under Section 584(a).
13. A financial institution.
14. A middleman known in the investment community as a nominee or custodian.
15. A trust exempt from tax under Section 664 or described in Section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, **1** through **15**.

If the payment is for...	THEN the payment is exempt for...
Interest and dividend payments	All exempt recipients except for **9**
Broker transactions	Exempt recipients **1** through **13**. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker

Exempt payees should complete a substitute Form W-9 to avoid possible erroneous backup withholding. *Furnish your taxpayer identification number, check the appropriate box for your status, check the "Exempt from backup withholding' box, sign and date the form and return it to the payer. Foreign payees who are not subject to backup withholding should complete an appropriate Form W-8 and return it to the payer.*

Privacy Act Notice. Section 6109 requires you to provide your correct taxpayer identification number to payers who must file information returns with the IRS to report interest, dividends, and certain other income paid to you to the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of your return and may also provide this information to various government agencies for tax enforcement or litigation purposes and to cities, states, and the District of Columbia to carry out their tax laws, and may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

Penalties

(1) Failure to Furnish Taxpayer Identification Number. If you fail to furnish your correct taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) Civil Penalty for False Information with Respect to Withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

(3) Criminal Penalty for Falsifying Information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

The letter of transmittal and certificates for shares and any other required documents should be sent or delivered by each tendering stockholder or its broker, dealer, commercial bank, trust company or other nominee to the depositary at one of its addresses set forth above.

Any questions or requests for assistance or for additional copies of the offer to purchase, the letter of transmittal or the notice of guaranteed delivery may be directed to the information agent at the telephone number and address set forth below. You may also contact the dealer manager or your broker, dealer, commercial bank or trust company for assistance concerning the tender offer. To confirm delivery of your shares, please contact the depositary.

The information agent for the tender offer is:

Morrow & Co., Inc.

Morrow & Co., Inc.

Call Collect: (212) 754-8000
Banks and Brokerage Firms Call: (800) 654-2468
Stockholders Please Call: (800) 607-0088

The dealer manager for the tender offer is:

Banc of America Securities LLC

Banc of America Securities LLC

9 West 57th Street
New York, New York 10019
(212) 583-8564 (Call Collect)
(888) 583-8900, extension 8564 (Call Toll Free)

Exhibit (a)(1)(C)

NOTICE OF GUARANTEED DELIVERY

(Not to be Used for Signature Guarantee)
for
Offer to Purchase for Cash
Up to 2,500,000 Shares of its Common Stock
(Including the Associated Preferred Stock Purchase Rights)
At a Purchase Price Not Greater Than $60.00
Nor Less Than $56.50 Per Share
by
The Toro Company

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL

EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON WEDNESDAY,
APRIL 14, 2004, UNLESS TORO EXTENDS THE TENDER OFFER.

As set forth in Section 3 of the offer to purchase, dated March 17, 2004, you should use this notice of guaranteed delivery (or a facsimile of it) to accept the tender offer (as defined herein) if:

(a) your share certificates are not immediately available or you cannot deliver certificates representing shares of common stock, par value $1.00 per share (including the associated preferred stock purchase rights, and referred to herein as the “shares”) of The Toro Company, a Delaware corporation (“Toro”), prior to the “expiration date” (as defined in Section 1 of the offer to purchase); or

(b) the procedure for book-entry transfer cannot be completed before the expiration date (as specified in Section 1 of the offer to purchase); or

(c) time will not permit a properly completed and duly executed letter of transmittal and all other required documents to reach the depositary referred to below before the expiration date.

You may deliver this notice of guaranteed delivery (or a facsimile of it), signed and properly completed, by hand, mail, overnight courier or facsimile transmission so that the depositary receives it before the expiration date. See Section 3 of the offer to purchase and Instruction 2 to the letter of transmittal.

The depositary for the tender offer is:

Wells Fargo Bank, N.A.

By registered mail:	***By facsimile transmission:***	***By hand or overnight courier:***
Wells Fargo Bank, N.A. Shareowner Services Corporate Actions Department P.O. Box 64858 St. Paul, Minnesota 55164-0858	Wells Fargo Bank, N.A. Shareowner Services (651) 450-4110 (phone) (651) 450-4252 (fax)	Wells Fargo Bank, N.A. Shareowner Services Corporate Actions Department 161 North Concord Exchange South St. Paul, Minnesota 55075

Delivery of this notice of guaranteed delivery to an address other than those shown above or transmission of instructions via the facsimile number other than the one listed above does not constitute a valid delivery. Deliveries to Toro, to the dealer manager of the tender offer or to the information agent of the tender offer will not be forwarded to the depositary and therefore will not constitute valid delivery. Deliveries to the book-entry transfer facility (as defined in the offer to purchase) will not constitute valid delivery to the depositary.

You cannot use this notice of guaranteed delivery form to guarantee signatures. If a signature on the letter of transmittal is required to be guaranteed by an “eligible guarantor institution” (as defined in Section 3 of the offer to purchase) under the instructions thereto, such signature must appear in the applicable space provided in the signature box on the letter of transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to Toro the number of shares indicated below, at the price per share indicated below, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the offer to purchase and the related letter of transmittal, which together (and as each may be amended and supplemented from time to time) constitute the tender offer, and the receipt of which is hereby acknowledged. This tender is being made pursuant to the guaranteed delivery procedure set forth in Section 3 of the offer to purchase. Unless the associated preferred stock purchase rights are redeemed prior to the expiration of the tender offer, a tender of any shares will also constitute a tender of the associated preferred stock purchase rights.

Number of Shares Being Tendered Hereby: ________________ Shares

CHECK *ONE AND ONLY ONE* BOX. IF YOU CHECK MORE THAN ONE BOX, OR IF YOU DO

NOT CHECK ANY BOX, YOU WILL HAVE FAILED TO VALIDLY TENDER ANY SHARES.

SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER

(See Instruction 5 of the letter of transmittal)

o The undersigned wants to maximize the chance of having Toro purchase all shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this **ONE** box **INSTEAD OF ONE OF THE PRICE BOXES BELOW**, the undersigned hereby tenders shares and is willing to accept the purchase price determined by Toro pursuant to the tender offer (the “Purchase Price”). This action could result in receiving a price per share of as low as $56.50.

— OR —

SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER

(See Instruction 5 of the letter of transmittal)

By checking **ONE** of the boxes below **INSTEAD OF THE BOX ABOVE**, the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the Purchase Price is less than the price checked below. **A stockholder who desires to tender shares at more than one price must complete a separate letter of transmittal for each price at which the stockholder tenders shares.** You cannot tender the same shares at more than one price, unless you have previously validly withdrawn those shares at a different price in accordance with Section 4 of the offer to purchase.

Price (in Dollars) Per Share at Which Shares Are Being Tendered

o	$56.50	o	$57.50	o	$58.50	o	$59.50
o	$56.75	o	$57.75	o	$58.75	o	$59.75
o	$57.00	o	$58.00	o	$59.00	o	$60.00
o	$57.25	o	$58.25	o	$59.25		

You WILL NOT have validly tendered your shares

unless you check ONE AND ONLY ONE BOX ON THIS PAGE.

ODD LOTS

(See Instruction 6 of the letter of transmittal)

To be completed **only** if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares.

On the date hereof, the undersigned either (check one box):

o is the beneficial or record owner of an aggregate of fewer than 100 shares and is tendering all of those shares,

OR

o is a broker, dealer, commercial bank, trust company or other nominee that (i) is tendering, for the beneficial owner(s) thereof, shares with respect to which it is the record holder, and (ii) believes, based upon representations made to it by such beneficial owner(s), that each such person was the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of such shares.

In addition, the undersigned is tendering shares (check ONE box):

o at the Purchase Price, which will be determined by Toro in accordance with the terms of the tender offer (persons checking this box should check the first box on page 2 of this notice of guaranteed delivery, under the heading “Shares Tendered at Purchase Price Pursuant to the Tender Offer”); or

o at the price per share indicated under the heading, “Price (in Dollars) Per Share at Which Shares Are Being Tendered” on page 2 of this notice of guaranteed delivery.

CONDITIONAL TENDER

(See Instruction 11 of the letter of transmittal)

A tendering stockholder may condition such stockholder’s tender of any shares upon the purchase by Toro of a specified minimum number of the shares such stockholder tenders, as described in Section 6 of the offer to purchase. Unless Toro purchases at least the minimum number of shares you indicate below pursuant to the terms of the tender offer, Toro will not purchase any of the shares tendered below. It is the tendering stockholder’s responsibility to calculate that minimum number, and we urge each stockholder to consult his or her own tax advisor in doing so. Unless you check the box immediately below and specify, in the space provided, a minimum number of shares that Toro must purchase if Toro purchases any shares, Toro will deem your tender unconditional.

o The minimum number of shares that Toro must purchase if Toro purchases any shares, is: _________________ shares.

If, because of proration, Toro will not purchase the minimum number of shares that you designate, Toro may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares. To certify that you are tendering all of the shares you own, check the box below.

o The tendered shares represent all shares held by the undersigned.

STOCKHOLDERS COMPLETE AND SIGN BELOW

Please type or print

Certificate No.(s) (if available):

Signature(s) of Stockholder(s):

Date:

Date:

Date:

Name(s) of Stockholders:	Area Code & Phone No.	Address(es) of Stockholders:

If shares will be tendered by book-entry transfer provide the following information:

Name of Tendering Institution:

Account No:

GUARANTEE

(Not to be used for Signature Guarantee)

The undersigned, a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an “Eligible Guarantor Institution,” as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (each of the foregoing constituting an “Eligible Guarantor Institution”) guarantees the delivery of the shares tendered hereby to the depositary, in proper form for transfer, or a confirmation that the shares tendered hereby have been delivered under the procedure for book-entry transfer set forth in the offer to purchase into the depositary’s account at the book-entry transfer facility, together with a properly completed and duly executed letter of transmittal and any other required documents, all within three New York Stock Exchange trading days of the date hereof.

Name of Firm:	Name of Firm:
Authorized Signature:	Authorized Signature:
Name:	Name:
Title:	Title:
Address:	Address:
Zip Code:	Zip Code:
Area Code and Telephone Number:	Area Code and Telephone Number:
Dated:	Dated:
, 2004	, 2004

DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE OF GUARANTEED DELIVERY.

SHARE CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

Exhibit (a)(1)(D)

Offer to Purchase for Cash

Up to 2,500,000 Shares of its Common Stock
(Including the Associated Preferred Stock Purchase Rights)
At a Purchase Price Not Greater Than $60.00
Nor Less Than $56.50 Per Share
by

The Toro Company

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL

EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON WEDNESDAY, APRIL 14, 2004, UNLESS TORO EXTENDS THE TENDER OFFER.

March 17, 2004

To Brokers, Dealers, Commercial Banks,

Trust Companies and Other Nominees:

The Toro Company, a Delaware corporation ("Toro"), has appointed us to act as the dealer manager in connection with its offer to purchase for cash up to 2,500,000 shares of its common stock, par value $1.00 per share (including the associated preferred stock purchase rights issued under the Rights Agreement, dated as of May 20, 1998, between Toro and Wells Fargo Bank, N.A., as Rights Agent, the "shares"), at a price not greater than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest. The terms and conditions of the tender offer are set forth in Toro's offer to purchase, dated March 17, 2004 and the letter of transmittal, which together (and as each may be amended and supplemented from time to time) constitute the tender offer. Unless the associated preferred stock purchase rights are redeemed prior to the expiration of the tender offer, a tender of shares will also constitute a tender of the associated preferred stock purchase rights.

Toro will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than $60.00 nor less than $56.50 per share (the "Purchase Price"), that it will pay for shares properly tendered and not properly withdrawn pursuant to the terms of the tender offer, taking into account the number of shares so tendered and the prices specified by tendering stockholders. Toro will select the lowest Purchase Price that will allow it to purchase 2,500,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn, at prices not greater than $60.00 nor less than $56.50 per share, under the tender offer. All shares properly tendered before the expiration date (as specified in Section 1 of the offer to purchase) at prices at or below the Purchase Price and not validly withdrawn will be purchased by Toro at the Purchase Price, net to the seller in cash, without interest, upon the terms and subject to the conditions of the tender offer, including the "odd lot," proration and conditional tender provisions thereof. See Section 1 of the offer to purchase. Shares tendered at prices in excess of the Purchase Price and shares that Toro does not accept for purchase because of proration or conditional tenders will be returned at Toro's expense to the stockholders that tendered such shares, as promptly as practicable after the expiration date. Toro expressly reserves the right, in its sole discretion, to purchase more than 2,500,000 shares under the tender offer, subject to applicable law.

If, at the expiration date more than 2,500,000 shares (or such greater number of shares as Toro may elect to purchase, subject to applicable law) are properly tendered at or below the Purchase Price and not properly withdrawn, Toro will buy shares:

- first, from all holders of "odd lots" (holders of less than 100 shares) who properly tender all their shares at or below the Purchase Price and do not properly withdraw them before the expiration date;

- second, on a *pro rata* basis from all other stockholders who properly tender shares at or below the Purchase Price, other than stockholders who tender conditionally and whose conditions are not satisfied; and

- third, only if necessary to permit Toro to purchase 2,500,000 shares (or such greater number of shares as Toro may elect to purchase, subject to applicable law) from holders who have tendered shares subject to the condition that Toro purchase a specified minimum number of the holder's shares if Toro purchases any of the holder's

shares in the tender offer (for which the condition was not initially satisfied) at or below the Purchase Price by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered must have tendered all of their shares.

The tender offer is not conditioned on any minimum number of shares being tendered. The tender offer is, however, subject to other conditions. See Section 7 of the offer to purchase.

For your information and for forwarding to your clients for whom you hold shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. Offer to Purchase, dated March 17, 2004;

2. Letter to Clients, which you may send to your clients for whom you hold shares registered in your name or in the name of your nominee, with an Instruction Form provided for obtaining such clients' instructions with regard to the tender offer;

3. Letter to the stockholders of Toro, dated March 17, 2004, from the Chairman of the Board and Chief Executive Officer of Toro;

4. Letter of Transmittal, for your use and for the information of your clients, together with accompanying instructions, Substitute Form W-9, and Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9;

5. Notice of Guaranteed Delivery, to be used to accept the tender offer in the event that you are unable to deliver the share certificates, together with all other required documents, to the depositary before the expiration date, or if the procedure for book-entry transfer cannot be completed before the expiration date; and

WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON WEDNESDAY, APRIL 14, 2004, UNLESS TORO EXTENDS THE TENDER OFFER.

No fees or commissions will be payable to brokers, dealers, commercial banks, trust companies or any person for soliciting tenders of shares under the tender offer other than fees paid to the dealer manager and the information agent and the trustee for certain Toro employee plans, as described in the offer to purchase. Toro will, however, upon request, reimburse brokers, dealers, commercial banks and trust companies for reasonable and necessary costs and expenses incurred by them in forwarding the enclosed materials to their customers who are beneficial owners of shares held by them as a nominee or in a fiduciary capacity. Toro will pay or cause to be paid any stock transfer taxes applicable to its purchase of shares pursuant to the tender offer, except as otherwise provided in the offer to purchase and letter of transmittal (see Instruction 9 of the letter of transmittal). No broker, dealer, bank, trust company or fiduciary shall be deemed to be either our agent or the agent of Toro, the depositary, or the information agent for purposes of the tender offer.

For shares to be properly tendered pursuant to the tender offer, the depositary must timely receive (1) the share certificates or confirmation of receipt of such shares under the procedure for book-entry transfer, together with a properly completed and duly executed letter of transmittal, including any required signature guarantees or an "agent's message" (as defined in the offer to purchase and the letter of transmittal) and any other documents required pursuant to the tender offer, or (2) the tendering stockholder must comply with the guaranteed delivery procedures, all in accordance with the instructions set forth in the offer to purchase and letter of transmittal.

Stockholders (a) whose share certificates are not immediately available or who will be unable to deliver to the depositary the certificate(s) for the shares being tendered and all other required documents before the expiration date, or (b) who cannot complete the procedures for book-entry transfer before the expiration date, must tender their shares according to the procedure for guaranteed delivery set forth in Section 3 of the offer to purchase.

Neither Toro nor its Board of Directors makes any recommendation to any stockholder as to whether to tender or refrain from tendering all or any shares or as to the price or prices at which to tender. Holders of shares must make their own decision as to whether to tender shares and, if so, how may shares to tender and at which prices.

Please address any inquiries you may have with respect to the tender offer to the dealer manager, Banc of America Securities LLC, or to the information agent, Morrow & Co., Inc., at their respective addresses and telephone numbers set forth on the back cover page of the offer to purchase.

You may obtain additional copies of the enclosed material from Morrow & Co., Inc. by calling them at: (800) 654-2468.

Capitalized terms used but not defined herein have the meanings assigned to them in the offer to purchase and the letter of transmittal.

Very truly yours,

Banc of America Securities LLC

Enclosures

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AN AGENT OF TORO, THE DEALER MANAGER, THE INFORMATION AGENT, THE TRUSTEE FOR ANY TORO EMPLOYEE PLAN, OR THE DEPOSITARY OR ANY AFFILIATE OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE TENDER OFFER OTHER THAN THE DOCUMENTS ENCLOSED HEREWITH AND THE STATEMENTS CONTAINED THEREIN.

Exhibit (a)(1)(E)

Offer to Purchase for Cash

Up to 2,500,000 Shares of its Common Stock
(Including the Associated Preferred Stock Purchase Rights)
At a Purchase Price Not Greater Than $60.00
Nor Less Than $56.50 Per Share
by

The Toro Company

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL

EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON WEDNESDAY, APRIL 14, 2004, UNLESS TORO EXTENDS THE TENDER OFFER.

March 17, 2004

To Our Clients:

Enclosed for your consideration are the offer to purchase, dated March 17, 2004, and the letter of transmittal, in connection with the tender offer by The Toro Company, a Delaware corporation ("Toro"), to purchase up to 2,500,000 shares of its common stock, par value $1.00 per share (including the associated preferred stock purchase rights issued under the Rights Agreement, dated as of May 20, 1998, between Toro and Wells Fargo Bank, N.A., as Rights Agent, the "shares"). Pursuant to the offer to purchase and the letter of transmittal, which together (as each may be amended and supplemented from time to time) constitute the tender offer, Toro will purchase the shares at a price, specified by tendering stockholders, not greater than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the offer to purchase. Unless the associated preferred stock purchase rights are redeemed prior to the expiration of the tender offer, a tender of shares will also constitute a tender of the associated preferred stock purchase rights.

Toro will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than $60.00 nor less than $56.50 per share (the "Purchase Price"), that it will pay for shares properly tendered and not properly withdrawn pursuant to the terms of the tender offer, taking into account the number of shares so tendered and the prices specified by tendering stockholders. Toro will select the lowest Purchase Price that will allow it to purchase 2,500,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn, at prices not greater than $60.00 nor less than $56.50 per share, under the tender offer.

All shares properly tendered before the expiration date (as specified in Section 1 of the offer to purchase) at prices at or below the Purchase Price and not properly withdrawn will be purchased by Toro at the Purchase Price, net to the seller in cash, without interest, upon the terms and subject to the conditions of the tender offer, including the "odd lot," proration and conditional tender provisions thereof. All shares tendered at prices in excess of the Purchase Price and all shares that Toro does not accept for purchase because of proration or conditional tenders will be returned at Toro's expense to the stockholders that tendered such shares as promptly as practicable after the expiration date. Toro expressly reserves the right, in its sole discretion, to purchase more than 2,500,000 shares under the tender offer, subject to applicable law.

We are the owner of record of shares held for your account. As such, we are the only ones who can tender your shares, and then only pursuant to your instructions. We are sending you the letter of transmittal for your information only. You cannot use the letter of transmittal to tender shares we hold for your account. The letter of transmittal must be completed and executed by us, according to your instructions.

Please instruct us as to whether you wish us to tender, on the terms and subject to the conditions of the tender offer, any or all of the shares we hold for your account, by completing and signing the Instruction Form enclosed herein.

Please note carefully the following:

1. You may tender shares at prices not greater than $60.00 nor less than $56.50 per share as indicated in the enclosed Instruction Form, net to you in cash, without interest.

2. You should consult with your broker and/or your tax advisor as to whether (and if so, in what manner) you should designate the priority in which you want your tendered shares to be purchased in the event of proration.

3. The tender offer is not conditioned upon any minimum number of shares being tendered. The tender offer is, however, subject to certain other conditions set forth in Section 7 of the offer to purchase, which you should read carefully.

4. The tender offer, the proration period and the withdrawal rights will expire at 5:00 p.m., New York City time, on Wednesday, April 14, 2004, unless Toro extends the tender offer.

5. The tender offer is for 2,500,000 shares, constituting approximately 10.3% of the shares outstanding as of March 10, 2004.

6. Tendering stockholders who are registered stockholders or who tender their shares directly to Wells Fargo Bank, N.A. will not be obligated to pay any brokerage commissions or fees, solicitation fees, or (except as set forth in the offer to purchase and Instruction 9 to the letter of transmittal) stock transfer taxes on Toro's purchase of shares under the tender offer.

7. If you (i) own beneficially or of record an aggregate of fewer than 100 shares, (ii) instruct us to tender on your behalf **ALL** of the shares you own at or below the Purchase Price before the expiration date and (iii) check the box captioned "Odd Lots" in the attached Instruction Form, then Toro, upon the terms and subject to the conditions of the tender offer, will accept all of your tendered shares for purchase regardless of any proration that may be applied to the purchase of other shares properly tendered but not meeting the above conditions.

8. If you wish to condition your tender upon the purchase of all shares tendered or upon Toro's purchase of a specified minimum number of the shares that you tender, you may elect to do so and thereby avoid (in full or in part) possible proration of your tender. Toro's purchase of shares from all tenders which are so conditioned will be determined, to the extent necessary, by random lot. To elect such a condition complete the section captioned "Conditional Tender" in the attached Instruction Form.

9. If you wish to tender portions of your shares at different prices, you must complete a **SEPARATE** Instruction Form for each price at which you wish to tender each such portion of your shares. We must and will submit separate letters of transmittal on your behalf for each price you will accept.

10. **The Board of Directors of Toro has approved the tender offer. However, neither Toro nor its Board of Directors makes any recommendation to stockholders as to whether to tender or refrain from tendering their shares for purchase, or as to the price or prices at which stockholders should choose to tender their shares. Stockholders must make their own decisions as to whether to tender their shares and, if so, how many shares to tender and the price or prices at which they should tender such shares. Toro's directors and executive officers have advised Toro that they do not intend to tender any shares in the tender offer.**

If you wish to have us tender any or all of your shares, please instruct us to that effect by completing, executing, and returning to us the enclosed Instruction Form. A pre-addressed envelope is enclosed for your convenience. If you authorize us to tender your shares, we will tender all of the shares that we hold beneficially for your account unless you specify otherwise on the enclosed Instruction Form.

Please forward your completed Instruction Form to us in a timely manner to give us ample time to permit us to submit the tender on your behalf before the expiration date of the tender offer. The tender offer, proration period and withdrawal rights will expire at 5:00 p.m., New York City time, on Wednesday, April 14, 2004, unless Toro extends the tender offer.

As described in the offer to purchase, if more than 2,500,000 shares, or such greater number of shares as Toro may elect to purchase in accordance with applicable law, are properly tendered at or below the Purchase Price and not

properly withdrawn before the expiration date, then Toro will accept shares for purchase at the Purchase Price in the following order of priority:

1. First, Toro will purchase all shares properly tendered at or below the Purchase Price and not properly withdrawn before the expiration date by any "odd lot" holder who:

(a) tenders ALL of the shares owned beneficially or of record by such odd lot holder at or below the Purchase Price before the expiration date (partial tenders will not qualify for this preference); AND

(b) completes the section captioned "Odd Lots" on the letter of transmittal and, if applicable, on the notice of guaranteed delivery,

without regard to any proration that would otherwise be applicable to such "odd lot" shares.

2. Second, after Toro has purchased all properly tendered (and not validly withdrawn) "odd lot" shares, Toro will purchase all other shares properly tendered at or below the Purchase Price before the expiration date (and not properly withdrawn) on a *pro rata* basis if necessary, subject to the conditional tender provisions described in Section 6 of the offer to purchase, and with adjustments to avoid purchases of fractional shares, all as provided in the offer to purchase.

3. Third, and only if necessary to permit Toro to purchase 2,500,000 shares (or such greater number of shares as Toro may elect to purchase subject to applicable law), Toro will purchase properly tendered shares from holders who have tendered shares conditionally (and for whom the condition was not initially satisfied) by random lot to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered (and for whom the condition was not initially satisfied) must have tendered all of their shares.

The tender offer is being made solely under the offer to purchase and the letter of transmittal and is being made to all record holders of shares. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares residing in any jurisdiction in which the making of the tender offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

YOUR PROMPT ACTION IS REQUESTED. PLEASE FORWARD YOUR COMPLETED INSTRUCTION FORM TO US IN AMPLE TIME TO PERMIT US TO SUBMIT THE TENDER ON YOUR BEHALF BEFORE THE EXPIRATION OF THE TENDER OFFER.

Instruction Form with Respect to

The Toro Company

Offer to Purchase for Cash

Up to 2,500,000 Shares of its Common Stock
(Including the Associated Preferred Stock Purchase Rights)
At a Purchase Price Not Greater Than $60.00
Nor Less Than $56.50 Per Share

The undersigned acknowledge(s) receipt of your letter in connection with the tender offer by The Toro Company, a Delaware corporation ("Toro"), to purchase up to 2,500,000 shares of its common stock, par value $1.00 per share (including the associated preferred stock purchase rights issued under the Rights Agreement, dated as of May 20, 1998, between Toro and Wells Fargo Bank, N.A., as Rights Agent, and referred to herein as the "shares"), at a price specified by the undersigned and not greater than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the enclosed offer to purchase, dated March 17, 2004 and the letter of transmittal, which together (as each maybe amended and supplemented from time to time) constitute the tender offer. Unless the associated preferred stock purchase rights are redeemed prior to the expiration of the offer, a tender of shares will also constitute a tender of the associated preferred stock purchase rights.

The undersigned understands that Toro will, upon the terms and subject to the conditions of the tender offer, (i) determine a single per share price not greater than $60.00 nor less than $56.50 per share (the "Purchase Price") and (ii) purchase the shares properly tendered and not properly withdrawn under the tender offer, taking into account the number of shares so tendered and the prices specified by tendering stockholders. Toro will select the lowest Purchase Price that will allow it to purchase 2,500,000 shares, or such lesser number of shares as are properly tendered and not properly withdrawn, at prices not greater than $60.00 nor less than $56.50 per share under the tender offer. Toro will purchase all shares properly tendered at prices at or below the Purchase Price and not properly withdrawn at the Purchase Price, net to the seller in cash, without interest, upon the terms and subject to the conditions of the tender offer, including the odd lot, proration and conditional tender provisions described in the offer to purchase. All other shares, including shares tendered at prices in excess of the Purchase Price and shares that Toro does not accept for purchase because of proration or conditional tenders will be returned at Toro's expense to the stockholders that tendered such shares as promptly as practicable.

The undersigned hereby instruct(s) you to tender to Toro the number of shares indicated below or, if no number is indicated, all shares you hold for the account of the undersigned, at the price per share indicated below, in accordance with the terms and subject to the conditions of the tender offer.

NUMBER OF SHARES TO BE TENDERED BY YOU FOR THE ACCOUNT OF THE

UNDERSIGNED: ______________________ SHARES*

*** Unless you indicate otherwise, we will assume that you are instructing us to tender all of the shares held by us for your account.**

CHECK *ONE AND ONLY ONE* BOX. IF YOU CHECK MORE THAN ONE BOX, OR IF YOU DO NOT CHECK ANY BOX, YOU WILL HAVE FAILED TO VALIDLY TENDER ANY SHARES.

SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE TENDER OFFER

(See Instruction 5 of the letter of transmittal)

o The undersigned wants to maximize the chance of having Toro purchase all shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this **ONE** box **INSTEAD OF ONE OF THE PRICE BOXES BELOW,** the undersigned hereby tenders shares and is willing to accept the purchase price determined by Toro pursuant to the tender offer (the "Purchase Price"). This action could result in receiving a price per share of as low as $56.50.

— OR —

SHARES TENDERED AT PRICE DETERMINED BY STOCKHOLDER

(See Instruction 5 of the letter of transmittal)

By checking **ONE** of the boxes below **INSTEAD OF THE BOX ABOVE,** the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the Purchase Price is less than the price checked below. **A stockholder who desires to tender shares at more than one price must complete a separate letter of transmittal for each price at which the stockholder tenders shares.** You cannot tender the same shares at more than one price, unless you have previously validly withdrawn those shares at a different price in accordance with Section 4 of the offer to purchase.

Price (in Dollars) Per Share at Which Shares Are Being Tendered

o	$56.50	o	$57.50	o	$58.50	o	$59.50
o	$56.75	o	$57.75	o	$58.75	o	$59.75
o	$57.00	o	$58.00	o	$59.00	o	$60.00
o	$57.25	o	$58.25	o	$59.25		

You WILL NOT have validly tendered your shares

unless you check ONE AND ONLY ONE BOX ON THIS PAGE.

ODD LOTS

(See Instruction 6 of the letter of transmittal)

To be completed **only** if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares.

o By checking this box, the undersigned represents that the undersigned owns beneficially or of record an aggregate of fewer than 100 shares and is instructing the holder to tender all such shares.

In addition, the undersigned is tendering shares either (check ONE box):

o at the Purchase Price, which will be determined by Toro in accordance with the terms of the tender offer (persons checking this box should check the first box on the previous page, under the heading "Shares Tendered at Price Determined Pursuant to the Tender Offer"); OR

o at the price per share indicated on the previous page under "Price (in Dollars) Per Share at Which Shares Are Being Tendered."

CONDITIONAL TENDER

(See Instruction 11 of the letter of transmittal)

A tendering stockholder may condition such stockholder's tender of any shares upon the purchase by Toro of a specified minimum number of the shares such stockholder tenders, as described in Section 6 of the offer to purchase. Unless Toro purchases at least the minimum number of shares you indicate below pursuant to the terms of the tender offer, Toro will not purchase any of the shares tendered below. It is the tendering stockholder's responsibility to calculate that minimum number, and we urge each stockholder to consult his or her own tax advisor in doing so. Unless you check the box immediately below and specify, in the space provided, a minimum number of shares that Toro must purchase if Toro purchases any shares, Toro will deem your tender unconditional.

o The minimum number of shares that Toro must purchase if Toro purchases any shares, is: ______shares.

If, because of proration, Toro will not purchase the minimum number of shares that you designate, Toro may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares. To certify that you are tendering all of the shares you own, check the box below.

o The tendered shares represent all shares held by the undersigned.

THE METHOD OF DELIVERY OF THIS DOCUMENT IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER. IF DELIVERY IS BY MAIL, WE RECOMMEND REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED. IN ALL CASES, PLEASE ALLOW SUFFICIENT TIME TO ASSURE DELIVERY.

— PLEASE SIGN ON THE NEXT PAGE —

SIGNATURE

Please Print

Signature(s): ____

____

____

Names(s): ____

____

____

Taxpayer Identification or Social Security Number: ____

Address(es): ____

____

____

(include zip code)

Area Code & Phone Number(s): ____

____

____

Date: ____

Exhibit (a)(1)(F)

LETTER TO PARTICIPANTS IN

THE TORO COMPANY INVESTMENT, SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN, THE TORO COMPANY PROFIT-SHARING PLAN FOR PLYMOUTH UNION EMPLOYEES, AND THE HAHN EQUIPMENT CO. SAVINGS PLAN FOR UNION EMPLOYEES

March 17, 2004

RE: Offer to Purchase Common Stock of The Toro Company

TO: Participants in The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees

Dear Participant:

A. THE TENDER OFFER

We are enclosing materials being sent to stockholders of The Toro Company ("Toro") in connection with its recently announced offer to purchase up to 2,500,000 shares of Toro's common stock, par value $1.00 per share, together with the associated preferred stock purchase rights issued under the Rights Agreement, dated as of May 20, 1998, between Toro and Wells Fargo Bank, N.A., as the Rights Agent (such shares, together with such rights, herein referred to as the "shares"), at a price not greater than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest. The terms and conditions of this offer are set forth in Toro's offer to purchase, dated March 17, 2004, and in the letter of transmittal, which together (and as each might be amended or supplemented from time to time) constitute the tender offer.

Toro will, upon the terms and subject to the conditions of the tender offer, determine a single per share price (the "Purchase Price"), not greater than $60.00 nor less than $56.50 per share, that it will pay for the shares properly tendered pursuant to the tender offer and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering stockholders. Toro will select the lowest purchase price that will allow it to purchase 2,500,000 shares, or, if a lesser number of shares is properly tendered, such lesser number as is properly tendered and not properly withdrawn. Toro also expressly reserves the right, in its sole discretion, to purchase additional shares, subject to applicable legal requirements. All stockholders whose shares Toro purchases will receive the same purchase price for each share that Toro purchases in the tender offer.

As described in the offer to purchase, if more than 2,500,000 shares, or such greater number of shares as Toro may elect to purchase in accordance with applicable law, are properly tendered at or below the Purchase Price and not properly withdrawn before the expiration date, then Toro will accept shares for purchase at the Purchase Price in the following order of priority:

1. First, Toro will purchase all shares properly tendered at or below the Purchase Price and not properly withdrawn before the expiration date by any "odd lot holder" who:

    a. tenders ALL of the shares owned beneficially or of record by such odd lot holder at or below the Purchase Price before the expiration date (partial tenders will not qualify for this preference); AND

    b. completes the section captioned "Odd Lots" on the letter of transmittal and, if applicable, on the notice of guaranteed delivery,

    without regard to any proration that would otherwise be applicable to such "odd lot" shares.

2. Second, after Toro has purchased all properly tendered (and not properly withdrawn) "odd lot" shares, Toro will purchase all other shares properly tendered (and not properly withdrawn) at or below the Purchase Price before the expiration date on a *pro rata* basis if necessary, subject to the conditional tender provisions described in Section 6 of the offer to purchase, and with adjustments to avoid purchases of fractional shares, all as provided in the offer to purchase.

3. Third, and only if necessary to permit Toro to purchase 2,500,000 shares (or such greater number of shares as Toro may elect to purchase subject to applicable law), Toro will purchase properly tendered shares from holders who have tendered shares conditionally (and for whom the condition was not initially satisfied) by random lot to the extent feasible. To be eligible for purchase by random lot, stockholders whose shares are conditionally tendered (and for whom the condition was not initially satisfied) must have tendered all of their shares.

B. YOUR RIGHTS PURSUANT TO

THE TORO COMPANY INVESTMENT, SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN, THE TORO COMPANY PROFIT-SHARING PLAN FOR PLYMOUTH UNION EMPLOYEES AND THE HAHN EQUIPMENT CO. SAVINGS PLAN FOR UNION EMPLOYEES

We have enclosed a brief description of the tender offer and questions and answers ("Q&A") describing how the process works in the context of The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees. In this letter and the accompanying documents, we refer to the Plan to which you belong (whether it be The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees or The Hahn Equipment Co. Savings Plan for Union Employees) as your "Plan," and to the three plans collectively, as the "Plans." The assets of each of the Plans are held in separate Trust Funds. Putnam Fiduciary Trust Company is currently the Trustee for all three Trust Funds and is referred to in this letter as the "Trustee." Finally, we refer to the amount of each participant's beneficial interest in the Trust Fund holding the assets of that participant's Plan as such participant's "Plan account."

Our records indicate that you are a participant in The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees, or The Hahn Equipment Co. Savings Plan for Union Employees. According to our records, pursuant to your participation in one of the Plans, shares are allocated to the account held for your benefit in such Plan (your "Plan account"). Accordingly, pursuant to the tender offer described in Part A of this letter, you may elect to direct the Trustee to tender (i.e., offer to sell) some or all of the shares (excluding fractional shares) currently allocated to your Plan account (which are referred to in this letter and in the accompanying election form and Q&A as your "Plan shares"), by following the procedures described in the documents enclosed with this letter. In order to instruct the Trustee to tender any of your Plan shares, you must fill out the enclosed **yellow** election form, which requires you to indicate the percentage of your Plan shares that you are choosing to tender, and the minimum price you are willing to accept for such shares. In addition, if you want to maximize the chances of Toro purchasing your Plan shares, instead of electing a specific price, you may simply check the box indicating that you are tendering your Plan shares at the purchase price that Toro determines pursuant to the terms of the tender offer (which is referred to in this letter and the accompanying documents as the "Purchase Price"), whatever that price might be within the range of $56.50 to $60.00 per share.

PLEASE NOTE THAT, ALTHOUGH THE DEADLINE FOR THE TRUSTEE TO TENDER YOUR SHARES IS WEDNESDAY, APRIL 14, 2004, TO ALLOW THE TRUSTEE SUFFICIENT TIME TO PROCESS YOUR INSTRUCTIONS, **YOU MUST SEND YOUR ELECTION FORM TO THE TRUSTEE FOR RECEIPT BY 5:00 P.M., NEW YORK CITY TIME, ON FRIDAY, APRIL 9, 2004.** You also may direct the Trustee to withdraw any tender you have previously directed it to make pursuant to the tender offer, as long as you do so prior to 5:00 P.M., New York City time, on Friday, April 9, 2004. If the tender offer is extended, then you must ensure that the Trustee receives any withdrawal requests or election forms that you send by 5:00 p.m., New York City time, on the date that is three (3) New York Stock Exchange trading days before the new expiration date.

The election form calls for you to specify a percentage of your Plan shares that you are instructing the Trustee to tender. You may obtain information about the number of shares allocated to your Plan account by calling the Trustee at (800) 216-4719. You may tender some or all of the shares held in your Plan account (excluding fractional shares).

Before making a decision, you should read carefully the enclosed offer to purchase, letter of transmittal, Q&A and the **yellow** election form. **IF YOU FAIL TO COMPLETE, SIGN OR TIMELY TRANSMIT THE YELLOW ELECTION FORM SO THAT THE TRUSTEE RECEIVES IT BY 5:00 P.M., NEW YORK CITY TIME, ON FRIDAY, APRIL 9, 2004, YOU WILL BE DEEMED TO HAVE INSTRUCTED THE TRUSTEE NOT TO OFFER ANY OF YOUR PLAN SHARES FOR SALE UNDER THE TENDER OFFER.**

The tender offer is not conditioned upon any minimum number of shares being tendered. The tender offer is, however, subject to other conditions. See Section 7 of the offer to purchase for a description of these conditions.

NEITHER TORO NOR ITS BOARD OF DIRECTORS MAKES ANY RECOMMENDATION TO ANY PARTICIPANT IN ANY OF THE PLANS AS TO WHETHER TO INSTRUCT THE TRUSTEE TO TENDER OR REFRAIN FROM TENDERING ANY OR ALL OF THE SHARES IN SUCH PARTICIPANT'S PLAN ACCOUNT, OR AS TO THE PRICE OR PRICES AT WHICH ANY SUCH PARTICIPANT MIGHT WISH TO INSTRUCT THE TRUSTEE TO TENDER HIS OR HER SHARES. PARTICIPANTS IN THE PLANS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER. THE DIRECTORS AND EXECUTIVE OFFICERS OF TORO HAVE ADVISED TORO THAT THEY DO NOT INTEND TO TENDER ANY SHARES IN THE TENDER OFFER. THE TRUSTEE WILL TREAT CONFIDENTIALLY YOUR DECISION WHETHER OR NOT TO TENDER YOUR PLAN SHARES.

If you direct the Trustee to tender any shares, the Trustee will allocate the purchase price that Toro pays for such shares (the "tender proceeds") to the Toro RetirementReady Balanced Portfolio (the "Default Fund") for your benefit and on your behalf. Beginning on the first business day following the Trustee's receipt of the tender proceeds, you will be able to move such tender proceeds at your own discretion to other investment funds of your choosing within your Plan.

The tender offer is being made solely under the offer to purchase and the letter of transmittal. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares residing in any jurisdiction in which the making of the tender offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In those jurisdictions whose laws require that the tender offer be made by a licensed broker or dealer, the tender offer shall be deemed to be made on behalf of Toro by Banc of America Securities LLC, the dealer manager for the tender offer, or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

IF YOU ARE ELECTING TO TENDER SHARES FROM YOUR PLAN ACCOUNT, YOUR PROMPT ACTION IS REQUESTED. THE TRUSTEE MUST RECEIVE THE ENCLOSED YELLOW ELECTION FORM BY 5:00 P.M., NEW YORK CITY TIME, ON FRIDAY, APRIL 9, 2004 (unless the tender offer is extended). Please transmit your election form to the Trustee at Putnam Place, P.O. Box 9740, Providence, Rhode Island 02490-9740. **PLEASE USE THE ENCLOSED PRE-ADDRESSED REPLY ENVELOPE TO RETURN YOUR COMPLETED ELECTION FORM, OR FAX YOUR COMPLETED ELECTION FORM TO (800) 250-8417.** In an emergency, you may also overnight your election form to the Trustee at the above address. Do not call your benefits administrator to communicate your decision regarding the tender offer. You may only respond by completing and transmitting the enclosed election form TO THE TRUSTEE. Do not mail your completed election form to your benefits administrator.

You must complete and sign the enclosed yellow election form. IF YOU DO NOT SIGN THE FORM, YOUR DIRECTIONS WILL NOT BE ACCEPTED AND THE ELECTION FORM, AS WELL AS YOUR DIRECTIONS, WILL BE VOID. IN THAT EVENT, YOU WILL BE DEEMED TO HAVE CHOSEN NOT TO TENDER ANY PLAN SHARES.

IF YOU DO NOT WISH TO TENDER ANY OF YOUR PLAN SHARES, SIMPLY TAKE NO ACTION. If the Trustee does not receive any direction, you will be deemed to have instructed the Trustee not to tender any of your Plan shares, and such shares will remain in your Plan account.

YOUR DECISION WHETHER OR NOT TO TENDER THE SHARES WILL BE KEPT CONFIDENTIAL.

Sincerely,

THE TORO COMPANY
Administrator of The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees.

Exhibit (a)(1)(G)

ELECTION FORM

with respect to the
Offer to Purchase for Cash
Up to 2,500,000 Shares of its Common Stock
(Including the Associated Preferred Stock Purchase Rights)
At a Purchase Price Not Greater Than $60.00
Nor Less Than $56.50 Per Share

by

The Toro Company

RETURN THIS ELECTION FORM FOR SHARES IN

THE TORO COMPANY INVESTMENT, SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN,
THE TORO COMPANY PROFIT-SHARING PLAN FOR PLYMOUTH UNION EMPLOYEES, AND
THE HAHN EQUIPMENT CO. SAVINGS PLAN FOR UNION EMPLOYEES
TO PUTNAM FIDUCIARY TRUST COMPANY (THE "TRUSTEE")
NO LATER THAN 5:00 P.M., NEW YORK CITY TIME, ON FRIDAY, APRIL 9, 2004.

NOTE: Before completing this election form, you should read carefully the attached Letter from the Administrator of The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees.

TO THE TRUSTEE OF THE TRUSTS FOR THE TORO COMPANY INVESTMENT, SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN, THE TORO COMPANY PROFIT-SHARING PLAN FOR PLYMOUTH UNION EMPLOYEES AND THE HAHN EQUIPMENT CO. SAVINGS PLAN FOR UNION EMPLOYEES (EACH, A "PLAN" AND COLLECTIVELY, THE "PLANS"):

I am a participant in one of the above-referenced Plans and, as such, I have received a copy of the offer to purchase, dated March 17, 2004 and the letter of transmittal (each as amended or supplemented from time to time) in connection with the tender offer by The Toro Company, a Delaware corporation ("Toro"), to purchase up to 2,500,000 outstanding shares of its common stock, par value $1.00 per share (including the associated preferred stock purchase rights issued under the Rights Agreement, dated as of May 20, 1998, between Toro and Wells Fargo Bank, N.A., as Rights Agent, the "shares") at a price not greater than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest.

I wish to direct you to tender the shares in my Plan account as indicated below:

TENDER INSTRUCTIONS

Odd Lots

o By checking this box, I represent that I own beneficially or of record (including shares held beneficially or of record in a Plan or otherwise) an AGGREGATE of fewer than 100 shares, and I am instructing the Trustee to tender all shares held for my benefit in my Plan account. My indication as to whether I wish to tender my shares at the price determined by Toro under the tender offer or at the price or prices I specify is indicated below.

CHECK EXACTLY *ONE* BOX BELOW. IF YOU CHECK MORE THAN ONE BOX, OR IF YOU DO NOT CHECK ANY BOX, YOU WILL HAVE FAILED TO VALIDLY TENDER ANY SHARES.

Shares Tendered at Price Determined Pursuant to the Tender Offer

o By checking this box, I represent that I want to maximize the chance of having Toro purchase shares that I am tendering (subject to the possibility of proration). Accordingly, by checking this box **INSTEAD OF ONE OF THE PRICE BOXES ON PAGE 2**, I hereby instruct the Trustee to tender **_____%** of the shares allocated to my Plan account (**please enter the applicable percentage — not to exceed 100%**) and I am willing to accept the purchase price determined by Toro pursuant to the tender offer. This action could result in my receiving a price per share as low as $56.50.

-OR-

Shares Tendered at Price Determined by Stockholder

By checking **ONE** of the boxes below **INSTEAD OF THE BOX ON PAGE 1** captioned "Shares Tendered at Price Determined Pursuant to the Tender Offer," I hereby instruct the Trustee to tender at the price checked **__________%** of the shares allocated to my Plan account (**please enter the applicable percentage — not to exceed 100%**). I understand that this action could result in none of my Plan shares tendered using this election form being purchased, if the actual purchase price for the shares determined by Toro pursuant to the terms of the tender offer is less than the price that I have checked. If the purchase price for the shares is equal to or greater than the price that I have checked below, then Toro will purchase my Plan shares, subject to any applicable proration, at the purchase price so determined. **I UNDERSTAND THAT IF I WANT TO TENDER DIFFERENT PORTIONS OF SHARES HELD IN MY PLAN ACCOUNT AT DIFFERENT PRICES, I MUST COMPLETE A SEPARATE YELLOW ELECTION FORM FOR EACH PRICE AT WHICH I WISH TO TENDER A PORTION OF MY PLAN SHARES.**

o	$56.50	o	$57.50	o	$58.50	o	$59.50
o	$56.75	o	$57.75	o	$58.75	o	$59.75
o	$57.00	o	$58.00	o	$59.00	o	$60.00
o	$57.25	o	$58.25	o	$59.25		

I have read and understand the offer to purchase and letter of transmittal and the letter from the administrator of the Plans; and I agree to be bound by the terms of the tender offer. I hereby direct the Trustee to tender these shares on my behalf and to direct the proceeds from the sale of these shares into the Toro RetirementReady Balanced Portfolio (the "Default Fund") for my benefit and on my behalf. I understand that, beginning on the first business day following the Trustee's receipt of the tender proceeds, I will be able to move such tender proceeds at my own discretion from the Default Fund to other investment funds of my choosing within my Plan. I understand and declare that if the tender of my shares is accepted, the payment for the tendered shares will be full and adequate compensation, in my judgment, for such shares.

DATE	SIGNATURE OF PARTICIPANT
SOCIAL SECURITY NUMBER	PLEASE PRINT NAME, ADDRESS AND TELEPHONE NUMBER HERE

NOTE: YOU MUST COMPLETE AND SIGN THIS ELECTION FORM IF YOU WANT TO TENDER ANY TORO SHARES HELD FOR YOUR BENEFIT IN THE TORO COMPANY INVESTMENT, SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN, THE TORO COMPANY PROFIT-SHARING PLAN FOR PLYMOUTH UNION EMPLOYEES OR THE HAHN EQUIPMENT CO. SAVINGS PLAN FOR UNION EMPLOYEES. IF YOU DO NOT SIGN THIS FORM, THE DIRECTIONS INDICATED WILL NOT BE ACCEPTED AND YOU WILL FAIL TO HAVE TENDERED ANY OF THE TORO SHARES HELD FOR YOUR BENEFIT IN THE PLANS.

PLEASE RETURN THIS ELECTION FORM TO THE TRUSTEE, PUTNAM FIDUCIARY COMPANY, AT PUTNAM PLACE, P.O. BOX 9740, PROVIDENCE, RHODE ISLAND 02940-9740. A PRE-ADDRESSED REPLY ENVELOPE IS PROVIDED WITH YOUR TENDER MATERIALS. THE TRUSTEE MUST RECEIVE YOUR ELECTION FORM BY 5:00 P.M., NEW YORK CITY TIME, ON FRIDAY, APRIL 9, 2004. IN AN EMERGENCY, YOU MAY OVERNIGHT YOUR ELECTION FORM TO THE TRUSTEE AT THE SAME ADDRESS OR FAX YOUR ELECTION FORM TO: (800) 250-8417. DO NOT SEND THIS FORM TO YOUR PLAN ADMINISTRATOR.

YOUR DECISION WHETHER OR NOT TO HAVE YOUR PLAN SHARES TENDERED WILL BE KEPT CONFIDENTIAL.

IMPORTANT:

BY SIGNING THIS FORM OF ELECTION AND SUBMITTING IT TO THE TRUSTEE, YOU ARE AGREEING TO ALL OF THE TERMS OF THIS FORM OF ELECTION AND TO THE FOLLOWING STATEMENTS:

1) You are the Plan participant or beneficiary whose account is described in this election form and accompanying letter from the administrator of the Plans to the participants in the Plans.

2) As explained in the accompanying letter to participants in the Plans, this election form is being sent to you in connection with a tender offer by The Toro Company to purchase up to 2,500,000 shares of its common stock, par value $1.00 per share, including the associated preferred stock purchase rights (such shares, together with such rights, herein referred to as the “shares”). The terms of the tender offer are set forth in the offer to purchase, dated March 17, 2004, and the letter of transmittal. You understand that:

a. The tender offer is for 2,500,000 shares, constituting approximately 10.3% of the publicly held shares of Toro’s common stock.

b. Tendering participants will not be obligated to pay any brokerage commissions or fees, or solicitation fees, to Toro or to the dealer manager, depositary or information agent of the tender offer.

c. Tendering participants will not be obligated to pay any stock transfer taxes on Toro’s purchase of their shares, except as set forth in the offer to purchase and the letter of transmittal (see Instruction 9 to the letter of transmittal).

d. **IF YOU WISH TO TENDER PORTIONS OF YOUR PLAN SHARES AT DIFFERENT PRICES, YOU MUST COMPLETE A SEPARATE ELECTION FORM FOR EACH PRICE AT WHICH YOU WISH TO TENDER EACH SUCH PORTION OF YOUR SHARES.**

e. If you are an “odd lot” holder, and you instruct the Trustee to tender on your behalf all of your shares (as described in Item 1 in the attached Q&A) at or below the purchase price determined by Toro before the expiration of the tender offer, then, provided that you check the box captioned “Odd Lots” in this election form, Toro will accept, on the terms and subject to the conditions of the tender offer, all of your “odd lot” shares for purchase, notwithstanding any proration that might otherwise be applicable to such shares.

f. **Neither Toro nor any member of its Board of Directors, nor the dealer manager, the information agent, the Trustee or any other fiduciary of the Plan makes any recommendation to you as to whether you should instruct the Trustee to tender your shares and if so, at what purchase price or prices, if any, you should instruct the Trustee to tender your shares. YOU MUST MAKE YOUR OWN DECISION AS TO (A) WHETHER TO INSTRUCT THE TRUSTEE TO TENDER YOUR SHARES AND IF SO, HOW MANY SHARES TO TENDER AND (B) WHETHER YOU WISH TO SPECIFY A PURCHASE PRICE OR PURCHASE PRICES FOR THE SHARES YOU WISH TO TENDER AND IF SO, WHAT THAT PURCHASE PRICE OR THOSE PURCHASE PRICES SHOULD BE. As discussed in Section 11 of the offer to purchase, Toro’s Directors and Executive Officers have indicated that they do not intend to tender any of their own shares in this tender offer.**

3) You must ensure receipt of this election form by the Trustee no later than 5:00 p.m., New York City Time, on Friday, April 9, 2004, unless the tender offer is extended. If the tender offer is extended, you must ensure receipt

of this election form by the Trustee NO LATER THAN 5:00 P.M., NEW YORK CITY TIME, ON THE DATE THAT IS THREE (3) NEW YORK STOCK EXCHANGE TRADING DAYS BEFORE THE RESCHEDULED EXPIRATION DATE. A pre-addressed envelope is enclosed for your convenience.

4) The method of delivery of this election form is entirely your choice and at your own risk. This election form will be validly delivered only when actually received by the Trustee. If delivery is by mail, we recommend registered mail with return receipt. In all cases, you should allow ample time to ensure timely delivery.

5) You understand that the Trustee has the sole authority under the Plans to make the election described herein. However, under the terms of the Plans, each participant or beneficiary, including you, is designated a "named fiduciary" for purposes of making a decision as to whether to offer the shares allocated to your account under the Plan for sale in accordance with the terms of the tender offer. You understand that, because you are designated a "named fiduciary" for tender offer purposes under your Plan, the Trustee is required to follow your validly delivered election instructions, provided they are in accordance with the terms of the Plan in question and are not contrary to the fiduciary standards of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Fiduciaries under ERISA (including persons designated "named fiduciaries") are required to act prudently, solely in the interests of the Plan participants and beneficiaries, and for the exclusive purpose of providing benefits to Plan participants and beneficiaries. As a "named fiduciary" you are entitled to instruct the Trustee whether to tender all or a portion of the shares allocated to your account under your Plan as of the expiration date of the tender offer. **BY SIGNING, DATING AND RETURNING THIS ELECTION FORM YOU ACCEPT THIS DESIGNATION UNDER YOUR PLAN AS A "NAMED FIDUCIARY" AND UNDERSTAND THAT YOU SHOULD EXERCISE YOUR ELECTION RIGHTS IN A PRUDENT MANNER.**

6) By checking the appropriate box, you are instructing the Trustee to cause all or a portion of the shares allocated to your Plan account to be offered for sale, as and at the price(s) indicated, in the tender offer.

7) All instructions received by the Trustee to tender the shares allocated to your Plan account will be held in strict confidence and will not be disclosed to any person associated with Toro, including employees, officers and directors of Toro, except and only to the extent required by law.

8) By signing, dating and returning this election form, you acknowledge receipt of the offer to purchase, dated March 17, 2004 and the letter of transmittal. If you need additional copies of the offer to purchase and/or the letter of transmittal, you may obtain them by calling Morrow & Co., Inc., at 1-800-607-0088.

9) You understand that all authority conferred or agreed to be conferred in this election form will be binding on your successors, assigns, heirs, executors, administrators and legal representatives.

10) You may revoke any election to tender shares until 5:00 p.m., New York City time, on Friday, April 9, 2004, unless Toro extends the tender offer (in which case you may revoke the election until 5:00 p.m. New York City time, on the date that is three (3) New York Stock Exchange trading days before the rescheduled expiration date). You may make a new election by submitting to the Trustee a later dated election form before the expiration of the election period. See Q&A, Items 11 and 12.

11) To revoke an election, you must submit a later dated written notice of revocation to the Trustee by 5:00 p.m. New York City time, on Friday, April 9, 2004, unless Toro extends the offer. The notice of revocation must:

a. specify the name of the participant or beneficiary who has made the election that is being revoked and the name of such participant's or beneficiary's Plan; and

b. be signed by the participant or beneficiary in the same manner as the original signature on the election form by which the election that is being revoked was made.

12) If Toro has not accepted for purchase the shares in your Plan account that you tendered using this election form, you may withdraw your shares after 12:00 midnight, New York City time, on Tuesday, May 11, 2004.

Exhibit a(5)(A)

This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares. The offer is made solely by the offer to purchase, dated March 17, 2004, and the related letter of transmittal, and any amendments or supplements thereto. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares in any jurisdiction in which the making or acceptance of offers to sell shares would not be in compliance with the laws of that jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the tender offer to be made by a licensed broker or dealer, the tender offer shall be deemed to be made on behalf of The Toro Company by Banc of America Securities LLC, the dealer manager for the tender offer, or by one or more registered brokers or dealers licensed under the laws of that jurisdiction.

Notice of Offer to Purchase for Cash
by
The Toro Company
Up to 2,500,000 shares of its Common Stock
(Including the Associated Preferred Stock Purchase Rights)
At a Purchase Price Not Greater Than $60.00
Nor Less Than $56.50 Per Share

The Toro Company, a Delaware corporation ("Toro"), is offering to purchase for cash up to 2,500,000 shares of its common stock, par value $1.00 per share (including the associated preferred stock purchase rights issued under the Rights Agreement, dated as of May 20, 1998, between Toro and Wells Fargo Bank, N.A., as Rights Agent, the "shares"), upon the terms and subject to the conditions set forth in the offer to purchase, dated March 17, 2004, and in the related letter of transmittal, as they may be amended and supplemented from time to time. Toro is inviting its stockholders to tender their shares at prices specified by the tendering stockholder that are not greater than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions of the tender offer.

The tender offer is not conditioned on any minimum number of shares being tendered. The tender offer is, however, subject to other conditions set forth in the offer to purchase and the related letter of transmittal.

THE TENDER OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON WEDNESDAY, APRIL 14, 2004, UNLESS TORO EXTENDS THE TENDER OFFER.

The Board of Directors of Toro has approved the tender offer. However, neither Toro nor its Board of Directors is making any recommendation to its stockholders as to whether to tender or refrain from tendering their shares or as to the price or prices at which stockholders may choose to tender their shares. Stockholders must make their own decisions as to whether to tender their shares and, if so, how many shares to tender and the price or prices at which they should tender their shares. In so doing, you should read carefully the information in the offer to purchase and in the related letter of transmittal, including our reasons for making the tender offer. Toro directors and executive officers have advised Toro that they do not intend to tender any shares in the tender offer.

Toro will, upon the terms and subject to the conditions of the tender offer, determine the single per share price, not greater than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest, that it will pay for shares properly tendered and not properly withdrawn in the tender offer, taking into account the total number of shares so tendered and the prices specified by the tendering stockholders. Toro will select the lowest purchase price (the “Purchase Price”) that will allow Toro to purchase 2,500,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn, at prices at or below the Purchase Price. Toro will purchase all shares properly tendered, and not properly withdrawn, prior to the “expiration date” (as defined below) at the Purchase Price, upon the terms and subject to the conditions of the tender offer, including the “odd lot,” proration and conditional tender provisions.

Under no circumstances will Toro pay interest on the Purchase Price for the shares, regardless of any delay in making payment. Toro will acquire all shares acquired in the tender offer at the Purchase Price regardless of whether the stockholder selected a lower price. The term “expiration date” means 5:00 p.m., New York City time, on Wednesday, April 14, 2004, unless and until Toro, in its sole discretion, shall have extended the period of time during which the tender offer will remain open, in which event the term “expiration date” shall refer to the latest time and date at which the tender offer, as so extended by Toro, shall expire. Toro reserves the right, in its sole discretion, to purchase more than 2,500,000 shares under the tender offer, subject to applicable law.

For purposes of the tender offer, Toro will be deemed to have accepted for payment, and therefore purchased, shares properly tendered (and not properly withdrawn) at or below the Purchase Price, subject to the odd lot, proration and conditional tender provisions of the tender offer, only when, as and if Toro gives oral or written notice to Wells Fargo Bank, N.A., the depositary for the tender offer, of its acceptance for payment of shares under the tender offer. Toro will make payment for shares tendered and accepted for payment under the tender offer only after timely receipt by the depositary of certificates for such shares or of timely confirmation of a book-entry transfer of such shares into the depositary’s account at the “book-entry transfer facility” (as defined in the offer to purchase), a properly completed and duly executed letter of transmittal or a manually signed facsimile thereof or in the case of a book-entry transfer, an “agent’s message” (as defined in the offer to purchase), and any other documents required by the letter of transmittal.

Upon the terms and subject to the conditions of the tender offer, if more than 2,500,000 shares, or such greater number of shares as Toro may elect to purchase, subject to applicable law, have been properly tendered, and not properly withdrawn prior to the expiration date at prices at or below the Purchase Price, Toro will purchase properly tendered shares on the following basis:

- first, from all holders of “odd lots” (holders of less than 100 shares) who properly tender all their shares at or below the purchase price selected by Toro and do not properly withdraw them before the expiration date (partial tenders will not qualify for this preference);

- second, on a pro rata basis from all other stockholders who properly tender shares at or below the purchase price selected by Toro, other than stockholders who tender conditionally and whose conditions are not satisfied; and

- third, only if necessary to permit Toro to purchase 2,500,000 shares (or such greater number of shares as Toro may elect to purchase, subject to applicable law) from holders who have tendered shares at or below the purchase price, subject to the condition that Toro purchase a specified minimum number of the holder's shares if Toro purchases any of the holder's shares in the tender offer (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, stockholders that conditionally tender their shares must have tendered all of their shares.

Toro will return all other tendered shares that it has not purchased promptly after the expiration date.

Toro expressly reserves the right, in its sole discretion, at any time and from time to time, to extend the period of time during which the tender offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of such extension to the depositary and making a public announcement thereof no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced expiration date. During any such extension, all shares previously tendered and not properly withdrawn will remain subject to the tender offer and to the right of a tendering stockholder to withdraw such stockholder's shares.

Toro believes that the tender offer is a prudent use of its financial resources given its business profile, assets and current market price, and that investing in its own shares is an attractive use of capital and an efficient means to provide value to its stockholders. The tender offer represents the opportunity for Toro to return cash to stockholders who elect to tender their shares, while at the same time increasing non-tendering stockholders' proportionate interest in Toro.

Generally, a stockholder will be subject to U.S. federal income taxation when the stockholder receives cash from Toro in exchange for the shares that the stockholder tenders.

Tenders of shares under the tender offer are irrevocable, except that such shares may be withdrawn at any time prior to the expiration date and, unless previously accepted for payment by Toro under the tender offer, may also be withdrawn at any time after 12:00 Midnight, New York City time, on Tuesday, May 11, 2004. For such withdrawal to be effective, Wells Fargo Bank, N.A. must timely receive a written, telegraphic or facsimile transmission notice of withdrawal at its address set forth on the back cover page of the offer to purchase. Any such notice of withdrawal must specify the name of the tendering stockholder, the number of shares to be withdrawn and the name of the registered holder of such shares.

If the certificates for shares to be withdrawn have been delivered or otherwise identified to the depositary, then, before the release of such certificates, the serial numbers shown on such certificates must be submitted to the depositary and the signature(s) on the notice of withdrawal must be guaranteed by an "eligible guarantor institution" (as defined in the offer to purchase), unless such shares have been tendered for the account of an eligible guarantor institution. If shares have been tendered pursuant to the procedure for book-entry transfer set forth in the offer to purchase, any notice of withdrawal also must specify the name and the number of the account

at the book-entry transfer facility to be credited with the withdrawn shares and must otherwise comply with such book-entry transfer facility's procedures.

Toro will determine, in its sole discretion, all questions as to the form and validity of any notice of withdrawal, including the time of receipt, and such determination will be final and binding. None of Toro, Wells Fargo Bank, N.A., as the depositary, Morrow & Co., Inc., as the information agent, Banc of America Securities LLC, as the dealer manager, or any other person will be under any duty to give notification of any defects or irregularities in any tender or notice of withdrawal or incur any liability for failure to give any such notification.

The information required to be disclosed by Rule 13e-4(d)(1) under the Securities Exchange Act of 1934, as amended, is contained in the offer to purchase and is incorporated herein by reference.

We are mailing promptly the offer to purchase and the related letter of transmittal to record holders of shares whose names appear on Toro's stockholder list and will furnish the offer to purchase and the related letter of transmittal to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares.

The offer to purchase and the related letter of transmittal contain important information that you should read carefully before you make any decision with respect to the tender offer. Stockholders may obtain additional copies of the offer to purchase and letter of transmittal from the information agent at the address and telephone number set forth below. The information agent will promptly furnish to stockholders additional copies of these materials at Toro's expense.

Please direct any questions or requests for assistance to the information agent or the dealer manager at their respective telephone numbers and addresses set forth below. Please direct requests for additional copies of the offer to purchase, the letter of transmittal or the notice of guaranteed delivery to the information agent at the telephone number and address set forth below. Stockholders may also contact their broker, dealer, commercial bank, trust company or nominee for assistance concerning the tender offer. To confirm delivery of shares, please contact the depositary.

The Information Agent for the tender offer is:

Morrow & Co., Inc.

Morrow & Co., Inc.
445 Park Avenue, 5th Floor
New York, New York 10022
Call Collect: (212) 754-8000
Banks and Brokerage Firms Call: (800) 654-2468
Stockholders Please Call: (800) 607-0088
E-mail: ttc.info@morrowco.com

The Dealer Manager for the tender offer is:

BANC OF AMERICA SECURITIES

Banc of America Securities LLC
9 West 57th Street
New York, New York 10019
(212) 583-8564 (Call Collect)
(888) 583-8900, extension 8564 (Call Toll Free)

March 17, 2004

Exhibit (a)(5)(B)

The Toro Company

8111 Lyndale Avenue South, Bloomington, Minnesota
Telephone: 952/888-8801

Kendrick B. Melrose
Chairman and CEO

March 17, 2004

To Our Stockholders:

As described in the enclosed materials, The Toro Company is offering to purchase up to 2,500,000 shares of its common stock, or such lesser number of shares as are properly tendered.

The price paid by Toro will not be greater than $60.00 nor less than $56.50 per share, net to the seller in cash, without interest. Toro is conducting the offer through a procedure commonly referred to as a "Dutch auction" tender. This procedure allows you to select the price within the $56.50 to $60.00 price range at which you are willing to sell your shares to Toro. Alternatively, this procedure allows you to sell all or a portion of your shares to Toro at the purchase price to be determined by Toro in accordance with the terms of the tender offer. Choosing the latter alternative could result in your receipt of a price per share as low as $56.50. All shares that Toro purchases under the tender offer will be purchased at the same price. A tender of shares will include a tender of the associated preferred stock purchase rights. Toro will not pay any separate consideration for the preferred stock purchase rights. You may tender all or only a portion of your shares upon the terms and subject to the conditions of the tender offer, including the odd lot, proration and conditional tender provisions.

Based upon the number of shares tendered and the prices specified by the tendering stockholders, Toro will determine the lowest single price (the "Purchase Price") within the $56.50 to $60.00 range that will allow it to buy 2,500,000 shares, or such fewer number of shares as are properly tendered. Toro will pay tendering stockholders the Purchase Price in cash, for all of the shares that are properly tendered at or below the Purchase Price, subject to possible proration and the provisions relating to the tender of odd lots and conditional tenders described in the enclosed offer to purchase. Any stockholder whose shares are properly tendered directly to Wells Fargo Bank, N.A., the depositary in the tender offer, and thereafter purchased by Toro pursuant to the tender offer, will receive the net aggregate Purchase Price in cash, without interest, as promptly as practicable after the expiration of the tender offer, thus avoiding the usual transaction costs associated with open market sales. If you hold shares through a broker or bank, you should consult your broker or bank to determine whether any transaction costs apply. Stockholders that own fewer than 100 shares should note that the tender offer represents an opportunity for them to sell their shares without reduction for any odd lot discounts. Tendered shares that Toro does not purchase will be returned to the tendering stockholder as promptly as practicable.

If you do not wish to participate in the tender offer, you do not need to take any action.

We explain the terms and conditions of the tender offer in detail in the enclosed offer to purchase and the related letter of transmittal. **I encourage you to read these materials carefully before making any decision with respect to the tender offer. If you want to tender your shares, we explain the necessary steps in detail in the enclosed materials.**

The Board of Directors of Toro has approved the tender offer. However, neither Toro nor its Board of Directors makes any recommendation to you as to whether you should tender or refrain from tendering your shares or as to the price or prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which you wish to tender your shares. The directors and executive officers of Toro have advised Toro that they do not intend to tender any shares in the tender offer.

The tender offer will expire at 5:00 p.m., New York City time, on Wednesday, April 14, 2004, unless Toro extends the tender offer. If you have any questions regarding the tender offer or need assistance in tendering your shares, please contact Morrow & Co., Inc., the information agent for the tender offer, at (800) 607-0088, or Banc of America Securities LLC, the dealer manager for the tender offer, at (212) 583-8564 (call collect) or (888) 583-8900, extension 8564.

Sincerely,

Kendrick B. Melrose
Chairman of the Board and Chief Executive Officer

Exhibit (a)(5)(C)

QUESTIONS AND ANSWERS WITH RESPECT TO TENDER RIGHTS OF PARTICIPANTS IN

THE TORO COMPANY INVESTMENT, SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN, THE TORO COMPANY PROFIT-SHARING PLAN FOR PLYMOUTH UNION EMPLOYEES, AND THE HAHN EQUIPMENT CO. SAVINGS PLAN FOR UNION EMPLOYEES

DESCRIPTION OF THE TENDER OFFER

1. What is the tender offer?

On March 17, 2004, Toro offered to purchase up to 2,500,000 shares of its common stock and the associated preferred stock purchase rights at a price not greater than $60.00 nor less than $56.50 per share (the "tender offer"). This tender offer will be open from Wednesday, March 17, 2004 until it expires at 5:00 p.m., New York City time, on Wednesday, April 14, 2004, unless Toro extends the tender offer.

Participants in The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees and The Hahn Equipment Co. Savings Plan for Union Employees (each such plan being referred to hereafter as such participant's "Plan," and all three plans collectively referred to as the "Plans") who beneficially own shares of Toro common stock in their Plan accounts (such shares are referred to in this Q&A as "Plan shares") may tender (i.e., offer to sell) their Plan shares under this tender offer by (i) so indicating on the enclosed *yellow* election form and (ii) returning the form to Putnam Fiduciary Trust Company, which serves as the Trustee of the trusts for the Plans (and is referred to in this Q&A as the "Trustee"), at Putnam Place, P.O. Box 9740, Providence, Rhode Island 02940-9740. A PRE-ADDRESSED ENVELOPE IS INCLUDED AMONG THESE MATERIALS FOR THIS PURPOSE. YOU SHOULD MAIL, OR OTHERWISE TRANSMIT, YOUR COMPLETED YELLOW ELECTION FORM TO THE TRUSTEE IN AMPLE TIME TO ENSURE THAT THE TRUSTEE RECEIVES IT NO LATER THAN 5:00 P.M., NEW YORK CITY TIME, ON FRIDAY, APRIL 9, 2004. IN AN EMERGENCY, YOU MAY ALSO OVERNIGHT YOUR ELECTION FORM TO THE TRUSTEE AT THE ABOVE ADDRESS, OR FAX YOUR ELECTION FORM TO THE TRUSTEE AT (800) 250-8417.

Toro will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than $60.00 nor less than $56.50 per share, that it will pay for shares properly tendered pursuant to the tender offer and not properly withdrawn, taking into account the number of shares tendered and the prices specified by tendering stockholders. Toro will select the lowest purchase price that will allow it to purchase 2,500,000 shares or, if a lesser number of shares are properly tendered, such lesser number as are properly tendered and not properly withdrawn. Toro also reserves the right, in its sole discretion, to purchase additional shares, subject to applicable legal requirements. All stockholders whose shares Toro purchases in the tender offer will receive the same purchase price per share.

If the number of shares tendered at or below the purchase price selected by Toro exceeds the total number of shares that Toro accepts for purchase, Toro will generally accept all shares tendered at or below the purchase price on a *pro rata* basis. Subject to adjustment to avoid the purchase of fractional shares and subject to the provisions governing conditional tenders described in Section 6 of the offer to purchase, proration for each stockholder that tenders shares will be based on the ratio of the total number of shares that Toro accepts for purchase (excluding "odd lots") to the total number of shares properly tendered (and not properly withdrawn) at or below the purchase price by all stockholders (other than "odd lot" holders). For example, if the number of shares tendered (excluding "odd lot" shares) at or below the purchase price exceeds the number of shares (excluding "odd lot" shares) that Toro accepts for purchase by one hundred percent, the proration percentage will equal 50%, i.e., the ratio of the total number of shares (excluding "odd lots") accepted for purchase, e.g., 2,000,000, divided by the total number of shares (excluding "odd lots") properly tendered (and not properly withdrawn) at or below the purchase price, e.g., 4,000,000. Thus, if you properly tendered 1,000 shares at or below the purchase price, Toro would purchase 500 shares at the final purchase price.

One group of stockholders is not subject to proration. If the total number of all shares (including those held under a Plan *or otherwise*) owned beneficially or of record by a stockholder is less than 100 (i.e., if you are an "odd lot" holder) *and* you properly tender all of your shares at or below the purchase price and select the "odd lot" tender option, then the proration percentage will not be applied to you, and Toro will, instead, buy *all* of your tendered shares. To take advantage of this preference and avoid proration, you MUST check the first box on the yellow election form.

The terms and conditions of the tender offer are fully described in the offer to purchase and the letter of transmittal provided to you as part of this mailing. PLEASE READ THE OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL CAREFULLY.

2. What are my rights under the tender offer?

Our records indicate that Plan shares are allocated to your account under one of the Plans. You may tender some or all of these shares. Because all of these Plan shares are held in trust for your benefit, they are registered in the name of Putnam Fiduciary Trust Company, the current Trustee of the trusts for each of the Plans (the "Trustee"). Consequently, the Trustee will actually tender your Plan shares by completing the required letter of transmittal, but only in accordance with your instructions.

YOU MUST DIRECT THE TRUSTEE IF YOU WANT TO TENDER YOUR PLAN SHARES AND, IF YOU DIRECT THE TRUSTEE TO TENDER YOUR PLAN SHARES YOU MUST INDICATE AT WHICH PRICE OR PRICES YOU WANT THE TRUSTEE TO TENDER THEM. THE TRUSTEE WILL TENDER YOUR PLAN SHARES ONLY IF SPECIFICALLY INSTRUCTED. IF YOU DO NOT RESPOND USING THE ENCLOSED ELECTION FORM (OR A SIGNED FACSIMILE THEREOF), YOU WILL BE DEEMED TO HAVE INSTRUCTED THE TRUSTEE NOT TO TENDER ANY OF YOUR SHARES UNDER THE TENDER OFFER, AND YOUR PLAN SHARES WILL REMAIN IN YOUR PLAN ACCOUNT.

3. Which documents did I receive in the tender offer materials and what is the purpose of each document?

You received the following materials in this mailing:

(a) *Letter from Toro's Chairman and CEO.* This letter informs you that Toro is making the tender offer.

(b) *Offer to Purchase, dated March 17, 2004.* This document (the white, bound document in your package), together with the letter of transmittal (which is described in paragraph (c) below), describes all of the terms and conditions of the tender offer. **PLEASE READ THESE DOCUMENTS CAREFULLY.**

(c) *Letter of Transmittal.* This document (blue document) is part of the tender offer and therefore is being provided to you. However, it must be filled out by the Trustee, NOT BY YOU. **DO <u>NOT</u> USE THE LETTER OF TRANSMITTAL TO TENDER ANY PLAN SHARES OR SHARES HELD IN YOUR NAME UNDER YOUR PLAN.** If you hold shares outside of The Toro Company Investment, Savings and Employee Stock Ownership Plan, The Toro Company Profit-Sharing Plan for Plymouth Union Employees or The Hahn Equipment Co. Savings Plan for Union Employees, as the case may be, including any shares you acquired pursuant to Toro's Dividend Reinvestment Plan, then you may need to use the blue letter of transmittal to tender *those* shares. The letter of transmittal contains instructions on how to complete and sign it in order to properly tender those shares.

(d) *Letter from the Administrator of the Plans.*

(e) *Election Form* (yellow form). YOU MUST COMPLETE, SIGN AND MAIL, OR OTHERWISE TRANSMIT, THIS DOCUMENT TO THE TRUSTEE IN THE ENCLOSED PRE-ADDRESSED ENVELOPE IF YOU WISH TO DIRECT THE TRUSTEE TO TENDER SOME OR ALL OF YOUR PLAN SHARES. IF YOU FAIL TO COMPLETE, SIGN OR TIMELY MAIL THE YELLOW ELECTION FORM SO THAT THE TRUSTEE RECEIVES IT BY 5:00 P.M., NEW YORK CITY TIME, ON FRIDAY, APRIL 9, 2004, YOU WILL BE DEEMED TO HAVE INSTRUCTED THE TRUSTEE NOT TO OFFER ANY OF YOUR PLAN SHARES FOR SALE UNDER THE TENDER OFFER. YOU **<u>MUST</u>** USE THE YELLOW ELECTION FORM IF YOU WISH TO DIRECT A TENDER OF YOUR PLAN SHARES.

(f) *Reply Envelope.* A pre-addressed envelope is provided for your convenience. If you decide to tender some or all of your Plan shares, you may use this envelope to mail the completed election form to the Trustee, which will forward the information regarding your election to the Trustee. You should mail or otherwise transmit the election form in ample time to ensure that the Trustee receives it by 5:00 P.M., New York City time, on Friday, April 9, 2004 unless the tender offer is extended.

4. How do I direct the Plan Trustee?

The only way that you can instruct the Trustee to tender your Plan shares is by completing the yellow election form as described, signing it and returning it to the Trustee. The address you should use to return the yellow election form is Putnam Place, P.O. Box 9740, Providence, Rhode Island 02940-9740. This address is already printed for your convenience on the return envelope. In an emergency, you may also overnight your election form to the Trustee at the same address, or fax your completed yellow election form to: (800) 250-8417.

THE TRUSTEE **MUST** RECEIVE THE YELLOW TENDER INSTRUCTION FORM BEFORE 5:00 P.M., NEW YORK CITY TIME, ON FRIDAY, APRIL 9, 2004 (UNLESS THE TENDER OFFER IS EXTENDED). YOU MUST SIGN AND COMPLETE THE FORM FOR YOUR TENDER INSTRUCTION TO BE VALID.

TO PROPERLY DIRECT THE TRUSTEE TO TENDER PLAN SHARES ON YOUR BEHALF YOU MUST:

(a) *Instructions.* Read carefully and follow exactly the instructions in (i) the Letter from the administrator of the Plans and (ii) the yellow election form. These documents will tell you how to direct the Trustee regarding your Plan shares.

(b) *Election Form.* Complete the enclosed yellow election form.

(c) *Shares.* Designate on the yellow election form the percentage of your Plan shares you wish to be tendered. You may obtain information about the number of shares allocated to your account by calling the Trustee at (800) 216-4719.

(d) *Price.* Designate on the yellow election form the price or prices at which you are willing to tender your Plan shares. In the alternative, you may maximize the chance of Toro purchasing the Plan shares you tender by electing to accept whatever price Toro determines as the tender offer purchase price pursuant to the tender offer terms and conditions (the “Purchase Price”). Please note that the latter action may result in you receiving a price as low as $56.50 per share.

(e) *Signature.* You must SIGN the yellow election form to complete your instruction. Unless you sign the election form, your direction cannot be honored and the election form will be ineffective even if it is properly filled out and received by the Trustee in a timely manner.

(f) *Mailing.* We have enclosed a pre-addressed return envelope with your tender materials. You may use this envelope to return your completed yellow election form if you wish to have the Trustee tender your Plan shares.

Please be precise in providing your instruction and please act PROMPTLY.

IF YOU DO NOT WISH TO TENDER ANY PLAN SHARES, TAKE NO ACTION.

5. How do I send instructions to the Trustee?

Please return your instructions PROMPTLY, recognizing the slow delivery time inherent in the U.S. mail today. You may mail your yellow election form to the Trustee in the pre-addressed reply envelope that has been provided for this purpose. In an emergency, you may overnight your completed election form to: Putnam Place, P.O. Box 9740, Providence, Rhode Island 02940-9740, or you may fax it to the Trustee at (800) 250-8417. **DO NOT DELIVER YOUR INSTRUCTIONS TO YOUR HUMAN RESOURCES DEPARTMENT OR TO YOUR BENEFITS ADMINISTRATOR.**

6. Must I provide directions to the Trustee?

You must respond IF you wish the Trustee to tender any of your Plan shares. IF YOU DO NOT WISH TO TENDER ANY OF YOUR PLAN SHARES, DO NOTHING. If you do nothing, you will be deemed to have instructed the Trustee not to tender any of the Plan shares held for your benefit.

7. How many Plan shares may I tender and how do I learn the number of Plan shares held for my benefit in the Plan?

You may tender all Plan shares allocated to your Plan account as of the expiration date of the tender offer, currently scheduled to occur on Wednesday, April 14, 2004 (unless it is extended). You may obtain information about the number of Plan shares allocated to your Plan account by calling the Trustee at (800) 216-4719, or by visiting the Plan's website at *www.ibenefitcenter.com*. The number of shares listed as held in your Plan account is updated on a real time basis.

8. Why must I direct the tender of the shares allocated to my Plan account by percentage, rather than designating a set number of shares?

A percentage designation allows the Trustee to take into account transactions involving Plan shares that might be effected after you complete and send your election form to the Trustee, such as additional contributions, exchanges or distributions of shares. The percentage designation allows the Trustee to tender your shares based on the actual number of shares in your Plan account as of the date of such tender.

9. What if I have shares in my Plan account AND hold shares outside of my Plan?

If you have shares in one of the Plans **and also** own other shares (either in your possession or held by a bank or brokerage firm, or otherwise) outside of your Plan, you will receive two or more sets of tender offer materials. You should be careful to follow the different instructions that apply for tendering each kind of shares.

10. Who will know whether I tendered my Plan shares?

Your directions to the Trustee will be kept CONFIDENTIAL by the Trustee. No Toro employee, officer or director will learn of your election unless such disclosure is required by law.

11. Can I change my mind and direct the Trustee to withdraw Plan shares that I previously directed the Trustee to tender?

Yes, but only if you perform ALL of the following steps:

(a) You must send a signed NOTICE OF WITHDRAWAL to the Trustee.

(b) The notice of withdrawal must be in writing. You may fax your notice of withdrawal to the Trustee at (800) 250-8417.

(c) The notice of withdrawal must set forth your name, social security number and the percentage of Plan shares that you wish to withdraw from the tender offer, and it must state that you are directing the Trustee to withdraw Plan shares that you previously directed the Trustee to tender on your behalf.

(d) The Trustee must receive the notice of withdrawal before 5:00 p.m., New York City time, on Friday, April 9, 2004 (or, if the tender offer is extended, no later than 5:00 p.m., New York City time, on the date that is three (3) New York Stock Exchange trading days before the rescheduled expiration date). If we have not accepted for payment the Plan shares you have instructed the Trustee to tender to us, you may also withdraw your shares after 12:00 Midnight, New York City time, on Tuesday, May 11, 2004.

12. Can I direct the Trustee to re-tender my Plan shares?

Yes. If, after directing the Trustee to withdraw your previously tendered Plan shares, you wish to direct the Trustee to re-tender the same Plan shares (or any portion thereof), you must complete another yellow election form and return it to the Trustee by 5:00 p.m., New York City time, on Friday, April 9, 2004 (unless the offer is extended, in which case the deadline for receipt of your election form will be extended until 5:00 p.m. on the date that is three (3) New York Stock Exchange trading days before the new expiration date). You may request additional copies of the yellow election form by calling the Trustee at (800) 216-4719, or by faxing your request to (800) 250-8417.

13. Will I still be entitled to receive the forthcoming dividend on the shares that I tender?

Yes. Shares that are sold to Toro pursuant to the tender offer will be entitled to receive the second quarter dividend.

14. Will Toro purchase all Plan shares that I direct the Trustee to tender?

The answer to this question depends on the total number of shares properly tendered (and not properly withdrawn) by all tendering stockholders at or below the purchase price, and the price or prices at which you direct the Trustee to tender your shares. If you tender your Plan shares at a price above the purchase price determined by Toro pursuant to the tender offer terms and conditions, Toro will not purchase your Plan shares. If you tender your Plan shares at or below the purchase price *or* you elect to tender your Plan shares at whatever purchase price Toro determines pursuant to the tender offer terms and conditions, then Toro will purchase your Plan shares subject to the proration provisions of the tender offer. See Q&A #1 for a description of how the proration process works. See also Section 1 of the offer to purchase for a description of the "odd lot" preference.

Plan shares held in your Plan account that are tendered but not purchased by Toro will remain in your Plan account as if nothing had happened, subject to the rules and provisions governing the Plan.

15. What if I have questions about the tender offer?

Please contact Morrow & Co., Inc. the information agent for the tender offer, at (800) 607-0088 (toll free) with any questions about the terms and conditions of the tender offer or how to tender your Plan shares.

16. How will I know if Toro has purchased my Plan shares?

The purchase will be reflected in your Plan account as an exchange of the tendered shares, with the tender proceeds going into the Toro RetirementReady Balanced Portfolio. You will receive a confirmation statement in the mail 5 to 7 days after this exchange takes place in your Plan account. The statement you receive will set forth the number of Plan shares purchased in the tender offer, the price you received for those shares, and the market value of those shares.

OPERATION OF THE PLAN DURING THE TENDER OFFER

17. What happens to contributions of shares to my Plan account that are made after March 17, 2004?

Contributions of shares made to your Plan account during the tender offer period (including any contributions made to your ESOP Toro Common Stock Account and any contributions made to your Matching Contributions Account, respectively) will be allocated as usual, in accordance with the sources of the contributions and, where applicable, your investment elections in effect at the time of your contribution.

No transactions involving your Plan shares will take place on the day that Plan shares are deemed withdrawn from your Plan account for purposes of complying with your election to instruct the Trustee to tender Plan shares. If you have directed the Trustee to tender any shares, the Trustee will allocate the purchase price that Toro pays for the shares (the "tender proceeds") to the Toro RetirementReady Balanced Portfolio (the "Default Fund") for your benefit and on your behalf. Beginning on the first business day following the Trustee's receipt of the tender proceeds, you will be able to move such tender proceeds at your own discretion to other investment funds of your choosing available in your Plan.

18. What happens if I request a distribution, withdrawal or reallocation following the announcement of the tender offer but before the tender offer expires?

Distributions and withdrawals from the Plan and transfers into or out of the your Plan account will be processed in accordance with normal procedures. As indicated above, no transactions involving your Plan shares will take place on the day that Plan shares are deemed withdrawn from your Plan account for purposes of complying with your election to instruct the Trustee to tender Plan shares. These transactions will be processed beginning on the first business day following such deemed withdrawal. Shares will be deemed withdrawn from your account on the date that the Trustee receives payment from Toro for Plan shares that Toro accepts for purchase.

UNDER THE TERMS OF THE PLAN, SECTION 16 INSIDERS WHO TENDER SHARES WILL NOT BE PERMITTED TO MAKE AN ELECTION TO UTILIZE ANY AMOUNTS FROM OTHER INVESTMENT FUNDS IN THE PLAN TO PURCHASE TORO SHARES FOR SIX MONTHS AFTER THE EXPIRATION DATE OF THE TENDER OFFER. HOWEVER, NEW CONTRIBUTIONS MAY BE INVESTED IN TORO SHARES DURING THIS SIX MONTH PERIOD. THE DIRECTORS AND EXECUTIVE OFFICERS OF TORO HAVE ADVISED TORO THAT THEY DO NOT INTEND TO TENDER ANY SHARES IN THE TENDER OFFER. THE TRUSTEE WILL TREAT CONFIDENTIALLY YOUR DECISION WHETHER OR NOT TO TENDER THESE SHARES.

19. Will I be taxed on any proceeds received in 2004 from the shares that I tender from my Plan account?

No. Because tender offer proceeds received from Plan shares will be received by and held in your Plan, they will not be subject to current income taxes.

REINVESTMENT OF TENDER OFFER PROCEEDS

20. How will the Plan invest the proceeds received from the Plan shares that are tendered?

If you have directed the Trustee to tender any Plan shares held by the Trustee for your benefit, the Trustee will allocate the purchase price that Toro pays for such shares (the “tender proceeds”) to the Toro RetirementReady Balanced Portfolio (the “Default Fund”) for your benefit and on your behalf. Beginning on the first business day following the expiration date of the tender offer, you will be able to move such tender proceeds at your own discretion to other investment funds of your choosing within the Plan.

CERTAIN TAX INFORMATION

Participants in each of the Plans should be aware that the reinvestment of the cash proceeds received in the tender offer may, in certain circumstances, result in certain tax consequences to those participants who, as part of the ultimate distributions of their accounts, would receive shares.

Special tax rules apply to certain distributions from a Plan that consist, in whole or in part, of shares. Generally, taxation of net unrealized appreciation (“NUA”), an amount equal to the excess of the value of such shares at distribution over the cost or other basis of such shares (limited, in the case of distributions that do not qualify for lump sum treatment, to shares deemed purchased by nondeductible employee contributions) will be deferred until the shares are sold following distribution. Moreover, if shares are disposed of prior to a distribution, as would be the case in the tender offer, and the proceeds of such disposition are reinvested within 90 days thereafter in the Plan shares, the cost or other basis of such newly acquired Plan shares for NUA purposes will generally be the cost or other basis of the tendered Plan shares.

Accordingly, if the cash proceeds receivable upon the tender of Plan shares are not reinvested in Plan shares within 90 days, the opportunity to retain for NUA purposes the cost or other basis of the Plan shares tendered, and the tax-deferral treatment of the NUA calculated in reference to such basis, will be lost.

The foregoing is only a brief summary of complicated provisions of the Internal Revenue Code. We strongly urge you to consult with your tax advisor regarding the issues described above.

Exhibit (a)(5)(D)

The Toro Company Commences Dutch Auction Tender Offer to Repurchase 2,500,000 of Its Shares

BLOOMINGTON, Minn., March 17 /PRNewswire-FirstCall/ — The Toro Company (NYSE: TTC) today commenced its previously announced Dutch auction self-tender offer for up to 2,500,000 shares, or approximately 10.3%, of its outstanding common stock, at prices ranging from $56.50 to $60.00 per share, or a total of $141.3 Million to $150.0 Million if Toro purchases the maximum number of shares. The tender offer will expire at 5:00 p.m., New York City time, on Wednesday, April 14, 2004, unless Toro extends the tender offer.

Toro's Board of Directors has authorized this tender offer as a prudent use of financial resources given Toro's business, assets and current stock price, and an efficient means to provide value to stockholders. The offer represents an opportunity for Toro to return cash to stockholders who elect to tender their shares while at the same time increasing non-tendering stockholders' proportional interest in Toro. Toro believes the tender offer, if completed, will be accretive to earnings per share.

Neither Toro nor its Board of Directors, dealer manager, depositary or information agent is making any recommendation to stockholders as to whether to tender or refrain from tendering their shares into the tender offer. Stockholders must decide how many shares they will tender, if any, and the price within the stated range at which they will offer their shares for purchase to Toro.

The dealer manager for the tender offer is Banc of America Securities LLC and the information agent is Morrow & Co., Inc. The depositary is Wells Fargo Bank, N.A. The offer to purchase and related documents are being mailed to stockholders of record and will be made available for distribution to beneficial owners of Toro's shares. For questions or information, please call the information agent toll free at (800) 607-0088.

The Toro Company is a leading worldwide provider of outdoor maintenance and beautification products for home, recreation and commercial landscapes.

This press release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any shares of Toro's common stock. The solicitation of offers to buy shares of Toro common stock will only be made pursuant to the offer to purchase and related materials that Toro will send to its stockholders shortly. Stockholders should read those materials carefully because they will contain important information, including the various terms of, and conditions to, the offer. Stockholders will be able to obtain the offer to purchase and related materials for free at the SEC's website at www.sec.gov or from our information agent, Morrow & Co., Inc., by calling (800) 607-0088. We urge stockholders to carefully read those materials prior to making any decisions with respect to the tender offer.

Safe Harbor

Statements made in this news release, which are forward-looking, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties. These uncertainties include factors that affect all businesses operating in a global market as well as matters specific to Toro. Particular risks and uncertainties facing the company's overall financial position at the present include the threat of further terrorist acts and war, which may result in contraction of the U.S. and worldwide economies; slow growth rate in global and domestic economies, resulting in rising unemployment and weakened consumer confidence; our ability to achieve the goals for the "6+8" growth and profit improvement program which is intended to improve our revenue growth and after- tax return on sales; the company's ability to achieve sales growth and double-digit diluted earnings per share growth in fiscal 2004; unforeseen product quality problems in the development and production of new and existing products; potential issues with moving production between facilities; increased dependence on The Home Depot as a customer for the residential segment; reduced government spending for grounds maintenance equipment due to reduced tax revenue and tighter government budgets; elimination of shelf space for our products at retailers; changes in raw material costs, including higher oil, steel and aluminum prices; financial viability of distributors and dealers; governmental restriction on water usage and water availability; market acceptance of existing and new products; and increased and adverse changes in currency exchange rates or raw material commodity prices and the costs we incur in providing price support to international customers and suppliers. In addition to the factors set forth in this paragraph, market, economic, financial, competitive, weather, production and other factors identified in Toro's quarterly and annual reports filed with the Securities and Exchange Commission, could affect the forward-looking statements in this press release. Toro undertakes no obligation to update forward-looking statements made in this release to reflect events or circumstances after the date of this statement.

SOURCE The Toro Company

03/17/2004

CONTACT: Investor Relations, Stephen P. Wolfe, Vice President, CFO, +1-952-887-8076, or Tom Larson, Assistant Treasurer, +1-952-887-8449, or Media Relations, Connie Hawkinson, Toro Media Relations, +1-952-887-8984, pr@toro.com

Web site: http://www.toro.com

Exhibit (b)(4)

AMENDMENT NO. 3 TO MULTI-YEAR CREDIT AGREEMENT

This Amendment No. 3 to Multi-Year Credit Agreement (this "Agreement") dated as of March 10, 2004 is made by and among **THE TORO COMPANY**, a Delaware corporation ("Toro"), the **SUBSIDIARY BORROWERS** (as defined in the Credit Agreement, defined below), **TORO CREDIT COMPANY**, a Minnesota corporation ("Credit" and together with Toro and the Subsidiary Borrowers, the "Companies"), **BANK OF AMERICA, N.A.**, in its capacity as administrative agent (in such capacity, the "Agent") and each of the Banks (as defined in the Credit Agreement, defined below) signatory hereto.

W I T N E S S E T H:

WHEREAS, the Companies, the Agent and the Banks have entered into that certain Multi-Year Credit Agreement dated as of February 22, 2002, as amended by that certain Amendment No. 1 to Multi-Year Credit Agreement dated December 11, 2002 and by that certain Amendment No. 2 to Multi-Year Credit Agreement dated July 9, 2003 (as hereby further amended and as from time to time hereafter further amended, modified, supplemented, restated, or amended and restated, the "Credit Agreement"; the capitalized terms as used in this Agreement not otherwise defined herein shall have the respective meanings given thereto in the Credit Agreement), pursuant to which the Banks have made available to the Companies a revolving credit facility (including a letter of credit facility and a swing line facility); and

WHEREAS, the Companies have requested that the Credit Agreement be amended to permit additional repurchases of Toro stock, and the Agent and the Banks have agreed so to amend the Credit Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Amendment to Credit Agreement. Subject to the terms and conditions set forth herein, the Credit Agreement is hereby amended as follows:

(a) Section 7.10 of the Credit Agreement is hereby amended by deleting the text of such provision in its entirety and substituting in lieu thereof the following:

"Section 7.10 Use of Proceeds. Each Company shall use the proceeds of the Loans for (a) general working capital needs and capital expenditures and (b) to replace and refinance outstanding indebtedness under the Existing Facilities, (c) subject to the proviso below, the purchase or other acquisition by Toro of shares of its capital stock and related preferred stock purchase rights to the extent permitted by Section 8.7(c), and (d) other lawful corporate purposes, other than, directly or indirectly, (i) for purposes of undertaking an Acquisition or Joint Venture in contravention of any Requirement of Law or of any Loan Document, (ii) to purchase or carry Margin Stock, (iii) to repay or otherwise refinance indebtedness of any Company or others incurred to purchase or carry Margin Stock, (iv) to extend credit for the purpose of purchasing or carrying any Margin Stock, or (v) to acquire any security in any transaction that is subject to Section 13 or 14

of the Exchange Act; provided, however, that notwithstanding clauses (ii) through (v) above, Toro may use proceeds of Loans as described in clause (c) above so long as either (x) the Margin Stock so acquired is promptly retired following the purchase or other acquisition thereof or (y) at all times and after giving effect to each such purchase or acquisition, not more than twenty five percent (25%) of the total assets of the Companies and their Subsidiaries on a consolidated basis are represented by Margin Stock owned by the Companies and their Subsidiaries on a consolidated basis.";

(b) Section 8.4 of the Credit Agreement is hereby amended by (i) deleting "and" at the end of clause (f) thereof, (ii) deleting "." at the end of clause (g) thereof and substituting in lieu thereof "; and", and (iii) adding the following new clause (h):

"(h) Purchases by Toro of shares of its capital stock and associated rights to purchase shares of Toro's preferred stock pursuant to Toro's shareholder rights plan to the extent permitted by Sections 7.10 and 8.7(c)."

(c) Section 8.7 of the Credit Agreement is hereby amended by deleting clause (c) therefrom and inserting the following in lieu thereof the following new clause (c):

"(c) Toro may declare and pay cash dividends to its stockholders and purchase, redeem or otherwise acquire shares of its capital stock or warrants, rights or options to acquire any such shares for cash up to an amount equal to (A) the sum of (i) 50% of the consolidated net income of Toro and its Subsidiaries arising after October 31, 2001 and computed on a cumulative consolidated basis, plus (ii) $50,000,000, plus (B) to the extent utilized solely to purchase, redeem or otherwise acquire shares of its capital stock and associated rights to purchase shares of Toro's preferred stock pursuant to Toro's shareholder rights plan, an additional $175,000,000; provided, that, immediately after giving effect to any such proposed action, no Default or Event of Default would exist; and"

(d) Section 4(d) of Exhibit C, the Form of Compliance Certificate, is amended by (i) amending the line denoted "Amount $______" to read

"Total Amount $______", and

(ii) amending the line immediately below the line described in clause (i) to read as follows:

"Amount utilized for repurchases of Toro stock $______".

2. Conditions Precedent. The effectiveness of this Agreement and the amendments to the Credit Agreement herein provided are subject to the satisfaction of the following conditions precedent:

(a) The Agent shall have received each of the following documents or instruments in form and substance reasonably acceptable to the Agent:

(i) ten (10) original counterparts of this Agreement, duly executed by the Companies, the Agent, and the Required Banks, together with all schedules and exhibits thereto duly completed;

(ii) such other documents, instruments, opinions, certifications, undertakings, further assurances and other matters as the Agent shall reasonably require.

(b) all fees and expenses payable to the Agent and the Banks (including the fees and expenses of counsel to the Agent) invoiced to date, including all fees associated with this Agreement, shall have been paid in full.

3. Reaffirmation by each of the Companies. Each of the Companies hereby consents, acknowledges and agrees to the amendments of the Credit Agreement set forth herein.

4. Representations and Warranties. In order to induce the Agent and the Banks to enter into this Agreement, each of the Companies represents and warrants to the Agent and the Banks as follows:

(a) The representations and warranties in Article VI of the Credit Agreement (after giving effect to this Agreement) and in each of the other Loan Documents to which such Company is a party are true and correct in all material respects on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date;

(b) There does not exist any pending or threatened action, suit, investigation or proceeding in any court or before any arbitrator or Governmental Authority that purports (A) to have a Material Adverse Effect on any of the Companies or their Subsidiaries, or (B) to affect any transaction contemplated under this Agreement or any Loan Document or the ability of any Company to perform its respective obligations under this Agreement or any Loan Document;

(c) There has occurred since October 31, 2003, no event or circumstance that has resulted or could reasonably be expected to result in a Material Adverse Effect or a material adverse change in or a material adverse effect upon the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise), or prospects of Toro and its Subsidiaries taken as a whole; and

(d) No Default or Event of Default has occurred and is continuing.

5. Entire Agreement. This Agreement, together with all the other Loan Documents (collectively, the "Relevant Documents"), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relative to such subject matter. No promise, condition, representation or warranty, express or implied, not herein set forth shall bind any party hereto, and not one of them has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made

by any party to the other. None of the terms or conditions of this Agreement may be changed, modified, waived or canceled orally or otherwise, except as permitted pursuant to Section 12.1 of the Credit Agreement.

6. Full Force and Effect of Agreement. Except as hereby specifically amended, modified or supplemented, the Credit Agreement and all other Loan Documents are hereby confirmed and ratified in all respects by each party hereto and shall be and remain in full force and effect according to their respective terms.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

8. Governing Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the state of New York.

9. Enforceability. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

10. References. All references in any of the Loan Documents to the "Credit Agreement" shall mean the Credit Agreement, as amended hereby.

11. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Companies, the Agent and each of the Banks, and their respective successors, assigns and legal representatives; provided, however, that no Company, without the prior consent of the Required Banks, may assign any rights, powers, duties or obligations hereunder.

12. Expenses. The Companies agree to pay to the Agent all reasonable out-of-pocket expenses incurred or arising in connection with the negotiation and preparation of this Agreement.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to Multi-Year Credit Agreement to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

THE TORO COMPANY

By: ______________________________

Name: ______________________________

Title: ______________________________

TORO CREDIT COMPANY

By: ______________________________

Name: ______________________________

Title: ______________________________

TORO INTERNATIONAL COMPANY

By: ______________________________

Name: ______________________________

Title: ______________________________

TOVER OVERSEAS, B.V.

By: ______________________________

Name: ______________________________

Title: ______________________________

TORO FACTORING COMPANY LIMITED (formerly TORO FACTORING COMPANY, N.V.)

By: ______________________________

Name: ______________________________

Title: ______________________________

TORO MANUFACTURING LLC

By: ____________________

Name: ____________________

Title: ____________________

EXMARK MANUFACTURING COMPANY INCORPORATED

By: ____________________

Name: ____________________

Title: ____________________

BANK OF AMERICA, N.A., as Administrative Agent

By: ______________________________

Name: ______________________________

Title: ______________________________

BANK OF AMERICA, N.A., as Issuing Bank, Swing Line Bank and a Bank

By: ______________________________

Name: ______________________________

Title: ______________________________

WELLS FARGO BANK, NATIONAL ASSOCIATION
as a Bank

By: ________________________

Name: ________________________

Title: ________________________

THE BANK OF NEW YORK, as a Bank

By: ______________________

Name: ______________________

Title: ______________________

HARRIS TRUST AND SAVINGS BANK, as a Bank

By: ______________________________

Name: ____________________________

Title: _____________________________

U.S. BANK NATIONAL ASSOCIATION, as a Bank

By: ____________________________

Name: ____________________________

Title: ____________________________

SUNTRUST BANK, as a Bank

By: ______________________________

Name: ______________________________

Title: ______________________________

Exhibit (b)(6)

March 12, 2004

The Toro Company
8111 Lyndale Avenue South
Bloomington, Minnesota 55420
Attn: Thomas J. Larson

Re: $50 Million Senior Revolving Credit Facility

Ladies and Gentlemen:

BANK OF AMERICA, N.A. (the "Lender") is pleased to make available to THE TORO COMPANY, a Delaware corporation (the "Borrower"), a senior revolving credit facility on the terms and subject to the conditions set forth below. Terms not defined herein have the meanings assigned to them in Exhibit A hereto.

1. **The Facility.**

(a) **The Commitment.** Subject to the terms and conditions set forth herein, the Lender agrees to make available to the Borrower until the Maturity Date a revolving credit facility providing for loans ("Loans") in Dollars in an aggregate principal amount not exceeding at any time $50,000,000 (the "Commitment"). Within the foregoing limit, the Borrower may borrow, repay and reborrow until the Maturity Date.

(b) **Borrowings, Conversions, Continuations.** The Borrower may request that Loans be (i) made as or converted to Base Rate Loans by irrevocable notice to be received by the Lender not later than 10:30 A.M. on the Business Day of the borrowing or conversion, or (ii) so long as no Default or Event of Default shall have occurred and be continuing, made or continued as, or converted to, Eurodollar Rate Loans by irrevocable notice to be received by the Lender not later than 12:00 Noon three Business Days prior to the Business Day of the borrowing, continuation or conversion. If the Borrower fails to give a notice of conversion or continuation prior to the end of any Interest Period in respect of any Eurodollar Rate Loan, the Borrower shall be deemed to have requested that such Loan be converted to a Base Rate Loan on the last day of the applicable Interest Period. If the Borrower requests that a Loan be continued as or converted to a Eurodollar Rate Loan, but fails to specify an Interest Period with respect thereto, the Borrower shall be deemed to have selected an Interest Period of one month. Notices pursuant to this Section 1(b) may be given by telephone if promptly confirmed in writing (but the failure to provide such written confirmation shall not effect the validity of any such notice).

Each Eurodollar Loan shall be in a principal amount of $3,000,000 or a whole multiple of $1,000,000 in excess thereof. Each Base Rate Loan shall be in a

minimum principal amount of $1,000,000. There shall not be more than 5 different Interest Periods in effect at any time.

(c) **Interest.** At the option of the Borrower, Loans shall bear interest at a rate per annum equal to (i) the Eurodollar Rate plus the Applicable Margin; or (ii) the Base Rate. Interest on Base Rate Loans shall be calculated on the basis of a year of 365 or 366 days and actual days elapsed. All other interest and all fees hereunder shall be calculated on the basis of a year of 360 days and computed for actual days elapsed.

The Borrower promises to pay interest (i) for each Eurodollar Rate Loan, (A) on the last day of the applicable Interest Period, and (B) on the date of any conversion of such Loan to a Base Rate Loan; (ii) for Base Rate Loans, on the last Business Day of each calendar quarter; and (iii) for all Loans, on the Maturity Date. If the time for any payment is extended by operation of law or otherwise, interest shall continue to accrue for such extended period. After the date any principal amount of any Loan is due and payable (whether on the Maturity Date, upon acceleration or otherwise), or during the existence of any other Event of Default, the Borrower shall pay, but only to the extent permitted by law, interest (after as well as before judgment) on such amounts at a rate per annum equal to (x) for Eurodollar Rate Loans, the then applicable rate of interest plus 2% per annum until the applicable Interest Period shall have expired, and (y) for Base Rate Loans, the Base Rate plus 2% (the "Default Rate"). Such interest shall be payable on demand. In no case shall interest hereunder exceed the amount that the Lender may charge or collect under applicable law.

(d) **Evidence of Loans.** The Loans and all payments thereon shall be evidenced by the Lender's loan accounts and records and by a promissory note in the form of Exhibit B hereto in addition to such loan accounts and records. Such loan accounts, records and promissory note shall be rebuttable presumptive evidence of the amount of the Loans and payments thereon. Any failure to record any Loan or payment thereon or any error in doing so shall not limit or otherwise affect the obligation of the Borrower to pay any amount owing with respect to the Loans.

(e) **Facility and Utilization Fees.** (i) Toro shall pay to the Lender the Facility Fee quarterly, in arrears, on the last Business Day of each calendar quarter, and on the Maturity Date. (ii) In addition, for any day on which the Multi-Year Utilization Fee shall accrue in favor of the Banks under the Incorporated Agreement, the Borrower shall owe to the Lender hereunder a utilization fee (the "Utilization Fee") equal to the same percent per annum as applies on such day to calculate the Multi-Year Utilization Fee on the aggregate daily principal amount of all Loans

outstanding hereunder on such day. Toro shall pay to the Lender the Utilization Fee quarterly, in arrears, on the last Business Day of each calendar quarter, and on the Maturity Date.

(f) **Repayment**. The Borrower promises to pay all Loans then outstanding on the Maturity Date.

The Borrower shall make all payments required hereunder not later than 1:00 P.M. on the date of payment in same day funds in Dollars at the office of the Lender located at 1850 Gateway Blvd., Concord, California 94520 **(ABA No. 111000012, A/C # 37 50836479, For account of Credit Services, Reference: Toro Bilateral)** or such other address as the Lender may from time to time designate in writing, including in documents delivered in connection with an assignment pursuant to Section 7(g).

All payments to be made by the Borrower to the Lender shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Such payments shall be free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties or charges of whatsoever nature imposed by any government or any political subdivision or taxing authority thereof. The Borrower shall reimburse the Lender for any taxes imposed on or withheld from such payments (other than taxes imposed on the Lender’s income, and franchise taxes imposed on the Lender, by the jurisdiction under the laws of which the Lender is organized or maintains a lending office or any political subdivision thereof).

(g) **Voluntary Prepayments.** The Borrower may, upon three Business Days’ notice, in the case of Eurodollar Rate Loans, and upon same-day notice in the case of Base Rate Loans, voluntarily prepay Loans on any Business Day. Prepayments of Eurodollar Rate Loans must be accompanied by a payment of accrued interest on the amount so prepaid. Prepayments must be in a principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof or the entire remaining principal amount of Loans.

(h) **Mandatory Prepayments**. If at any such time the aggregate outstanding principal amount of all Loans shall exceed the Commitment, the Borrower shall make a prepayment in the amount necessary to cause the aggregate outstanding principal amount of all Loans to be less than or equal to the Commitment.

(i) **Commitment Reductions.** The Borrower may, upon three Business Days’ notice, reduce or cancel any undrawn portion of the Commitment, provided that

the amount of such reduction is not less than $5,000,000 or a whole multiple of $1,000,000 in excess thereof.

(j) **Funding Losses.** (i) Upon demand of the Lender from time to time, the Borrower shall reimburse the Lender and hold the Lender harmless from any loss or expense which the Lender may sustain or incur as a consequence of:

(A) the failure of the Borrower to make on a timely basis any payment of principal of any Eurodollar Rate Loan;

(B) the failure of the Borrower to borrow, continue or convert a Loan after the Borrower has given (or is deemed to have given) a notice of borrowing, continuation or conversion;

(C) the failure of the Borrower to make any prepayment of any Loan in accordance with any notice delivered under Section 1(g);

(D) the prepayment (including pursuant to either Section 1(g) or 1(h)) or other payment (including after acceleration thereof) of any Loan other than a Base Rate Loan on a day that is not the last day of the relevant Interest Period; or

(E) any automatic conversion hereunder of any Eurodollar Rate Loan to a Base Rate Loan on a day that is not the last day of the relevant Interest Period;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its Eurodollar Rate Loans or from fees payable to terminate the deposits from which such funds were obtained. The Lender agrees to take reasonable steps to reduce the amount of such loss or expense, provided the Lender shall not be required to take any such step, if in its sole opinion, the Lender would suffer any economic, legal or regulatory disadvantage in connection therewith. For purposes of calculating amounts payable by the Borrower to the Lender under this Section 1(j), the Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the applicable offshore interbank market for such currency for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

2. **Conditions of Effectiveness and Conditions Precedent to Loans.**

(a) **Conditions of Effectiveness and Conditions Precedent to Initial Loan.** As a condition precedent to the effectiveness of this Agreement and the obligation of the Lender to make any Loan on or after the Closing Date hereunder, the Lender must receive, on or before 11:00 A.M. Tuesday, March 16, 2004, the following from the Borrower in form and substance satisfactory to the Lender:

(i) the enclosed duplicate of this Agreement duly executed and delivered on behalf of the Borrower and the Guarantors (which shall have been received by the Lender, together with the executed Fee Letter, no later than the date and time set forth for such delivery below);

(ii) if requested by the Lender, a promissory note duly executed and delivered by the Borrower as contemplated in Section 1(d) above;

(iii) an opinion of counsel to the Borrower and the Guarantors;

(iv) certificates of resolutions or other action, signature and incumbency certificates and/or other certificates of a Responsible Officer of the Borrower and each Guarantor, which establish the identity and verify the authority and capacity of the officers thereof to act on behalf of the Borrower and the Guarantors in connection with this Agreement and the other Loan Documents, including copies of appropriate resolutions authorizing the transactions contemplated hereby;

(v) such other documents and certificates as the Lender may reasonably request, including if the Lender shall request a certificate of a Responsible Officer of the Borrower as to the absence, since the date of the most recent audited financial statements of the Borrower delivered pursuant to Section 7.1 of the Incorporated Agreement, of any event, condition or occurrence that could reasonably be expected to have a material adverse effect on or result in a material adverse change in the operations, business, properties, condition (financial or otherwise) or prospects of the Borrower and its Subsidiaries taken as a whole; and

(vi) any fees required to be paid on or before the Closing Date, including without limitation the fees specified in the Fee Letter, shall have been paid.

(b) **Conditions to Each Borrowing.** As a condition precedent to each borrowing (including the initial borrowing) of any Loan:

(i) The Borrower must furnish the Lender with, as appropriate, a notice of borrowing;

(ii) each representation and warranty set forth in Section 3 below shall be true and correct as if made on the date of such borrowing, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date; and

(iii) no Default or Event of Default shall have occurred and be continuing on the date of such borrowing.

Each notice of borrowing shall be deemed a representation and warranty by the Borrower that the conditions referred to in clauses (ii) and (iii) above have been met.

3. **Representations and Warranties.** The Borrower represents and warrants (which representations and warranties shall survive the Closing Date and each borrowing hereunder) that the representations and warranties contained in Article VI (Representations and Warranties) of the Incorporated Agreement, including, for purposes of this Section 3, each Additional Incorporated Agreement Representation and Warranty, are true and correct as if made (x) on the Closing Date as to all such representations and warranties other than each Additional Incorporated Agreement Representation and Warranty and (y) as of the effective date thereof as to each Additional Incorporated Agreement Representation and Warranty, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date; and except that for purposes of this Section 3, (x) the representations and warranties contained in Section 6.9 of the Incorporated Agreement shall be deemed to refer to the most recent annual audited financial statements most recently delivered pursuant to Section 7.1(a) of the Incorporated Agreement and (y) the date referenced in Section 6.9(b) of the Incorporated Agreement shall be deemed to be "October 31, 2003". The representations and warranties of the Borrower referred to in the preceding sentence (including all exhibits, schedules and defined terms referred to therein) are hereby (or, in the case of each Additional Incorporated Agreement Representation and Warranty, shall, upon its effectiveness, be) incorporated herein by reference as if set forth in full herein with appropriate substitutions, including the following:

(i) all references to **"this Agreement"** and "**the Loan Documents"** shall be deemed to be references to this Agreement and the Loan Documents, respectively;

(ii) all references to **"Toro"** shall be deemed to be references to the Borrower;

(iii) all references to **"Company"** or **"Companies"** shall be deemed to be references to each or all of the Borrower and the Guarantors, as applicable;

(iv) all references to **"the Administrative Agent"**, **"the Banks"**, and any **"Bank"** shall be deemed to be references to the Lender;

(v) all references to **"Default"** and **"Event of Default"** shall be deemed to be references to a Default and an Event of Default, respectively;

(vi) all references to the **"Closing Date"** (other than in Section 6.13 of the Incorporated Agreement) shall be deemed to refer to the Closing Date; and

(vii) all references to **"Loan Documents"** or **"Loan Document"** as used in such Article VI or in the definition of "Material Adverse Effect" as applied in such Article VI shall be deemed to refer to all or each of the Loan Documents, as applicable.

All such representations and warranties so incorporated herein by reference shall be the representations and warranties in effect under the Incorporated Agreement on the Closing Date, or on the effective date thereof in the case of Additional Incorporated Representations and Warranties, in each case, subject to the provisions of the following sentence, without giving effect to any subsequent amendment, modification or deletion thereof (or to any defined term utilized therein other than the substitutions expressly provided for herein) in the Incorporated Agreement, and each such incorporated representation and warranty shall survive any termination, cancellation, discharge or replacement of the Incorporated Agreement. No amendment, modification, waiver, deletion or other alteration by the parties to the Incorporated Agreement of or to any representation and warranty so incorporated herein by reference (or to any defined term utilized therein other than the substitutions expressly provided for herein) shall be effective to alter in any way any such representation and warranty herein unless approved as provided by Section 7(e) hereof, except that any representations and warranties added to the Incorporated Agreement shall become Additional Incorporated Representations and Warranties without further notice or action hereunder.

4. **Covenants.** (a) So long as principal of and interest on any Loan or any other amount payable hereunder or under any other Loan Document remains unpaid or unsatisfied and the Commitment has not been terminated, the Borrower shall and shall cause the Companies and its other Subsidiaries to comply with all the covenants and agreements applicable to such Person contained in Article VII ("Affirmative Covenants") and in Article VIII ("Negative Covenants") of the Incorporated Agreement, including, for purposes of this Section 4, each Additional Incorporated Agreement Covenant. The covenants and agreements of the Borrower referred to in the preceding sentence (including all exhibits, schedules and defined terms referred to therein) are hereby (or, in the case of each Additional Incorporated Agreement Covenant, shall, upon its effectiveness, be)

incorporated herein by reference as if set forth in full herein with appropriate substitutions, including the following:

(i) all references to **“this Agreement”** shall be deemed to be references to this Agreement;

(ii) all references to **“Toro”** shall be deemed to be references to the Borrower;

(iii) all references to **“Company”** or **“Companies”** shall be deemed to be references to each or all of the Borrower and the Guarantors, as applicable;

(iv) all references to **“the Administrative Agent”**, **“the Banks”**, **“any Bank”** and the **“Required Banks”** shall be deemed to be references to the Lender;

(v) all references to **“Default”** and **“Event of Default”** shall be deemed to be references to a Default and an Event of Default, respectively;

(vi) all references to **“Loans”** shall be deemed to be references to the Loans; and

(vii) all references to **“Loan Documents”** shall be deemed to be references to the Loan Documents.

Except as otherwise provided in subsection (c) of this Section 4 below, all such covenants and agreements so incorporated herein by reference shall be the covenants in effect under the Incorporated Agreement on the Closing Date, or on the effective date thereof in the case of Additional Incorporated Covenants, in each case, subject to the provisions of the following sentence, without giving effect to any subsequent amendment, modification or deletion thereof (or to any defined term utilized therein other than the substitutions expressly provided for herein) in the Incorporated Agreement, and each such incorporated covenant shall survive any termination, cancellation, discharge or replacement of the Incorporated Agreement. No amendment, modification, waiver, deletion or other alteration by the parties to the Incorporated Agreement of or to any covenant or agreement so incorporated herein by reference (or to any defined term utilized therein other than the substitutions expressly provided for herein) shall be effective to alter in any way any such covenant or agreement herein unless approved as provided by Section 7(e) hereof.

(b) In addition to the covenants incorporated by reference as provided in subsection (a) above, in the event that any Person other than the Borrower and the Guarantors shall become jointly and severally obligated for, or a guarantor of, the obligations of the Borrower or any of the Guarantors arising under the Incorporated Agreement, whether pursuant to Section 12.18 of the Incorporated Agreement or

otherwise, Toro shall cause such Person, substantially simultaneously with such occurrence, to (i) execute a joinder agreement in form and substance reasonably satisfactory to the Lender and with the effect that such Person shall thereupon become a joint and several Guarantor under Section 6 hereof, and (ii) deliver such additional documents, certificates, opinions and instruments as the Lender may reasonably request pertaining to the organization and good standing of such Person, its authority to enter into such joinder agreement and the validity and binding effect thereof, and its due execution and delivery of such joinder agreement.

(c) Notwithstanding the foregoing provisions of this Section 4 or any other term hereof:

(i) the Borrower shall not use any part of the proceeds of the Loans to pay any fees or other amounts at any time owing to Banc of America Securities LLC, an affiliate of the Lender;

(ii) no Subsidiary of the Borrower shall be restricted hereunder from making any Restricted Payment (as defined in the Incorporated Agreement) to the Borrower and, solely to the extent necessary to give effect to this clause (ii), the provisions of Section 8.7 of the Incorporated Agreement as incorporated herein shall be deemed to be so amended; and

(iii) the provisions of Section 8.1 of the Incorporated Agreement as incorporated herein shall not be operative as an incorporated covenant herein unless and until the earliest to occur of the following (each a "Springing Event"): (X) The Incorporated Agreement shall no longer be in effect, or (Y) Section 8.12 of the Incorporated Agreement shall no longer be in effect or shall be modified in such a manner as not to prohibit the effectiveness of Section 8.1 of the Incorporated Agreement (as in effect at the Closing Date) as an incorporated covenant hereunder. Upon the occurrence of any Springing Event, Section 8.1 of the Incorporated Agreement (as in effect at the Closing Date) shall be and become fully effective hereunder as an incorporated covenant without further notice, consent or other action.

5. **Events of Default.** The following are "Events of Default":

(a) The Borrower fails to pay any principal of any Loan as and on the date when due; or

(b) the Borrower fails to pay any interest on any Loan, or any Facility Fee or Utilization Fee due hereunder, or any portion thereof, or fails to pay any other fee

or amount payable to the Lender under any Loan Document, or any portion thereof, within five Business Days after the date due; or

(c) the Borrower, any Company or any other Subsidiary fails to comply with (i) any covenant or agreement incorporated herein by reference pursuant to Section 4 above and applicable to such Person, subject to any applicable grace period and/or notice requirement set forth in Article IX of the Incorporated Agreement (it being understood and agreed that any such notice requirement shall be met by the Lender's giving the applicable notice to the Borrower hereunder) or (ii) any other provision of such Section 4 applicable to such Person and, in the case of a failure to comply with the covenant set forth in Section 4(b), such default continues unremedied for a period of 30 days; or

(d) any representation or warranty made or deemed made in any Loan Document or in any certificate, agreement, instrument or other document made or delivered by the Borrower or any Company or any Responsible Officer pursuant to or in connection with any Loan Document is incorrect or misleading in any material respect on or as of the date made or deemed made; or

(e) any "Event of Default" specified in Article IX of the Incorporated Agreement (including, for purposes of this Section 5(e), each Additional Incorporated Agreement Event of Default) occurs and is continuing, without giving effect to any waiver or amendment thereof pursuant to the Incorporated Agreement, it being agreed that each such "Event of Default" shall survive any termination, cancellation, discharge or replacement of the Incorporated Agreement.

Upon the occurrence of an Event of Default, the Lender may declare the Commitment to be terminated, whereupon the Commitment shall be terminated, and/or declare all sums outstanding hereunder and under the other Loan Documents, including all interest thereon, to be immediately due and payable, whereupon the same shall become and be immediately due and payable, without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, all of which are hereby expressly waived; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, the Commitment shall automatically terminate, and all sums outstanding hereunder and under each other Loan Document, including all interest thereon, shall become and be immediately due and payable, without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, all of which are hereby expressly waived.

6. **The Guaranty.**

(a) Each of the Guarantors hereby unconditionally, jointly and severally guarantees the full and punctual payment (whether at stated maturity, upon acceleration or otherwise) of the principal of and interest on each Loan made by the Lender to the Borrower pursuant to this Agreement; and the full and punctual payment of all other amounts payable by the Borrower under this Agreement. Upon failure by the Borrower to pay punctually any such amount, each Guarantor jointly and severally agrees that it shall forthwith on demand pay the amount not so paid at the place and in the manner specified in this Agreement. Notwithstanding the foregoing, the liability of each Guarantor individually under this Section 6 shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of any applicable state law.

(b) The obligations of each Guarantor hereunder are a guaranty of payment and not of collection, and shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(i) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of the Borrower or any other Guarantor under this Agreement or any Note, by operation of law or otherwise;

(ii) any modification or amendment of or supplement to this Agreement or any Note;

(iii) any release, non-perfection or invalidity of any direct or indirect security for any obligation of the Borrower or any other Guarantor under this Agreement or any Note;

(iv) any change in the corporate existence, structure or ownership of the Borrower or any other Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower or any other Guarantor or its assets or any resulting release or discharge of any obligation of the Borrower or any other Guarantor contained in this Agreement or any Note;

(v) the existence of any claim, set-off or other rights which such Guarantor may have at any time against the Borrower or any other Guarantor, the Lender or any other Person, whether in connection

herewith or any unrelated transactions, provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(vi) any invalidity or unenforceability relating to or against the Borrower or any other Guarantor for any reason of this Agreement or any Note, or any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of the principal of or interest on any Note or any other amount payable by it under this Agreement, or by any other Guarantor of any amount payable by it under this Agreement; or

(vii) any other act or omission to act or delay of any kind by the Borrower or any other Guarantor, the Lender or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of such Guarantor's obligations hereunder.

(c) The obligations of each Guarantor under this Section 6 are independent of the obligation of the Borrower or any other Guarantor pursuant to this Agreement or any Note issued hereunder and a separate action or actions may be brought and prosecuted against each Guarantor to enforce the provisions of this Section 6 irrespective of whether any action is brought against the Borrower or any other Guarantor or whether the Borrower or any other Guarantor is joined in any such action or actions.

(d) Each Guarantor's obligations hereunder shall remain in full force and effect until the Commitments shall have terminated and the principal of and interest on the Notes and all other amounts payable by the Borrower under this Agreement and the other Loan Documents shall have been paid in full. If at any time any payment of the principal of or interest on any Note or any other amount payable by the Borrower or any other Guarantor under this Agreement is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of such Borrower or Guarantor or otherwise, the Guarantors' obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

(e) Each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Borrower or any other Guarantor.

(f) Each Guarantor irrevocably waives any and all rights to which it may be entitled, by operation of law or otherwise, upon making any payments with respect to the Borrower hereunder to be subrogated to the rights of the payee against the Borrower or any other Guarantor (or to any right of contribution from any other Guarantor) with respect to such payment or otherwise to be reimbursed, indemnified or exonerated in whole or in part by the Borrower or any other Guarantor in respect thereof.

(g) If acceleration of the time for payment of any amount payable by the Borrower under this Agreement or the Notes is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, all such amounts otherwise subject to acceleration under the terms of this Agreement shall nonetheless be payable by the Guarantors hereunder forthwith on demand by the Lender.

7. **Miscellaneous.**

(a) All financial computations required under this Agreement shall be made, and all financial information required under this Agreement shall be prepared, in accordance with GAAP consistently applied. The provisions of Section 1.3 of the Incorporated Agreement (including all defined terms referred to therein) are hereby incorporated herein by reference as if set forth in full herein with appropriate substitutions, including the following:

(i) all references to **"this Agreement"** shall be deemed to be references to this Agreement;

(ii) all references to **"Toro"** shall be deemed to be references to the Borrower;

(iii) all references to **"Company" or "Companies"** shall be deemed to be references to each or all of the Borrower and the Guarantors, as applicable;

(iv) all references to **"the Administrative Agent"**, **"the Banks"**, **"any Bank"** and the **"Required Banks"** shall be deemed to be references to the Lender;

(v) all references to **"Loans"** shall be deemed to be references to the Loans; and

(vi) all references to **"Loan Documents"** shall be deemed to be references to the Loan Documents.

Such provisions so incorporated herein by reference shall remain in effect under this Agreement, subject to the provisions of the following sentence, without giving effect to any subsequent amendment, modification or deletion thereof (or to any defined term

utilized therein other than the substitutions expressly provided for herein) in the Incorporated Agreement, and such provisions shall survive any termination, cancellation, discharge or replacement of the Incorporated Agreement. No amendment, modification, waiver, deletion or other alteration by the parties to the Incorporated Agreement of or to any such provision so incorporated herein by reference (or to any defined term utilized therein other than the substitutions expressly provided for herein) shall be effective to alter in any way any of the terms hereof unless approved as provided by Section 7(e) hereof.

(b) All references herein and in the other Loan Documents to any time of day shall mean the local (standard or daylight, as in effect) time of Chicago, Illinois.

(c) If at any time the Lender, in its sole discretion, determines that (i) deposits in the amount of any requested Eurodollar Rate Loan for any requested Interest Period are not available to the Lender in the offshore Dollar interbank market, or (ii) the Eurodollar Rate does not accurately reflect the funding cost to the Lender of lending such Loans, the Lender's obligation to make Eurodollar Rate Loans shall cease for the period during which such circumstance exists.

(d) The Borrower shall reimburse or compensate the Lender, upon demand, for all costs incurred, losses suffered or payments made by the Lender which are applied or reasonably allocated by the Lender to the transactions contemplated herein (all as determined by the Lender in its reasonable discretion) by reason of any and all future reserve, deposit, capital adequacy or similar requirements against (or against any class of or change in the amount of) assets, liabilities or commitments of, or extensions of credit by, the Lender; and compliance by the Lender with any directive, or requirements from any regulatory authority, whether or not having the force of law. The Lender agrees to take reasonable steps to reduce the amount of such costs, losses or payments, provided that Lender shall not be required to take any such step, if in Lender's sole discretion the Lender would suffer any economic, legal or regulatory disadvantage in connection therewith.

(e) No amendment or waiver of any provision of this Agreement (including any provision of the Incorporated Agreement incorporated herein by reference pursuant to Section 3 or 4 above and any waiver of Section 5(e) above) or of any other Loan Document and no consent by the Lender to any departure therefrom by the Borrower shall be effective unless such amendment, waiver or consent shall be in writing and signed by a duly authorized officer of the Lender, and any such amendment, waiver or consent shall then be effective only for the period and on the conditions and for the specific instance specified in such writing. No failure or delay by the Lender in exercising any right, power or privilege

hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other rights, power or privilege.

(f) (i) Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or (subject to subsection (iii) below) electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number as shall be designated herein or otherwise by such party in a notice to the other parties.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of subsection (iii) below), when delivered; provided, however, that notices and other communications to the Lender pursuant to Section 1(b) shall not be effective until actually received by such Person. In no event shall a voicemail message be effective as a notice, communication or confirmation hereunder.

(ii) Loan Documents may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually-signed originals and shall be binding on the Borrower and the Lender. The Lender may also require that any such documents and signatures be confirmed by a manually-signed original thereof; provided, however, that the failure to request or deliver the same shall not limit the effectiveness of any facsimile document or signature.

(iii) Electronic mail and Internet and intranet websites may be used only to distribute routine communications, such as financial statements, and to distribute Loan Documents for execution by the parties thereto, and may not be used for any other purpose.

(iv) The Lender shall be entitled to rely and act upon any notices (including telephonic notices of borrowings, conversions and continuations) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by

any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Lender, its affiliates and the officers, directors, employees, agents and attorneys-in-fact of the Lender and such affiliates from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other communications with the Lender may be recorded by the Lender, and the Borrower hereby consents to such recording.

(g) This Agreement shall inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign its rights and obligations hereunder without the consent of the Lender. The Lender may at any time (i) assign all or any part of its rights and obligations hereunder to any other Person with the consent of the Borrower, such consent not to be unreasonably withheld (provided that no such consent of the Borrower shall be required if a Default or Event of Default shall have occurred and be continuing), and (ii) grant to any other Person participating interests in all or part of its rights and obligations hereunder without notice to the Borrower. The Borrower agrees to execute any documents reasonably requested by the Lender in connection with any such assignment. All information provided by or on behalf of the Borrower to the Lender or its affiliates may be furnished by the Lender to its affiliates and to any actual or proposed assignee or participant.

(h) The Borrower agrees (a) to pay or reimburse the Lender for all costs and expenses incurred in connection with the development, preparation, negotiation and execution of this Agreement and the other Loan Documents and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated hereby or thereby are consummated), and the consummation and administration of the transactions contemplated hereby and thereby, including all Attorney Costs, and (b) to pay or reimburse the Lender for all costs and expenses incurred in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or the other Loan Documents (including all such costs and expenses incurred during any “workout” or restructuring in respect of the Loans and during any legal proceeding, including any proceeding under any debtor relief law), including all Attorney Costs and all search, filing, recording, title insurance and appraisal charges and fees and taxes related thereto, and other out-of-pocket expenses incurred by the Lender and the cost of independent public accountants and other outside experts retained by the Lender. All amounts due under this section (i) shall be payable within ten Business Days after demand therefor. The agreements in this section shall survive the termination of the Commitment and repayment of all other Loans and obligations of the Borrower hereunder.

(i) The Borrower agrees to indemnify and hold harmless the Lender and each of its Affiliates and its officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) (all such claims, damages, losses, liabilities and reasonable expenses being, collectively, the "Losses") that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of, or in connection with the preparation for a defense of, any investigation, litigation or proceeding arising out of, related to or in connection with the Notes, this Agreement, any of the transactions contemplated hereby or the actual or proposed use of the proceeds of the Loans, in each case whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent Losses (A) are found in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct (including any breach of its obligations under this Agreement), (B) result from any dispute between an Indemnified Party and one or more other Indemnified Parties or (C) result from the claims of one or more Lenders solely against one or more other Lenders not attributable to any actions of the Borrower or any of its Subsidiaries and for which the Borrower and its Subsidiaries otherwise have no liability. The Borrower further agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to the Borrower or any of its shareholders or creditors for or in connection with the Notes, this Agreement or any of the transactions contemplated hereby or the actual or proposed use of the proceeds of the Loans, except to the extent such liability is found in a final nonappealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct (including any breach of its obligations under this Agreement). No Indemnified Party shall have any liability for any special, punitive, indirect or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date). All amounts due under this section shall be payable within ten Business Days after demand therefor. The agreements in this section shall survive the termination of the Commitment and repayment of all Loans and other obligations in connection with the Loan Documents.

(j) If any provision of this Agreement or any other Loan Document shall be held invalid or unenforceable in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof or thereof.

(k) This Agreement may be executed in one or more counterparts, and each counterpart, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same instrument.

(l) (i) The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under or any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Documents or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this section, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower, or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this section or (y) becomes available to the Lender on a nonconfidential basis from a source other than the Borrower, provided that such source is not bound by a confidentiality agreement with the Borrower known to the Lender. For the purposes of this section, "Information" means all information received from the Borrower relating to the Borrower or any of its businesses, other than any such information that is available to the Lender on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(m) All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon

by the Lender, regardless of any investigation made by the Lender or on their behalf and notwithstanding that the Lender may have had notice or knowledge of any Default at the time of any Loan, and shall continue in full force and effect as long as any Loan or any other obligation of the Borrower hereunder shall remain unpaid or unsatisfied.

(n) This Agreement and the other Loan Documents are governed by, and shall be construed in accordance with, the laws of the State of New York and the applicable laws of the United States of America. The Borrower hereby submits to the nonexclusive jurisdiction of the courts of the state of New York sitting in New York or of the United States for the purposes of all legal proceedings arising out of or relating to any of the Loan Documents or the transactions contemplated thereby. The Borrower irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to the Borrower at its address set forth beneath its signature hereto. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

(o) EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(p) **THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR OR CONTEMPORANEOUS WRITTEN AGREEMENTS OR SUBSEQUENT**

ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

(q) **USA PATRIOT Act Notice.** The Lender hereby notifies the Borrower and the Guarantors that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

This Agreement and the proposed Commitment hereunder will expire on, and be of no force and effect after, 5:00 P.M. (Chicago, Illinois time) on March 12, 2004 unless prior to that time the Borrower and the Guarantors execute this Agreement accepting the foregoing terms and conditions, the Borrower executes the Fee Letter, and the Borrower returns a fully executed counterpart of each of such documents to the Lender, accompanied by payment of any fee payable to the Lender at such time pursuant to the Fee Letter. Thereafter, this Agreement and the Commitment hereunder shall terminate at 11:00 A.M. (Chicago, Illinois time) Tuesday, March 16, 2004 unless the conditions precedent to the making of the initial Loan hereunder shall have been satisfied in accordance with the terms of Section 2 hereof.

[Signature pages follow.]

BANK OF AMERICA, N.A.

By: ________________________________

Name: ________________________________

Title: ________________________________

Addresses for Notices:

<u>Operational Notices</u>
Bank of America, N.A.
1850 Gateway Boulevard
Concord, California 94520
Attention: Rosalia Escosa
Telephone: (925) 675-8421
Facsimile: (925) 969-2901

<u>Other Notices</u>
Bank of America, N.A.
231 South LaSalle Street
10th Floor
Chicago, Illinois 60697
Attention: Jeffrey Armitage
Telephone: (312) 828-3898
Facsimile: (312) 974-8811

[Signature pages continue on following page.]

Accepted and Agreed to as of March __, 2004:

BORROWER

THE TORO COMPANY

By: ______________________________

Name: ______________________________

Title: ______________________________

Address for Notices:
8111 Lyndale Avenue South
Bloomington, Minnesota 55420
Attn: Thomas J. Larson
Telephone: (952) 887-8449
Facsimile: (952) 887-5924

GUARANTORS

TORO CREDIT COMPANY

By: ______________________________

Name: ______________________________

Title: ______________________________

Address for Notices:
c/o The Toro Company
8111 Lyndale Avenue South
Bloomington, Minnesota 55420
Attn: Thomas J. Larson
Telephone: (952) 887-8449
Facsimile: (952) 887-5924

[Signature pages continue on following page.]

TORO MANUFACTURING LLC

By: ______________________________

Name: ______________________________

Title: ______________________________

Address for Notices:
c/o The Toro Company South
8111 Lyndale Avenue
Bloomington, Minnesota 55420
Attn: Thomas J. Larson
Telephone: (952) 887-8449
Facsimile: (952) 887-5924

EXMARK MANUFACTURING COMPANY INCORPORATED

By: ______________________________

Name: ______________________________

Title: ______________________________

Address for Notices:
c/o The Toro Company
8111 Lyndale Avenue South
Bloomington, Minnesota 55420
Attn: Thomas J. Larson
Telephone: (952) 887-8449
Facsimile: (952) 887-5924

EXHIBIT A
DEFINITIONS

To the extent any definition herein refers to a definition in the Incorporated Agreement, any term used in such definition in the Incorporated Agreement shall also have the meaning ascribed thereto in the Incorporated Agreement, without regard to any definition of the same term in this Agreement.

Additional Incorporated Agreement Covenant:	A new covenant or agreement that is added to Article VII (Affirmative Covenants) or Article VIII (Negative Covenants) of the Incorporated Agreement after the Closing Date, as such covenant or agreement is in effect on the date so added, without giving effect to any subsequent amendment, other modification or deletion thereof.
Additional Incorporated Agreement Event of Default:	An “Event of Default” that is added to Article IX of the Incorporated Agreement after the Closing Date, as such “Event of Default” is in effect on the date so added, without giving effect to any subsequent amendment, other modification or deletion thereof.
Additional Incorporated Agreement Representation and Warranty:	A representation and warranty that is added to Article VI of the Incorporated Agreement after the Closing Date, as such representation and warranty is in effect on the date so added, without giving effect to any subsequent amendment, other modification or deletion thereof.
Affiliate:	Has the meaning set forth in the Incorporated Agreement.
Agreement:	This letter agreement, as amended, restated, extended, supplemented or otherwise modified in accordance with Section 7(e) hereof in writing from time to time.
Applicable Margin:	Has the meaning set forth in the Incorporated Agreement, provided that (i) all references to “Offshore Rate Loans” shall be deemed to be references to Eurodollar Rate Loans and (ii) all references to “Banks” and “the Administrative Agent” shall be deemed to be references to the Lender.
Attorney Costs:	Has the meaning set forth in the Incorporated Agreement.
Bank of America:	Bank of America, N.A.
Base Rate:	Has the meaning set forth in the Incorporated Agreement.
Base Rate Loan:	A Loan bearing interest based on the Base Rate.
Borrower:	Has the meaning set forth in the preamble to the Agreement.
Business Day:	Any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the laws of, or are in

	fact closed in, the State of New York or the state where the Lender's lending office is located and, if such day relates to any Eurodollar Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the offshore Dollar interbank market.
Closing Date:	The first date all of the conditions precedent in Section 2(a) are satisfied or waived by the Lender.
Commitment:	Has the meaning set forth in Section 1(a) of the Agreement.
Default:	Any event or circumstance that, with the giving of any notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.
Default Rate:	Has the meaning set forth in Section 1(c) of the Agreement.
Dollar or $:	The lawful currency of the United States of America.
Eurodollar Rate:	For any Interest Period with respect to any Eurodollar Rate Loan, a rate per annum determined pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where,
"Eurodollar Base Rate" means, for such Interest Period:

(a) the rate per annum equal to the rate determined by the Lender to be the offered rate that appears on the page of the Telerate screen that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period, or

(b) in the event the rate referenced in the preceding subsection (a) does not appear on such page or service or such page or service shall cease to be available, the rate per annum equal to the rate determined by the Lender to be the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 A.M. (London time) two

	Business Days prior to the first day of such Interest Period, or (c) in the event the rates referenced in the preceding subsections (a) and (b) are not available, the rate per annum determined by the Lender as the rate of interest at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, converted or continued and with a term equivalent to such Interest Period would be offered by the Lender's London Branch or London Affiliate to major banks in the offshore Dollar market at their request at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period. "Eurodollar Reserve Percentage" means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day applicable to the Lender under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurodollar Rate for each outstanding Eurodollar Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.
Eurodollar Rate Loan:	A Loan bearing interest based on the Eurodollar Rate.

Event of Default:	Has the meaning set forth in Section 5 of the Agreement.
Facility Fee:	Has the meaning set forth in the Incorporated Agreement, provided that (i) all references to “Commitment” shall be deemed to be references to the Lender’s Commitment under the Agreement, (ii) all references to “Loans” shall be deemed to be references to the Loans under the Agreement, (iii) all references to “Banks”, “each Bank” and “the Administrative Agent” shall be deemed to be references to the Lender, and (iv) all references to “Toro” shall be deemed to be references to the Borrower.
Fee Letter:	That certain letter between the Borrower and the Lender of even date herewith referring to this Agreement and describing itself as the “Fee Letter” referred to herein.
GAAP:	Generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the “Closing Date” as defined in the Incorporated Agreement.
Guarantors:	Collectively, (i) as at the Closing Date, Credit, Manufacturing and Exmark (each as defined in the Incorporated Agreement), and (ii) thereafter, any other Person required to execute a joinder to the guaranty provisions of the Agreement in accordance with Section 4(b) of the Agreement.
Incorporated Agreement:	The Multi-Year Credit Agreement, dated as of February 22, 2002, among the Borrower, Toro Credit Company, certain additional Subsidiary Borrowers as therein denominated, each lender from time to time party thereto, and Bank of America, N.A. as the administrative agent, as amended through the Closing Date. Unless otherwise specified herein or in the Agreement, all references to the Incorporated Agreement shall mean the Incorporated Agreement as in effect on the Closing Date, without giving effect to any amendment, supplement, waiver or other modification thereto or thereof after the Closing Date.
Interest Period:	For each Eurodollar Rate Loan, (a) initially, the period commencing on the date the Eurodollar Rate Loan is disbursed or converted from a Base Rate Loan and (b) thereafter, the period commencing on the last day of the preceding Interest Period, and, in each case, ending 14 days or one, two or three months thereafter, as requested by the Borrower; provided that: (i) any Interest Period that would otherwise end on

	a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day; (ii) any Interest Period (other than a 14 day Interest Period) which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and (iii) no Interest Period for any Loan shall extend beyond the Maturity Date.
Lender:	At all times prior to any assignment by the Lender pursuant to Section 7(g) of the Agreement, the Lender, and at all times thereafter, each Person with Loans outstanding to the Borrower under the Agreement, provided that at all times there is more than one Person constituting a Lender hereunder, such term shall mean each Lender, any Lender or all Lenders collectively, as the context may indicate.
Loan Documents:	This Agreement, the Fee Letter, and each promissory note, certificate, fee letter, and other instrument, document or agreement delivered in connection with this Agreement.
Loans:	Has the meaning set forth in Section 1(a) of the Agreement.
Maturity Date:	The earlier to occur of (a) the date occurring six months after the date on which the conditions set forth in Section 2(a) of the Agreement shall be satisfied, or if such date is not a Business Day, then the next preceding Business Day, or (b) the date on which the Commitment may terminate in accordance with the terms hereof.
Multi-Year Utilization Fee:	The "Utilization Fee" as defined in the Incorporated Agreement.
Note:	A promissory note of the Borrower payable to the order of the Lender in substantially the form of Exhibit B hereunder, evidencing the aggregate indebtedness of the Borrower to the Lender resulting from the Loans made by the Lender to the Borrower, and following effectiveness of any assignment pursuant to Section 7(g) hereof, collectively refers to all promissory notes of the Borrower payable to the order of each Lender.
Person:	Any individual, trustee, corporation, general partnership, limited partnership, limited liability company, joint stock company, trust, unincorporated organization, bank, business association, firm, joint venture, or governmental authority.

Responsible Officer:	Has the meaning set forth in the Incorporated Agreement; provided that all references to “Toro” shall be deemed to be references to “the Borrower or a Guarantor, as applicable”.
Subsidiary:	Has the meaning set forth in the Incorporated Agreement; provided that all references to “Toro” shall be deemed to be references to “the Borrower”.
Utilization Fee:	Has the meaning set forth in Section 1(e) of the Agreement.

EXHIBIT B

FORM OF PROMISSORY NOTE

March 12, 2004

FOR VALUE RECEIVED, the undersigned, THE TORO COMPANY, a Delaware corporation (the "Borrower"), promises to pay to the order of BANK OF AMERICA, N.A. (the "Lender") on the Maturity Date (as such term is defined in the Letter Agreement, dated as of March 12, 2004 (as amended or modified from time to time, the "Letter Agreement")), among the Borrower and Bank of America, N.A., and the various financial institutions (including the Lender) as are, or may become parties thereto, the aggregate unpaid principal amount of all Loans made by the Lender to the Borrower from time to time pursuant to the Letter Agreement. A notation indicating all Loans made by the Lender pursuant to the Letter Agreement and payments on account of the principal of such Loans may, from time to time, be made by the holder hereof on the grid attached to this note (the "Note"). Unless defined herein or the context otherwise requires, terms used herein have the meanings provided in the Letter Agreement.

Interest upon the unpaid principal amount hereof shall accrue at the rates, shall be calculated in the manner and shall be payable on the dates set forth in the Letter Agreement. Both principal and interest shall be payable in accordance with the Letter Agreement to the account designated by the Lender.

This Note is one of the Notes referred to in, and evidences indebtedness incurred in respect of the Loans under, the Letter Agreement, to which reference is made for a statement of the terms and conditions on which the Borrower is permitted and required to make prepayments of principal of the indebtedness evidenced by this Note and on which such indebtedness may be declared to be immediately due and payable.

THIS NOTE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS, OF THE STATE OF NEW YORK BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

THE TORO COMPANY

By: ______________________________
Name: ______________________________
Title: ______________________________

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Amount of Loan Made	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By

Exhibit (d)(1)(A)

THE TORO COMPANY
INVESTMENT, SAVINGS AND
EMPLOYEE STOCK OWNERSHIP PLAN
(2003 Restatement)

Prepared by Timothy R. Quinn
(612) 607-7581
Oppenheimer Wolff & Donnelly LLP

THE TORO COMPANY
INVESTMENT, SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLAN

The Toro Company, a Delaware corporation, pursuant to the power of amendment reserved to it in Section 11.1 of The Toro Company Investment, Savings and Employee Stock Ownership Plan, which was last restated effective as of January 1, 2002, and delegated to its Chief Executive Officer or such officer's delegate, hereby amends and restates that Plan, effective as of June 1, 2003. The trust agreements for the Plan are found in separate documents.

The Plan is a single plan that consists of two parts, including a profit sharing part and a stock bonus part. The stock bonus part is an employee stock ownership plan within the meaning of Section 4975 of the Code. The assets of the stock bonus part are reflected in the ESOP Accounts. Those assets are held under the Trust, which is designed to invest them primarily in Toro Common Stock.

ARTICLE I.
Definitions and Interpretation

Section 1.1. Definitions. The terms defined in this section when used in the Plan with initial capital letters have the following meanings unless the context indicates that other meanings are intended.

Account. "Account" means an account maintained for a Participant pursuant to Section 6.1.

Administrator. The "Administrator" shall be Toro unless the Chief Executive Officer of Toro designates another person or persons to be the Administrator pursuant to the provisions of Section 8.2. Toro shall also be considered the Administrator if the person or persons so designated cease to be the Administrator. The Administrator shall be a named fiduciary for purposes of ERISA and this Plan.

Affiliate. "Affiliate" means a corporation, at least eighty percent (80%) of both the voting stock and each class of the non-voting stock of which is owned by Toro or by another Affiliate of Toro or any combination of Toro and its Affiliates.

After-Tax Contributions. "After-Tax Contributions" means contributions described in Section 4.4.

After-Tax Contributions Account. "After-Tax Contributions Account" means an Account described in Section 6.1(a)(3).

Alternate Payee. The term "Alternate Payee" means any spouse, former spouse, child, or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such Participant.

Annuity Starting Date. The "Annuity Starting Date" is the first day of the first period for which an amount is paid as an annuity, or any other form.

Beneficiary. The terms "Beneficiary" or "Beneficiaries" mean any person or persons who, upon the death of a Participant, are entitled to receive the distribution of all or a part of such Participant's Vested Share. Under reasonable rules to be developed by the Administrator, a Participant may designate a person or persons, natural or artificial, as a Beneficiary or Beneficiaries. A Beneficiary shall receive only such portion of a Participant's Vested Share as the Participant shall designate. In the event no

person is designated as a Beneficiary or in the event all such persons predecease the Participant, then the Participant's Beneficiary shall be the person or persons surviving the Participant in the first of the following classes in which there is a survivor, share and share alike:

(1) The Participant's spouse.

(2) The Participant's children, except that if any of the Participant's children predecease the Participant but leave issue surviving the Participant, such issue shall take, by right of representation, the share their parent would have taken if living.

(3) The Participant's parents.

(4) The Participant's brothers and sisters.

(5) The Participant's estate.

The Participant may change Beneficiaries from time to time in the manner set forth in rules adopted by the Administrator. No Beneficiary shall have any rights under the Plan and Trust until benefits actually become payable under the Plan to such Beneficiary.

Board of Directors. The term "Board of Directors" shall mean the Board of Directors of the corporation referred to but when used with reference to a partnership, it shall mean the managing partner or partners (the persons with authority to make decisions for the partnership).

Break in Service. A "Break in Service" is an Eligibility Computation Period after an Employee's initial Eligibility Computation Period during which the Employee has completed no more than 500 Hours of Service for a Participating or Related Employer.

Claims Reviewer. The "Claims Reviewer" shall be such person who or organizational unit that customarily handles employee benefit matters relating to the Plan as the Administrator shall designate.

Code. "Code" means the Internal Revenue Code of 1986, as it is amended from time to time.

Compensation.

(1) "Compensation" means all wages of an Employee received from an Employer that is subject to federal income tax withholding, determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed. Compensation includes remuneration of an Employee received from a Participating Employer while the Employee is a non-resident alien even if that remuneration is not considered earned income (within the meaning of Section 911(d)(2) of the Code) which constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code). However, in no event shall Compensation include any amount subject to federal income tax withholding on account of the grant or exercise of an option to purchase stock of a Participating Employer. Similarly, Compensation will not include any amount of remuneration of such a non-resident alien due to such a grant or exercise of an option. Also, Compensation shall not include amounts paid to an Employee by the Employee's Participating Employer when the Employee is in a unit of Employees of such Employer which is described in Section 3.1(b). Further, Compensation shall not include any amounts contributed by a Participating Employer to any plan which meets the requirements of Section 401(a) or 404(a)(2) of the Code and shall not include any distributions under a nonqualified deferred compensation

plan or agreement. In addition, Compensation shall not include any amounts received by an Employee prior to the date the Employee becomes a Covered Employee or while the Employee is not otherwise a Covered Employee. However, Compensation shall include any salary reductions made by the Employee's Participating Employer which are not includible in the gross income of the Employee under Sections 125 or 402(e)(3) of the Code. For Plan Years beginning on and after January 1, 2001, Compensation shall also include elective amounts that are not includible in the gross income of the employee by reason of Section 132(f)(4) of the Code.

(2) The annual Compensation of each Participant taken into account under the Plan for any year shall not exceed $150,000, as adjusted by the Commissioner of the Internal Revenue Service pursuant to delegation from the Secretary of Treasury for increases in the cost of living pursuant to Section 401(a)(17) of the Code. This annual compensation limit applies for purposes of applying the nondiscrimination rules under Sections 401(a)(4), 401(a)(5), 401(l), 401(k)(3), 401(m), and 403(b)(12) of the Code, and the nondiscrimination rule in the average benefits percentage test under Section 410(b)(2) of the Code, and in determining whether an alternative method of determining compensation impermissibly discriminates under Section 414(s)(3) of the Code.

(3) Notwithstanding the preceding provisions of this definition, in the case of a short Plan Year, due to a change in the Plan Year, the $150,000 limitation described in paragraph (2) above shall be proportionately reduced by a fraction, the numerator of which shall be the number of days in the short Plan Year and the denominator of which shall be three hundred sixty-five (365).

Contributing Participant. A "Contributing Participant" is a person who has met the requirements of Sections 3.2 and 3.3 and has not ceased to be a Contributing Participant under Sections 3.4 or 3.7 or any other section of the Plan. A person who has ceased to be a Contributing Participant shall again become a Contributing Participant as provided in Section 3.5 or Section 3.8.

Covered Employee. A "Covered Employee" is a person who at one time met the requirements of Sections 3.1 and 3.2 and who has not thereafter died or ceased to be a Covered Employee as provided in Section 3.6. A person who has ceased to be a Covered Employee shall again become a Covered Employee as provided in Section 3.8.

Disability. "Disability" means a medically determinable physical or mental disability which is expected to result in death or to be of long continued and indefinite duration and which renders an Employee unable to engage in any employment or occupation for remuneration for which the Employee is reasonably qualified by reason of the Employee's training, education and experience. The existence or nonexistence of such Disability shall be established by the certificate of a medical doctor chosen by or satisfactory to the Administrator.

Domestic Relations Order. The term "Domestic Relations Order" means any judgment, decree or order (including approval of a property settlement agreement) which:

(1) relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Participant, and

(2) is made pursuant to a State domestic relations law (including a community property law).

Effective Date of the Prior Plan. The "Effective Date of the Prior Plan" is the date on which a Prior Plan is effective. The Toro Company Profit-Sharing Plan for Office Employees was effective on August 31, 1952. The Toro Company Profit-Sharing Plan for Windom Factory Employees was effective on August 1, 1959. The Toro Company Matching Stock Plan was effective on August 1, 1988. The Toro Company Profit-Sharing Plan for Minneapolis Factory Employees was effective on September 1, 1952. The Toro Company Profit-Sharing Plan for Hourly Employees was effective on August 1, 1968. Each of the plans described in the prior sentences were merged as of August 1, 1995 to be The Toro Company Investment and Savings Plan. The Toro Company Employee Stock Ownership Plan was effective on August 1, 1985. The Toro Company Investment and Savings Plan and The Toro Company Employee Stock Ownership Plan were merged as of January 1, 2002 to become this Plan.

Effective Date of this Restatement. The "Effective Date of this Restatement" is January 1, 2002.

Eligibility Computation Period. An Employee's initial "Eligibility Computation Period" shall be the twelve consecutive month period commencing with the date such Employee first performs an Hour of Service for a Participating or Related Employer. The Employee's subsequent "Eligibility Computation Periods" shall be the twelve consecutive month periods commencing on the anniversaries of such date. However, if such Employee incurs a Break in Service before such Employee completes the one year of Eligibility Service required by Section 3.1, then for purposes of this definition the date the Employee first performs an Hour of Service for a Participating or Related Employer after such break shall be deemed to be the date the Employee first performs an Hour of Service for a Participating or Related Employer. For purposes of the definition of Qualified Employee and ESOP Covered Employee and determining whether the two year of Eligibility Service requirement has been met, if an Employee incurs a Break in Service before completing two years of Eligibility Service, the date the Employee first performs an Hour of Service for a Participating or Related Employer after such break shall be deemed to be the date the Employee first performs an Hour of Service for a Participating or Related Employer.

Eligibility Service.

(1) General Rule. An Employee shall be deemed to have completed a year of "Eligibility Service" for each Eligibility Computation Period during which the Employee is credited with at least 1,000 Hours of Service for a Participating or Related Employer.

(2) Exception: Break in Service. For purposes of the definition of Qualified Employee and ESOP Covered Employee and determining whether the two years of Eligibility Service requirement has been met, if the Employee incurred a Break in Service prior to being credited with the two years of Eligibility Service, the Employee's years of Eligibility Service completed before such Break in Service shall not be taken into account.

(3) Exception: Predecessor Employer. In determining Eligibility Service, service (as an Employee or self-employed person) with a Predecessor Employer shall be treated as employment with a Participating Employer; however, if an Employer has been designated as a Predecessor Employer as provided in Section 3.1(b)(2), then no more service than specified pursuant to Section 3.1(b)(2) shall be treated in that manner.

Employee. An "Employee" is a natural person employed in the service of an Employer as a common law employee, including such a natural person who is an officer or director of that Employer.

Employer. "Employer" means the employer of the Employee with respect to whom the term is used.

Employer Contribution Account. "Employer Contribution Account" means the Account described in Section 6.1(a)(1). The Account includes those Accounts formerly known as the "Toro Investment Fund Contribution Account" and the "Diversification Account".

Encumbered Toro Common Stock. "Encumbered Toro Common Stock" means Toro Common Stock held in the Toro Common Stock Suspense Account.

ERISA. "ERISA" is the Employee Retirement Income Security Act of 1974, as it now exists or as it may hereafter be amended.

ESOP Accounts. The ESOP General Account, ESOP Toro Common Stock Account and Matching Contributions Account of a Participant are "ESOP Accounts." Also, commencing June 1, 2003, the portion of any Account of a Participant that is invested in Toro Common Stock, other than an Account established and maintained to receive an initial contribution of Pre-Tax Contributions or After-Tax Contributions, is an "ESOP Account."

ESOP Contributions. "ESOP Contributions" are contributions made by a Participating Employer pursuant to Section 4.2.

ESOP Covered Employee. "ESOP Covered Employee" means a person who has been credited with at least two years of Eligibility Service and would have become a Covered Employee under the Plan had that service requirement and entry dates on the first day of each month been requirements to become a Covered Employee.

ESOP General Account. "ESOP General Account" means an Account maintained for the benefit of a Participant to which the Administrator (or the Trustee at the direction of the Administrator) shall credit the Participating Employer's cash contributions described under Section 4.2(a).

ESOP Toro Common Stock Account. "ESOP Toro Common Stock Account" means an Account described in Section 6.1(a)(5).

ESOP Toro Common Stock Suspense Account. "ESOP Toro Common Stock Suspense Account" means the suspense account described in Section 5.1(e) and established by the Trustee to hold all Toro Common Stock acquired by the Trustee with the proceeds of an Exempt Loan which is exempt from the prohibited transaction provisions of ERISA as provided in Section 4975(d)(3) of the Code.

Exempt Loan. "Exempt Loan" means an indebtedness of the Plan incurred to purchase Toro Common Stock and which is exempt from the prohibited transaction provisions of ERISA as provided in Section 4975(d)(3) of the Code.

Foreign Subsidiary. "Foreign Subsidiary" means either

(1) a foreign corporation not less than twenty percent (20%) of the voting stock of which is owned by Toro or a U.S. corporation which is an Affiliate, or

(2) a foreign corporation more than fifty percent (50%) of the voting stock of which is owned by a Foreign Subsidiary described in paragraph (1).

Forfeiture Event. A Participant shall experience a "Forfeiture Event" when the Participant experiences the earlier of (1) five consecutive One-Year Breaks in Service or (2) the distribution of the entire Vested Share of the Participant (if a Participant is not Vested when the Participant incurs a

Termination of Service, the Participant shall be deemed to have such a distribution upon that Termination of Service).

Highly Compensated Employee.

(1) Effective for years beginning on or after January 1, 1997, a "Highly Compensated Employee" of a Participating Employer for a Plan Year is such individual who:

(A) is a five percent owner (the definition in Section 416 of the Code shall apply) of the Participating Employer or at least one of its Related Employers during that Plan Year or the prior Plan Year; or

(B) received earnings from the Participating Employer and its Related Employers in excess of $80,000 during the prior Plan Year.

The term "earnings" for purposes of this paragraph shall have the meaning given that term in Section 5.3(a)(2).

The $80,000 amount will be adjusted pursuant to Section 414(q)(1) of the Code.

(2) For purposes of making the determinations under this definition, the following rules shall apply:

(A) Employees who are nonresident aliens and who do not receive earned income (within the meaning of Section 911(d)(2) of the Code) from the Participating Employer or any of its Related Employers which constitutes income from services within the United States (within the meaning of Section 861(a)(3) of the Code) shall not be treated as Employees of those Employers.

(B) A former Employee of the Participating Employer or one of its Related Employers shall be treated as a Highly Compensated Employee of the Participating Employer if the former Employee was a Highly Compensated Employee of the Participating Employer when the Employee incurred a Termination of Service or the former Employee was a Highly Compensated Employee of the Participating Employer at any time after attaining age 55.

The determination of who is a former Highly Compensated Employee is based on the rules applicable to determining Highly Compensated Employee status as in effect for that determination year, in accordance with Section 1.414(q)-1T, A-4 for the Temporary Income Tax Regulations and Notice 97-75, or later guidance under the Code.

In determining whether an Employee is a Highly Compensated Employee for years beginning in 1997, the amendments to Section 414(q) of the Code are treated as having been in effect for years beginning in 1996.

Hour of Service.

(1) General Rule.

(A) An "Hour of Service" is each hour for which an Employee is, directly or indirectly, paid (or entitled to payment) by an Employer for any reason including each

hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by said Employer. A back pay Hour of Service shall be allocated to the period or periods to which the award or agreement pertains unless the Employee has otherwise received credit for an Hour of Service for the same period.

(B) Any hour for which the Employee is being directly or indirectly paid at more than the Employee's regular rate of pay shall be counted as one Hour of Service.

(C) The Hours of Service of an Employee who is paid by the Employer for reasons other than for the performance of duties shall be determined in accordance with Sections 2530.200b-2(b) and (c) of the Department of Labor Regulations. However, no more than 501 Hours of Service shall be credited to an Employee for any single continuous period during which the Employee performs no duties, no Hours of Service shall be credited to an Employee for a payment made or due under a plan maintained solely for the purpose of complying with workmen's compensation, unemployment compensation or disability insurance laws, no Hours of Service shall be credited for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee, and an Hour of Service shall not be credited to an Employee under this subparagraph (C) if it has already been credited to such Employee pursuant to another provision of this definition.

(D) For purposes of determining Hours of Service before August 1, 1995, such hours shall be determined under the Prior Plan in which the Participant participated. For purposes of determining Hours of Service before the Effective Date of the Prior Plan, or in the case of a Participating Employer (or Related Employer of that Participating Employer) in such Prior Plan other than Toro, the later of the Effective Date of the Prior Plan, the date ERISA became applicable to the Prior Plan of such Participating Employer, or the date as of which the Employer becomes a Participating Employer in such Prior Plan, the Employer may use whatever records are reasonably available to the Employer and may make such calculations as are necessary to determine the approximate number of such Hours of Service.

(2) Exception: Federal Law. If a law of the United States (including any law relating to credit for time spent in military service) or any rule or regulation duly issued thereunder so requires, Hours of Service shall be added to the total calculated under the prior provisions of this definition and if such law, rule or regulation so permits, an Hour of Service shall be subtracted from said total.

(3) Exception: Break in Service. For Plan Years beginning on or after January l, 1985, in the case of each individual who is absent from service with an Employer for any period by reason of the pregnancy of the individual, by reason of the birth of a child of the individual, by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or for purposes of caring for such child for a period beginning immediately following birth or placement, the Plan shall treat as Hours of Service, solely for purposes of determining whether a Break in Service has occurred, the following hours:

(A) the Hours of Service which otherwise would normally have been credited to such individual but for such absence, or

(B) in any case in which the Plan is unable to determine the hours described in Subsection (A) above, eight hours of service per normal work day of absence, except

that the total number of hours treated as Hours of Service under this clause by reason of any such pregnancy or placement shall not exceed 501 hours. Said hours shall be treated as Hours of Service only in the year in which the absence from work begins, if a Participant would be prevented from incurring such a Break in Service in such year solely because the period of absence is treated as Hours of Service under this subsection (3), or in any other case, in the immediately following year. For purposes of this subsection (3), the term "year" means the period used in determining that Break in Service. No credit will be given under this subsection (3) unless the individual furnishes to the Administrator such timely information as the Administrator may reasonably require to establish that the absence from work is for reasons described in this subsection (3) and the number of days for which there was such an absence.

(4) Exception: Employees who are not Compensated by the Hour. If an Employee is paid on other than an hourly basis, the Employee shall receive credit at the rate of 45 Hours of Service for each week during which the Employee completed an Hour of Service for the Employer.

(5) Clarification: Related Employer. For purpose of determining an individual's Hours of Service with an Employer that is a Related Employer, only Hours of Service credited while that Employer is a Related Employer shall be taken into account.

(6) Clarification: Overlapping Period. In the case of Hours of Service to be credited to an Employee under this definition for a period that overlaps two computation periods used in determining service under the Plan, Hours of Service may be credited to either the first or second computation period, or may be credited pro rata to each such computation period, as determined by the Administrator in a consistent non-discriminatory manner.

Investment Account. "Investment Account" means that portion of the Trust Fund, initially determined under Section 10.3 (and all subsequent increases and decreases thereof), which is to be invested under the direction of an Investment Adviser.

Investment Adviser. "Investment Adviser" means any person or persons, organization, partnership or corporation appointed as provided in Section 10.1. The Investment Adviser shall either be registered as an investment adviser under the Investment Advisers Act of 1940; or it shall be a bank as defined in said Act; or it shall be an insurance company qualified under the laws of one or more states (one of which shall be Minnesota) to perform services consisting of the management, acquisition or disposition of any assets of the Plan.

Investment Fund. The Trust Fund may be divided into one or more "Investment Funds" as the Chief Executive Officer of Toro may determine pursuant to Section 10.1.

Investment Option Date. "Investment Option Date" means each Valuation Date during a Plan Year designated by the Administrator as of which Participants may make the election provided for in Section 9.5.

Investment Option Period. "Investment Option Period" means a period of time beginning on the day immediately following an Investment Option Date and ending upon the next subsequent Investment Option Date as of which the Participant elects to make an election provided for in Section 9.5.

Matching Contributions. "Matching Contributions" are contributions made by a Participating Employer pursuant to Section 4.5.

Matching Contributions Account. “Matching Contributions Account” means an Account described in Section 6.1(a)(4).

Non-Contributing Participant. A “Non-Contributing Participant” is a Covered Employee who is not a Contributing Participant.

Normal Retirement Date. The “Normal Retirement Date” of a Participant is the date the Participant attains sixty-five years of age.

One-Year Break in Service. “One-Year Break in Service” means a Plan Year during which an Employee completes no Hours of Service for a Participating Employer or Related Employer of that Participating Employer.

Participant. A “Participant” is a person who is a Contributing or Non-Contributing Participant or any other person who is entitled to an immediate or deferred benefit under the Plan by reason of having been a Contributing or Non-Contributing Participant.

Participating Employer. “Participating Employer” means each of Toro and any other Employer that has adopted the Plan pursuant to the provisions of Article II and is maintaining it in effect.

Plan. “Plan” means “The Toro Company Investment, Savings and Employee Stock Ownership Plan” as stated in this instrument and as it may hereafter be amended from time to time.

Plan Year. “Plan Year” means the calendar year. The records of the Plan shall be kept upon the Plan Year.

Predecessor Employer. A “Predecessor Employer” is an Employer which formerly employed Employees of a Participating Employer and service with which is credited for purposes of eligibility to become a Covered Employee as provided in Section 3.1, and includes any Employer named as a Predecessor Employer pursuant to Section 3.1(b)(2). Effective on and after January 1, 2001, “Predecessor Employer” shall also include any Employer from which a Participating Employer or Related Employer purchases assets if Employees of the Employer whose assets are purchased become Employees of a Participating Employer or Related Employer on account of that purchase. The Administrator shall determine whether or not an Employer is a Predecessor Employer.

Predecessor Plan. “Predecessor Plan” means the payroll stock ownership plan (originally referred to as The Toro Company Employee Stock Ownership Plan) which was maintained by Toro prior to the merger of that plan into The Toro Company Employee Stock Ownership Plan which merged into this Plan. Effective on and after January 1, 2001, “Predecessor Employer” shall also include any Employer from which a Participating Employer or Related Employer purchases assets if Employees of the Employer whose assets are purchased become Employees of a Participating Employer or Related Employer on account of that purchase. The Administrator shall determine whether or not an Employer is a Predecessor Employer.

Pre-Tax Contribution Agreement. “Pre-Tax Contribution Agreement” means an agreement on a form provided by the Administrator or information provided by another method made available by the Administrator pursuant to which a Covered Employee may elect to have the compensation payable to the Covered Employee by the Covered Employee’s Participating Employer reduced and paid as Pre-Tax Contributions to the Plan by such Participating Employer.

Pre-Tax Contributions. A Contributing Participant's "Pre-Tax Contributions" are contributions described in Section 4.3.

Pre-Tax Contributions Account. "Pre-Tax Contributions Account" means an Account described in Section 6.1(a)(2).

Prior Plan. If this Plan is adopted by a Participating Employer as an amendment or continuation of another plan, as indicated in a resolution of an Employer adopting the Plan pursuant to Section 2.2, then the amended or continued plan as it existed immediately before the amendment or continuation shall be a "Prior Plan." In addition, each of the following plans shall be considered a "Prior Plan":

(1) The Toro Company Profit-Sharing Plan for Office Employees;

(2) The Toro Company Profit-Sharing Plan for Hourly Employees;

(3) The Toro Company Profit-Sharing Plan for Windom Factory Employees;

(4) The Toro Company Profit-Sharing Plan for Minneapolis Factory Employees;

(5) The Toro Company Matching Stock Plan;

(6) The Toro Company Employee Stock Ownership Plan; and

(7) The Toro Company Investment and Savings Plan.

Qualified Domestic Relations Order.

(1) General Rule. The term "Qualified Domestic Relations Order" means a Domestic Relations Order:

(A) which creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under the Plan, and

(B) with respect to which the requirements described in the remainder of this definition are met.

(2) Specification of Facts. A Domestic Relations Order shall be a Qualified Domestic Relations Order only if the order clearly specifies:

(A) the name and last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order,

(B) the amount or percentage of the Participant's benefits to be paid by the Plan to each such Alternate Payee, or the manner in which such amount or percentage is to be determined,

(C) the number of payments or period to which such order applies, and

(D) each plan to which such order applies.

(3) Further Requirements. A Domestic Relations Order shall be considered a Qualified Domestic Relations Order only if such order:

(A) does not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan,

(B) does not require the Plan to provide increased benefits, and

(C) does not require payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

(4) Exception for Payments After Order. A Domestic Relations Order shall not be treated as failing to meet the requirements of subparagraph (3)(A) above solely because such order requires that payment of benefits be made to an Alternate Payee:

(A) before the Participant has incurred a Termination of Service,

(B) as if the Participant had incurred a Termination of Service on the date on which such payment is to begin under such order, and

(C) in any form in which such benefits may be paid under the Plan to the Participant (other than in the Qualified Joint and Survivor Annuity Form with respect to the Alternate Payee and Alternate Payee's subsequent spouse).

(5) Orders Prior to January l, 1985. Generally, a Domestic Relations Order cannot be a Qualified Domestic Relations Order until January l, 1985. However, in the case of a Domestic Relations Order entered before such date, the Administrator:

(A) shall treat such order as a Qualified Domestic Relations Order if such Administrator is paying benefits pursuant to such order on such date, and

(B) may treat any other such order entered before such date as a Qualified Domestic Relations Order even if such order does not meet the requirements set forth above.

Qualified Employee. The determination of who is a "Qualified Employee" of a Participating Employer for a Plan Year shall be made as of the last day of such Plan Year and shall mean an Employee who:

(1) was a Covered Employee on at least one day of said Plan Year;

(2) has been credited with at least two years of Eligibility Service;

(3) had at least 1,000 Hours of Service for any combination of Participating Employers during said Plan Year while the Employee was not excluded from eligibility under Section 3.1(b) or immediately prior to becoming a Covered Employee was covered by another plan qualified under Section 401(a) of the Code which was maintained by Toro or a Related Employer; and

(4) was an Employee of a Participating or Related Employer as of the last day of said Plan Year.

Notwithstanding the preceding provisions of this definition, in the case of a short Plan Year, due to a change in Toro's fiscal year, to be a Qualified Employee for the short fiscal year, an Employee need not have completed said 1,000 Hours of Service, but the Employee must have completed a number of Hours of Service equal to 1,000 multiplied by the ratio of the number of days in the short Plan Year to 365. Also, notwithstanding the preceding provisions of this definition, if a Covered Employee who has previously met the requirements to be a Qualified Employee for a Plan Year dies during the Plan Year or incurs a Termination of Service after having reached age 62, the Employee shall be considered a Qualified Employee of the Employee's Participating Employer as of the last day of such Plan Year.

An Employee who is described in Section 3.1(c) and who would meet the above requirements of this definition for a Plan Year if the Employee's Employer (a Foreign Subsidiary) was a Participating Employer shall be considered to be a Qualified Employee for that Plan Year of the Participating Employer which has entered into the agreement referred to in Section 3.1(c)(2) with such Employee's Employer (such Foreign Subsidiary).

If the Plan does not meet the minimum coverage requirements under Section 410(b)(1)(B) of the Code (the "70% test") for a Plan Year on account of a requirement that an individual must be an Employee of a Participating Employer or Related Employer as of the last day of that Plan Year, that requirement shall be modified by changing the specific requirement to be that the individual must be an Employee of such an Employer on or after an earlier day in the Plan Year. That earlier day shall be the day nearest the last day of the Plan Year which when used in such specific requirement permits the satisfaction of such minimum coverage requirements. Each Participant who satisfies the requirements of this definition as so modified for a particular Plan Year shall be a Qualified Employee for that Plan Year. Such determination shall be made for each Plan Year before Toro Investment Fund Contributions have been completed. If such an earlier day has been determined for a Plan Year, each Participant who becomes a Qualified Employee for that Plan Year shall be treated like all other Qualified Employees for that Plan Year with respect to allocations of Toro Investment Fund Contributions made for that Plan Year.

Notwithstanding the preceding provisions of this definition if, as a result of an organizational restructuring by a Covered Employee's Participating Employer and the elimination of the Covered Employee's position, the Covered Employee incurs a Termination of Service during the last three months of a Plan Year, the requirement that an individual must be an Employee of a Participating Employer or a Related Employer as of the last day of that Plan Year to be a Qualified Employee shall not apply to such Covered Employee for that Plan Year. However, if that exception does not meet the antidiscrimination requirements of Section 410 and Section 401(a)(4) of the Code for a Plan Year, Highly Compensated Employees shall be eliminated from the group of Covered Employees who qualify for that exception in the order of their compensation ranking for the Plan Year (highest to lowest) until those requirements are met.

Regulations. "Regulations" means regulations issued by the Department of Treasury, the Department of Labor, or the Securities and Exchange Commission.

Related Employer. A "Related Employer" is an Employer, other than a Participating Employer, which is part of a group of corporations or other business organizations with a Participating Employer that is treated as one Employer for purposes of antidiscrimination tests described in Section 414 of the Code as determined by applying tests established under Section 414 of the Code, modified for purposes of Section 415 of the Code only by Section 415(h) of the Code. In addition, Foreign Subsidiaries shall be considered to be Related Employers.

Rollover Contributions. “Rollover Contributions” are contributions made by an Employee pursuant to Section 4.6.

Rollover Contributions Account. “Rollover Contributions Account” means an Account described in Section 6.1(a)(7).

Shareholder. “Shareholder” means any Participant or former Participant or Beneficiary (or such person’s legally appointed representative) who has received a distribution of Toro Common Stock pursuant to the Plan.

Social Security Taxable Wage Base. The “Social Security Taxable Wage Base” for a calendar year is the maximum amount of remuneration which constitutes “wages” for that year for purposes of Section 3121(a)(1) of the Code.

Termination of Employment. A “Termination of Employment” of an Employee of an Employer shall occur whenever the Employee’s status as an Employee of such Employer ceases for any reason other than the Employee’s death. An Employee who does not return to work for such Employer on or before the expiration of an authorized leave of absence from such Employer shall be deemed to have incurred a Termination of Employment when such leave ends. An Employee who has been on temporary lay-off for lack of work for more than two years shall also be deemed to have incurred a Termination of Employment.

Termination of Service. A “Termination of Service” of an individual shall occur whenever the individual has ceased to be an Employee of all Participating Employers or Related Employers.

Toro. “Toro” means The Toro Company, a Delaware corporation, or any successor thereof.

Toro Common Stock. “Toro Common Stock” means the common stock of Toro or any successor company thereto.

Toro Common Stock Value. “Toro Common Stock Value” means either (1) if Toro Common Stock is traded on a national securities exchange, the price of Toro Common Stock prevailing on that exchange, or (2) if it is not traded on such an exchange, the fair market value of the Toro Common Stock as determined in good faith by the Administrator and based on all relevant factors for determining the fair market value of securities. Such fair market value shall be determined as of each Valuation Date. The fair market value of any Toro Common Stock shall be determined by the Administrator; however, the Administrator may seek and be guided by an appraisal thereof made by an independent reputable appraiser selected by the Administrator and also by any Regulations promulgated pursuant to ERISA Section 3(18). All valuations of Toro Common Stock acquired after December 31, 1986 that are not publicly traded must be made by an independent appraiser who meets requirements similar to those imposed under Section 170(a)(1) of the Code.

Toro Investment Fund Contributions. “Toro Investment Fund Contributions” are contributions made by a Participating Employer pursuant to Section 4.1.

Trust. On and after August 1, 1995, The Toro Company Investment and Savings Plan Trust, has been the trust for The Toro Company Investment and Savings Plan and The Toro Company Employee Stock Ownership Plan Trust has been the trust for The Toro Company Employee Stock Ownership Plan. Those trusts shall be considered to be the “Trust” on or after January 1, 2002, until they are amended to merge. After that merger “Trust” means “The Toro Company Investment, Savings and Employee Stock

Ownership Plan Trust” as it may be amended from time to time, the terms of which are stated in the Trust Agreement.

Trust Agreement. “Trust Agreement” means a trust agreement described in Section 9.1 between Toro and the Trustee. However, on and after January 1, 2002 and until execution of the merger of The Toro Company Investment and Savings Plan Trust and The Toro Company Employee Stock Ownership Plan Trust, “Trust Agreement” means the trust agreements for those two trusts.

Trustee. The “Trustee” is the natural or artificial person appointed and acting from time to time as Trustee of the Trust. As of January 1, 2002, Putnam Fiduciary Trust Company is the Trustee. No person shall serve as Trustee in violation of Section 411 of ERISA.

Trust Fund. The “Trust Fund” includes all property, cash and assets of every kind received or receivable and held by the Trustee pursuant to the terms of the Trust Agreement.

Trust Fund Share. The “Trust Fund Share” of a Participant or the Participant’s Beneficiary shall be equal to the total of:

(1) the fair market value of the Participant’s or Beneficiary’s Accounts determined as of the Valuation Date coincident with or last preceding the event which gives rise to the necessity for determining said total; plus

(2) the amount of any contributions to the Plan credited to the Participant’s or Beneficiary’s Accounts after said Valuation Date and up to said event; plus

(3) all contributions which have been remitted to the Trustee and which have not been allocated to the Participant’s Accounts up to such event, but which are fully allocable to the Participant; plus

(4) all contributions held by a Participating Employer under a payroll deduction program with respect to this Plan; plus

(5) All other contributions made subsequent to such event which are allocated to the Participant’s Accounts after such event; less

(6) all distributions from the Plan made to the Participant or on the Participant’s behalf from said Valuation Date up to said event.

Notwithstanding the preceding provisions of this definition, if as of said Valuation Date any portion of any of a Participant’s Accounts have been invested in an Investment Fund and if the change in value of such portion is readily determinable at any time without a valuation of said Investment Fund, such portion shall be excluded when determining the fair market value of the applicable Account as of said Valuation Date. However, the amount receivable by the Participant from said Investment Fund with respect to that portion, as of the date the Participant’s Trust Fund Share is computed, shall be added to the Participant’s Trust Fund Share.

Valuation Date. A “Valuation Date” is any date as of which the value of the assets held in the Trust Fund is to be determined. A Valuation Date shall occur upon any date designated by the Administrator and communicated to the Trustee and other appropriate parties which date must be selected in a uniform manner and must not result in any discrimination in favor of Highly Compensated Employees of a Participating Employer. If business is not normally transacted on the pertinent day, then

the Valuation Date shall be the most recent day upon which business was normally transacted. Until modified by the Administrator (by direction to the record keeper for the Plan and communications to Participants), Valuation Date shall include each business day on which the New York Stock Exchange is open for business.

Valuation Period. A "Valuation Period" is a period of time beginning either on August 1, 1995, or on the day immediately following a Valuation Date and ending upon the next subsequent Valuation Date.

Vested. "Vested" means nonforfeitable, that is, a claim which is unconditional and legally enforceable against the Plan obtained by a Participant or the Participant's Beneficiary to that part of an immediate or deferred benefit under the Plan.

Vested Share. "Vested Share" means the Vested portion of a Participant's Trust Fund Share as determined under Article VI.

Vesting and Withdrawal Limitations. "Vesting and Withdrawal Limitations" means with respect to assets allocated to a Participant's Account that those assets are fully Vested and may not be withdrawn prior to the Participant's Termination of Service.

Vesting Service. "Vesting Service" means an Employee's period of service with Toro or a Related Employer measured in full years. An Employee shall receive credit for one full year of Vesting Service for each Plan Year beginning on or after August 1, 1988, in which the Employee had at least one Hour of Service for Toro or a Related Employer. Because of a short Plan Year that occurred beginning August 1, 1995, and ending December 31, 1995, Employees shall receive credit for Vesting Service in accordance with the previous provisions of this definition, for the one year period beginning on August 1, 1995, and for Plan Years beginning on and after January 1, 1996. Effective on and after January 1, 2001, "Vesting Service" shall also include an Employee's period of service with a Predecessor Employer determined in the same manner as under the prior provisions of this definition.

Voluntary Contributions Account. "Voluntary Contributions Account" means an Account described in Section 6.1(a)(8).

Section 1.2. Gender and Number. Wherever appropriate, the masculine gender, as used herein, may be read as the feminine gender or as the neuter gender, and the neuter gender may be read as the masculine gender or as the feminine gender. The singular may be read as the plural, and the plural may be read as the singular.

Section 1.3. Applicable Law, Statute of Limitations. The Plan and Trust are intended to be construed, and all rights and duties are to be governed, in accordance with the laws of the State of Minnesota, except as preempted by ERISA. Unless ERISA specifically provides otherwise, no civil action arising out of, or relating to, this Plan or Trust, including a civil action authorized by Section 502(a) of ERISA, may be commenced by a Participant or Beneficiary after the earlier of:

(a) three years after the occurrence of the facts or circumstances that give rise to, or form the basis for such action; or

(b) one year from the date the plaintiff had actual knowledge of the facts or circumstances that give rise to, or form the basis for, such action,

except that in the case of fraud or concealment, such action may be commenced not later than three years after the date of discovery of the facts or circumstances that give rise to, or form the basis for, such action.

Section 1.4. Merger and Consolidation. In the event of any merger or consolidation of the Plan or Trust with any other plan or trust or the transfer of assets or liabilities of the Trust to any other plan or trust, each Participant shall (if such plan or trust should then be terminated) receive a benefit immediately after the merger, consolidation, or transfer which is not less than the benefit the Participant would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan or Trust had terminated on the day immediately preceding the effective date of such merger, consolidation, or transfer) based on the Participant's employment and remuneration on such preceding day.

Section 1.5. Rule of Construction. Toro intends the Plan and Trust to qualify under the provisions of ERISA, including Section 401(a) of the Code as amended by ERISA, or of any comparable section of any future legislation that amends, supplements, or supersedes such section and/or ERISA, and all provisions of the Plan are to be construed and applied in a manner that is consistent therewith.

ARTICLE II.
Participating Employers

Section 2.1. Eligibility. In order to be eligible to adopt the Plan, an Employer must be designated as eligible by the Chief Executive Officer of Toro or such officer's delegate in writing which designation must be delivered to such Employer. The designation may specify the date as of which such Employer's participation may become effective, the terms and conditions, if any, under which and the extent to which employment with and remuneration from such Employer, its predecessors and/or affiliates shall be taken into account under the Plan, and may also specify the divisions, plants or other units of Employees of such Employer whose members are eligible to become Covered Employees. This revised Section 2.1 is effective on and after January 1, 1997.

Section 2.2. Commencement of Participation. An eligible Employer may adopt the Plan by resolution duly adopted by its Board of Directors, as evidenced by a copy thereof certified by its secretary or assistant secretary (or other authorized person) and delivered to Toro. Upon such delivery of the certified copy of that resolution, the Employer shall become a Participating Employer effective upon the later of the date specified in that resolution or the designation referred to in the prior section. If no date is specified in such resolution or designation, the eligible Employer shall become a Participating Employer as of the first day of the first Plan Year subsequent to the date on which such resolution has been duly adopted and such designation has been adopted.

Section 2.3. Recordkeeping and Reporting. Each Participating Employer shall furnish to the Administrator the information with respect to each of its Employees necessary to enable the Administrator to maintain records sufficient to determine the benefits due to or which may become due to such Employees and to give those Employees the reports required by law.

ARTICLE III.
Eligibility and Participation

Section 3.1. Eligibility Requirements.

(a) Except as otherwise provided in Section 3.1(b), each Employee of a Participating Employer who simultaneously meets all of the following requirements may become a Covered Employee:

(1) The Employee has completed ninety (90) consecutive days of employment with a Participating Employer, Related Employer, or Predecessor Employer (limitations on crediting service with a Predecessor Employer described in Paragraph (3) of the definition of Eligibility Service shall apply) or one year of Eligibility Service.

(2) The Employee is employed is a division, plant or other classification of Employees with respect to which the Employee's Participating Employer has adopted the Plan.

(b) The following provisions are exceptions to the eligibility provisions of Section 3.1(a):

(1) If an Employee is in a unit of Employees of a Participating Employer covered by a collective bargaining agreement which does not provide that Employees in the unit shall be covered by the Plan and if there is evidence that retirement benefits were the subject of good faith bargaining between the representatives of such unit and such Employer, the Employee shall not be eligible to become a Covered Employee.

(2) If an Employee is employed in a division, plant or other unit of a Participating Employer that has been acquired by that Participating Employer by any means of acquisition or has become part of that Participating Employer in connection with an acquisition by another Participating Employer or Related Employer, the Employee shall not be eligible to become a Covered Employee unless the Chief Executive Officer of Toro designates as eligible (in writing) the unit of Employees to which the Employee belongs and specifies the effective date of such eligibility. Such Chief Executive Officer may as part of making a unit of Employees eligible also designate the former Employer of the Employees of the unit as a Predecessor Employer and may indicate the extent to which service with that Employer will be treated as employment with a Participating Employer for purposes of determining Eligibility Service. Effective on and after January 1, 2001, such officer may also indicate the extent to which service with that Employer will be treated as employment with a Participating Employer for purposes of determining Vesting Service.

(3) If the written designation of the Chief Executive Officer of Toro under which an Employee's Employer is designated as eligible to become a Participating Employer specifies the divisions, plants or other units of Employees of such Employer whose members are eligible to become Covered Employees, the Employee must be employed in such a unit of Employees of such Employer to be eligible to become a Covered Employee, unless the Employee is also employed by another Participating Employer and is not otherwise excluded from eligibility to be a Covered Employee.

(4) If an individual is classified by a Participating Employer as an independent contractor, as evidenced by its intentional decision to not withhold tax from the individual's compensation, then even if the individual actually is an Employee of the Participating Employer during the period of the classification, the individual may not become a Covered Employee of that Participating Employer. Further, if an individual who is working for a company providing

goods or services (including temporary employee services) to a Participating Employer is not regarded by the Participating Employer as its Employee, as evidenced by its intentional decision to either not pay the person's compensation or not withhold taxes from the individual's compensation, then even if the individual eventually is deemed to be an Employee of the Participating Employer, such individual may not become a Covered Employee of that Participating Employer.

(5) A leased employee described in Section 14.4 of the Plan shall not be eligible to become a Covered Employee.

(6) If an Employee of a Participating Employer is classified by the Participating Employer as a temporary employee or an intern, the individual may not become a Covered Employee of that Participating Employer while the individual is covered by that classification, unless the Employee has completed a year of Eligibility Service.

(c) Subject to the exceptions described in Subsection (b), an Employee who is a citizen of the United States, is employed by a Foreign Subsidiary and meets the requirements of Subsection (a) shall be eligible to become a Covered Employee. However, an Employee who meets those requirements may not become a Covered Employee if:

(1) a contribution may be made to any other funded plan of deferred compensation (excluding social insurance taxes or similar payments) provided with respect to the remuneration being paid to the Employee by the Foreign Subsidiary, or

(2) Toro or a U.S. corporation which is an Affiliate has not entered into an agreement with the Foreign Subsidiary pursuant to Section 3121(l) of the Code to provide social security coverage for each Employee of the Foreign Subsidiary who meets the foregoing requirements of this section, which agreement has not been terminated pursuant to Section 3121(l)(3) or (4) of the Code.

For purposes of this Plan, an Employee who meets the preceding requirements of this Subsection (c) shall be treated as an Employee of the Employer which has entered into the agreement referred to in paragraph (2) with the Foreign Subsidiary which is the Employee's Employer and the special rules of Section 406 of the Code shall apply under the Plan with respect to such Employees.

This Subsection (c) shall cease to be effective on and after January 1, 2002.

Section 3.2. Admittance as Covered Employee and Participant.

(a) Each Employee of a Participating Employer who immediately before January 1, 2002, was a participant in a plan that merged to form the Plan on that date shall be a Participant as of that date. In addition, each such Employee who on said date is not excluded from eligibility under Section 3.1(b) shall be a Covered Employee on said date. Also, if an Employee meets such requirements, except that the Employee is excluded from eligibility under Section 3.1(b), the Employee shall become a Covered Employee as of the first day on which the Employee performs an Hour of Service for a Participating Employer and is not excluded from eligibility under Section 3.1(b) (this shall not be earlier than the Entry Date on which the Employee would have become a Covered Employee but for such exclusion).

(b) On and after January 1, 2002, each Employee who first meets the requirements of Section 3.1 shall automatically become a Covered Employee and a Participant on the payday for the first full payroll period after the Employee meets those requirements. However, if an Employee meets such

requirements, except that the Employee incurs a Termination of Service (without returning to employment) before such day, the Employee shall become a Covered Employee as of the first day after that payday on which the Employee first performs an Hour of Service for a Participating Employer and is not excluded from eligibility under Section 3.l(b). Also, if an Employee meets such requirements on account of satisfying the one year of Eligibility Service requirement, the date for such entry into the Plan shall not be later than the first day of the Plan Year following the date such requirements are satisfied.

Section 3.3. Requirements to Become a Contributing Participant.

(a) Each Employee who becomes a Covered Employee may become a Contributing Participant. However, except as provided in Section 3.3(b), to become a Contributing Participant, each Covered Employee must apply to participate in the Plan in writing or by another method required or made available by the Administrator. The application shall include an acceptance of the terms of the Plan, a Pre-Tax Contribution Agreement, an agreement to make After-Tax Contributions, a designation of the percentage of the Employee's Compensation which the Employee wishes to have contributed to the Plan on the Employee's behalf, an authorization of payroll deductions of such contributions and such other information as the Administrator may reasonably require for the proper administration of the Plan. A Covered Employee shall become a Contributing Participant as of the beginning of the Covered Employee's first payroll period which follows the 30th day after the date of such application (or such earlier payroll period as the Administrator shall permit in a uniform and nondiscriminatory manner) or for such later payroll period as shall be provided in the application.

(b) Each Employee who becomes an Employee of a Participating Employer on or after January 1, 2002 and who first becomes a Covered Employee on or after that date shall automatically become a Contributing Participant, unless the Employee elects not to participate in the Plan by completing the forms required by the Administrator or by another method made available by the Administrator. Upon explanation of the terms of the Plan by the Administrator, unless an affirmative action is taken by the Covered Employee, the Employee will be deemed to have agreed with the terms of the Plan, agreed to make Pre-Tax Contributions, designated the percentage of the Employee's Compensation as provided in Section 4.3(a)(2) of the Plan, and authorized the payroll deductions of such contributions. If the Employee desires to change the percentage of the Employee's Compensation designated as Pre-Tax Contributions, agrees to make After-Tax Contributions, or elects not to participate in the Plan, the Employee shall complete the forms or take such other action as is reasonably required by the Administrator. A Covered Employee shall become a Contributing Participant as of the date such Employee becomes a Covered Employee, unless the Employee elects not to participate in the Plan.

Section 3.4. Withdrawal as Contributing Participant. A Participant may withdraw as a Contributing Participant for a payroll period by revoking the Participant's authorization of payroll deductions to make Pre-Tax Contributions and After-Tax Contributions on the Participant's behalf. A Participant who desires to withdraw as a Contributing Participant shall provide a notice of withdrawal by a method required or made available by the Administrator, at least thirty days (or such shorter period of days as the Administrator shall permit in a uniform and nondiscriminatory manner) before such payroll period.

Section 3.5. Return as Contributing Participant After Withdrawal. A Participant who has withdrawn as a Contributing Participant as described in Section 3.4 may not again become a Contributing Participant until the first payday of the Covered Employee's Participating Employer which follows the payday for which the withdrawal was effective (or such earlier date as the Administrator shall permit in a uniform and nondiscriminatory manner).

Section 3.6. Termination as Covered Employee. An Employee shall cease to be a Covered Employee upon the Employee's Termination of Employment by all Participating Employers or the Employee's death, or by reason of ceasing to meet the requirements to be a Covered Employee under Section 3.1.

Section 3.7. Termination as Contributing Participant. An Employee shall cease to be a Contributing Participant upon the Employee's withdrawal as a Contributing Participant as described in Section 3.4 or the Employee's termination as a Covered Employee under Section 3.6, or on account of termination of the Plan.

Section 3.8. Return as Covered Employee and Contributing Participant after Termination as Covered Employee. An Employee who has ceased to be a Covered Employee shall again become a Covered Employee as of the first day after that occurrence on which such Employee first performs an Hour of Service for a Participating Employer and is not excluded from eligibility under Section 3.1(b). Such Employee shall again become a Contributing Participant as provided in Section 3.3 or, if such Employee had withdrawn as a Contributing Participant prior to Termination of Service, at such later date as is provided under Section 3.5. For purposes of determining that date, an Employee who has ceased to be a Covered Employee shall be deemed to have withdrawn as a Contributing Participant.

Section 3.9. Limitation Respecting Employment. Neither the fact of the establishment of the Plan and Trust nor the fact that an Employee has become a Covered Employee or Contributing Participant shall give to any person any right to continued employment; neither shall either fact limit the right of a Participating Employer to discharge or to deal otherwise with an Employee without regard to the effect such treatment may have upon the Employee's rights under the Plan.

Section 3.10. Termination as Participant. After there shall have been distributed to or for the benefit of a Participant or such Participant's Beneficiary the entire portion of such Participant's Vested Share to which the Participant is entitled, such person shall cease to be a Participant.

ARTICLE IV.
Contributions

Section 4.1. Toro Investment Fund Contributions.

(a) For each Plan Year, each Participating Employer shall contribute to the Plan on behalf of each of its Qualified Employees for that year an amount equal to five and one half percent (5.5%) of the Qualified Employee's Compensation for that Plan Year.

(b) For each Plan Year, each Participating Employer shall also contribute to the Plan on behalf of each of its Qualified Employees for that year an amount equal to five and one half percent (5.5%) of the excess of the Qualified Employee's Compensation for that year over the Social Security Taxable Wage Base as of the beginning of that year.

(c) For purposes of this Section, a Qualified Employee's Compensation shall not include amounts received prior to the first day of the month following the date on which the Qualified Employee completes two years of Eligibility Service.

(d) All contributions under this section shall be designated as Toro Investment Fund Contributions.

Section 4.2. ESOP Contribution.

(a) For each Plan Year, each Participating Employer shall contribute to the Plan on behalf of each of its Qualified Employees for that year an amount equal to one and one half percent (1.5%) of the Qualified Employee's Compensation for that Plan Year as an ESOP Contribution.

(b) In addition to the contribution described in the prior paragraph, a Participating Employer may contribute to the Plan for each Plan Year such amount of cash, Toro Common Stock or other property (Toro Common Stock shall be valued at its Toro Common Stock Value and other property shall be valued at its fair market value) as may be determined by its Board of Directors. In determining the amount of a Participating Employer's ESOP Contribution for a Plan Year, the Participating Employer's Board of Directors may take into consideration the contribution which is sufficient to permit the Trustee to make any principal and interest payments on any outstanding Exempt Loan. Further, in determining the amount of such ESOP Contribution, the Participating Employer's Board of Directors shall take into consideration the maximum amount deductible by the Participating Employer for Federal income tax purposes under Section 404(a)(3) of the Code or Section 404(a)(9) of the Code, as applicable.

(c) For purposes of this Section, a Qualified Employee's Compensation shall not include amounts received prior to the first day of the month following the date on which the Qualified Employee completes two years of Eligibility Service.

Section 4.3. Pre-Tax Contributions.

(a) Pre-Tax Contributions are contributions to the Plan which are made out of a Contributing Participant's Compensation and are treated for federal income tax purposes as a contribution made by the Participant's Participating Employer.

(1) Prior to January 1, 1999, a Contributing Participant who decides to cause Pre-Tax Contributions to be made to the Plan on the Participant's behalf for a Plan Year must enter into a Pre-Tax Contribution Agreement as provided in Section 3.3 in which the Employee shall designate the percentage of the Employee's Compensation from the Employee's Participating Employer which is to be contributed by the Employee's Participating Employer to the Plan for that part of the Plan Year during which the Employee is a Contributing Participant

(2) On and after January 1, 1999, an Employee who becomes a Contributing Participant under Section 3.3(b), shall be deemed to have elected to have Pre-Tax Contributions made on the Covered Employee's behalf in the amount of two percent (2%) of the Covered Employee's Compensation. In the event the Covered Employee makes an affirmative election to make Pre-Tax Contributions before the date such Employee becomes a Contributing Participant, the affirmative election shall supercede the deemed election. In the event the Covered Employee makes an election not to have Pre-Tax Contributions made on the Covered Employee's behalf before the date such Employee becomes a Contributing Participant, such election shall supercede the deemed election.

(3) On and after January 1, 1999, at least annually, before each Plan Year, the Administrator must notify the Employee who was deemed to become a Contributing Participant under Section 3.3(b) of the Pre-Tax Contribution percentage as designated in
Section 4.3(a)(2) and the Employee's right to change the percentage.

(4) On and after August 1, 2002, an Employee who is employed with Toro Manufacturing LLC, and who was an Employee of a Participating Employer and a Contributing

Participant on July 31, 2002, shall be deemed to have elected to have Pre-Tax Contributions made in the amount as specified in the Pre-Tax Contribution Agreement in effect for such Employee as of July 31, 2002. Such rate of Pre-Tax Contributions shall remain in effect until the rate is modified as otherwise provided in this Section 4.3.

(b) A Contributing Participant's Participating Employer shall contribute on behalf of the Contributing Participant the amount specified by the Contributing Participant to be made to the Plan as Pre-Tax Contributions.

(c) An Employee may cause the Employee's Participating Employer to cease to make Pre-Tax Contributions on the Employee's behalf for a Plan Year by withdrawing from the Employee's status as a Contributing Participant as provided in Section 3.4. Such status withdrawal shall be effective as of such date as may be provided under rules established by the Administrator; however, unless the Administrator determines otherwise, such withdrawal will be effective as of the first payday after the status withdrawal on which it is administratively feasible to make the changes.

(d) Pre-Tax Contributions during a Plan Year shall be made and limited as follows:

(1) For a Contributing Participant whose Compensation, on an annualized basis, at the beginning of that quarter is not above the level used to determine Highly Compensated Employees for that Plan Year, the Contributing Participant may make Pre-Tax Contributions in one percent (1%) increments of from a minimum of one percent (1%) to a maximum of twenty-five percent (25%) of Compensation; provided, however, that the sum of the Participant's Pre-Tax Contributions and After-Tax Contributions for any payroll period may not exceed twenty-five percent (25%) of the Participant's Compensation for such period.

(2) If a Participant is not covered by Section 4.3(d)(1) at the beginning of a calendar quarter, the Participant may make Pre-Tax Contributions in one percent (1%) increments of from a minimum of one percent (1%) to a maximum no greater than is permitted under Section 5.3 of the Plan.

(e) A Contributing Participant may modify the rate of Pre-Tax Contributions at any time by fulfilling the requirements of this section. The rate change shall be effective as of the first payday after the Administrator has processed the request. Any modification in the rate of Pre-Tax Contributions shall be elected by providing to the Administrator a new Pre-Tax Contribution Agreement by a method required or made available by the Administrator. Such agreement shall be provided to the Administrator at least 30 days (or such shorter period of days as the Administrator may permit in a uniform and nondiscriminatory manner) before the payday as of which it is to be effective.

(f) A Participant's Pre-Tax Contributions for any calendar year, when aggregated with any other elective deferrals as defined under Section 402(g) of the Code which are made to any other plan maintained by a Participating or Related Employer on behalf of the Participant, may not exceed $7,000 ($11,000 for 2002), as adjusted by the Secretary of Treasury to reflect increases in the cost of living. If that limit is exceeded, the portion of the excess amount attributable to this Plan, adjusted for earnings or losses as provided in Section 4.3(h), shall be distributed to the Participant not later than April 15 of the calendar year immediately following the calendar year in which the contributions were made.

(g) If a Participant's elective deferrals, within the meaning of Section 402(g)(3) of the Code, for any calendar year exceed $7,000 ($11,000 for 2002) as adjusted by the Secretary of the Treasury to reflect increases in the cost of living, and this limit is exceeded as a result of aggregation with any such elective deferrals made to plans other than plans maintained by a Participating or Related Employer, the

Participant may notify the Administrator and request a distribution from this Plan. In calculating the amount to be distributed pursuant to the Participant's request, the Participant's excess pre-tax contributions shall be reduced by any contributions previously distributed or recharacterized pursuant to Section 4.7 hereof with respect to the Participant for the Plan Year beginning with or within such calendar year. If the Administrator receives proper notice from the Participant that the limit in this subsection (g) has been exceeded for a calendar year, the Administrator shall direct the Trustee to distribute the appropriate pre-tax contributions, adjusted for any net earnings or losses, in accordance with paragraph (1) or (2) below:

(1) If Pre-Tax Contributions are distributed to a Participant during the calendar year in which such contributions were made, the following conditions must be satisfied:

(A) The Participant and the Plan must designate the distribution as excess pre-tax contributions, and

(B) The distribution must be made after the date on which the excess pre-tax contributions were made to the Plan.

(2) If excess Pre-Tax Contributions are distributed following the calendar year in which the contributions were made, the following conditions must be satisfied:

(A) the Participant must notify the Administrator, not later than the March 1st of the calendar year following the calendar year in which the contributions were made, that the limit in this Section 4.3 has been exceeded, and

(B) the Administrator, upon receipt of the notice from the Participant, shall direct the Trustees to make the appropriate distributions no later than the April 15th immediately following receipt of the notice.

(h) (1) The net earnings or losses allocable to the Participant's excess Pre-Tax Contributions for the calendar year pursuant to this Section 4.3 shall be determined in accordance with any reasonable method for computing the income or losses allocable to such excess deferrals provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all corrective distributions under the Plan for the applicable Plan Year and is used for allocating income to Participant Accounts. However, the net earnings or losses allocable to such excess deferrals for the calendar year may be determined by multiplying the earnings or losses for the calendar year allocable to the Participant's Pre-Tax Contributions by a fraction with respect to which:

(A) the numerator is the amount of such excess contributions made by the Participant for the calendar year, and

(B) the denominator is the sum of (i) the portions of the account balance of the Participant attributable to Pre-Tax Contributions as of the beginning of the calendar and (ii) the Participant's Pre-Tax Contributions for the calendar year.

(2) If the distribution of the Participant's excess Pre-Tax Contributions is made after the end of the calendar year, the net earnings or losses allocable to the Participant's excess Pre-Tax Contributions for the period between the end of the year and the distribution date will be disregarded.

(3) Notwithstanding the prior provisions of this subsection (h), the net earnings or losses of, or value of, the Participant's Pre-Tax Contributions Account attributable to Pre-Tax Contributions that have not been made for a calendar year shall not be taken into account in making the determination described in this subsection (h).

(i) Matching Contributions made on behalf of a Participant (and earnings or losses attributable to those contributions determined by the Administrator in a manner consistent with the prior provisions of subsection (h)) shall be forfeited if the contributions to which they relate are Pre-Tax Contributions distributed under the prior provisions of this section and shall be used as soon as administratively feasible to reduce subsequent Matching Contributions by the Participant's Participating Employer.

(j) Pre-Tax Contributions made on behalf of a Participant must be paid to a Trustee and credited to the Participant's Pre-Tax Contributions Account as soon as reasonably practicable, but not after the fifteenth business day of the calendar month following the month the contributions would have otherwise been payable to the Participant in cash.

(k) The rate of Pre-Tax Contributions may be limited by the Administrator in order to comply with the applicable deductibility limits, limits under Section 415 of the Code, and the nondiscrimination tests in Section 4.7.

(l) All Pre-Tax Contributions made on behalf of a Participant will be initially contributed to Accounts of the Participant that are part of the profit sharing portion of the Plan. Such amounts will subsequently be transferred to the Pre-Tax Contribution Account of the Participant that will permit investment of the Pre-Tax Contributions consistent with the terms of Sections 9.4 and 9.5.

Section 4.4. After-Tax Contributions.

(a) Any Participant may elect to contribute to the Plan as an After-Tax Contribution an amount designated by the Participant equal to any whole percentage of the Participant's Compensation per payroll period, from one percent (1%) to four percent (4%) of such Compensation, but not exceeding the maximum amount which may be contributed pursuant to Sections 5.3 and 4.7 of the Plan; provided, however, that the sum of the Participant's Pre-Tax Contributions and After-Tax Contributions may not exceed:

(1) twenty-five percent (25%) of the Participant's Compensation for such period if the Participant is covered by Section 4.3(d)(1) of the Plan;

(2) the maximum percentage permitted under Section 5.3 of the Plan if the Participant is covered by Section 4.3(d)(2) of the Plan.

Such contributions do not reduce the Participant's income subject to income tax withholding. A Contributing Participant who decides to make After-Tax Contributions must make an application as described in Section 3.3. An Employee may cease, resume or modify the rate or amount of After-Tax Contributions at the same times and in accordance with the same rules as provided for Pre-Tax Contributions. A Participant who elects to withdraw all or any part of the Participant's After-Tax Contributions pursuant to the provisions of Section 7.6 may not elect to make any further After-Tax Contributions for the period indicated in that section.

(b) All After-Tax Contributions made on behalf of a Participant will be initially contributed to Accounts of the Participant that are part of the profit sharing portion of the Plan. Such amounts will

subsequently be transferred to the After-Tax Contribution Account of the Participant that will permit investment of the After-Tax Contributions consistent with the terms of Sections 9.4 and 9.5.

Section 4.5. Matching Contributions. Subject to any limitation in this Section, each Participating Employer shall make a Matching Contribution for each Plan Year on behalf of each Participant who makes Pre-Tax Contributions or After-Tax Contributions on or after the first day of the month following completion of one year of Eligibility Service. The Matching Contribution from such Employer for such a Contributing Participant shall equal fifty percent (50%) of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year (excluding any such contributions which have been withdrawn during that Plan Year) which are made on or after that day, but shall not exceed two percent (2%) of the Participant's Compensation for any payday with respect to which such contributions are made. Subject to any limitation in this Section, if, as of the end of the Plan Year, the aggregate amount of Matching Contributions made on behalf of a Participant is less than the specified percentage of the applicable portion of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year, the Participating Employer will make an additional Matching Contribution on behalf of the Participant in an amount equal to the difference. Matching Contributions may be made in cash or in Toro Common Stock (treasury shares or newly issued shares).

Section 4.6. Rollovers From Qualified Plans. If allowed by the Administrator and subject to such terms and conditions as may be established from time to time by the Administrator, a Participant may contribute assets distributed from the Participant's interest in a plan qualified under Section 40l(a) or 403(a) to the Trust Fund by delivery of such contribution to a Trustee and such contribution shall be considered to be a Rollover Contribution; provided that such Employee submits a written certification, satisfactory to the Administrator and Trustee, that the contribution of the assets will satisfy applicable Code and regulatory requirements which prevent taxation of those assets in the event such a contribution is made.

Such rollover may also be made through an individual retirement plan qualified under Section 408 of the Code where the individual retirement plan was used as a conduit from the prior plan if the transfer is made in accordance with the statutory and regulatory rules referred to in the prior paragraph and if such individual retirement plan did not include any personal contributions or earnings thereon the Participant may have made to the Individual Retirement Account.

If allowed by the Administrator and subject to such terms and conditions as may be established from time to time by the Administrator, an Employee of a Participating Employer may cause a direct rollover of the type described in Section 7.12 to be made from a qualified trust described in Section 401(a) of the Code to the Plan and such transfer shall be treated as a Rollover Contribution.

Any Rollover Contributions Account is subject to the Plan provisions governing distributions.

Any Rollover Contributions will be initially contributed to the Rollover Contribution Account. Any subsequent investment of Rollover Contributions will be consistent with the terms of Sections 9.4 and 9.5.

Section 4.7. Non-discrimination Tests.

(a) For purposes of this Section 4.7:

(1) "Actual contribution percentage" means for a Plan Year the average of all actual contribution ratios calculated separately for each Covered Employee in a designated group of Covered Employees. Subject to the rules in Section 4.7(d) hereof, for purposes of determining

the actual contribution percentage, a Covered Employee's actual contribution ratio for a Plan Year is a fraction with a denominator equal to the Covered Employee's compensation for the Plan Year and a numerator equal to the Covered Employee's After-Tax Contributions and Matching Contributions for the Plan Year and those qualified nonelective contributions and elective contributions utilized for purposes of satisfying the rules in Section 4.7(c) hereof for the Plan Year. When determining an actual contribution percentage, contributions under this Plan and any other plan holding after-tax voluntary contributions, elective contributions, or matching contributions, which is maintained by a Participating or Related Employer, will be aggregated if such plans must be combined for purposes of satisfying Section 410(b) of the Code. The actual contribution ratio of any Highly Compensated Employee who is a Covered Employee shall be determined by aggregating voluntary and matching contributions under all qualified retirement plans of the Participating and Related Employers. A Covered Employee's actual contribution ratio shall be calculated to the nearest one-hundredth of one percent.

Effective for Plan Years beginning on or after January 1, 1997, the contribution percentage for non-Highly Compensated Employees which is to be used under the test in Section 4.7(c) and 4.7(e) for a Plan Year shall be determined using the "current year testing method" (that term shall have the meaning given to it under Internal Revenue Notice 98-1 and subsequent guidance which is referred to hereafter in this definition as the "IRS Notice"). Consistent with the IRS Notice, in the event of a permitted change from the current year testing method to the "prior year testing method" (as defined in the IRS Notice) by amendment to the Plan, double counting of certain contributions must not occur.

(2) "Actual deferral percentage" means for a Plan Year the average of all actual deferral ratios calculated separately for each Covered Employee in a designated group of Covered Employees. Subject to the rules in Section 4.7(d), for purposes of determining the actual deferral percentage, a Covered Employee's actual deferral ratio for a Plan Year is the fraction with a numerator equal to the Covered Employee's elective contributions to this Plan for the Plan Year and a denominator equal to the Covered Employee's compensation for the Plan Year. When calculating a Covered Employee's actual deferral ratio, the Covered Employee's elective contributions refer to Pre-Tax Contributions (including such contributions returned to a Participant pursuant to Section 4.3 hereof) made on the Covered Employees behalf, and those qualified nonelective contributions and qualified matching contributions utilized for purposes of satisfying the rules in Section 4.7(b) hereof. When determining an actual deferral percentage, elective contributions under this Plan and any other cash or deferred plan maintained by a Participating or Related Employer will be aggregated if such plans must be combined for purposes of satisfying Sections 401(a)(4) and 410(b) of the Code. The actual deferral ratio of any Highly Compensated Employee who is a Covered Employee shall be determined by aggregating elective contributions under all qualified retirement plans that are maintained by a Participating or Related Employer. A Covered Employee's actual deferral ratio shall be calculated to the nearest one-hundredth of one percent.

Effective for Plan Years beginning on or after January 1, 1997, the deferral percentage for non-Highly Compensated Employees which is to be used under the tests in Section 4.7(b) and 4.7(e) for a Plan Year shall be determined using the "current year testing method" (as defined in Internal Revenue Notice 98-1 and subsequent guidance). Consistent with the IRS Notice, in the event of a permitted change from the current year testing method to the "prior year testing method" (as defined in the IRS Notice) by amendment to the Plan, double counting of certain contributions must not occur.

(3) “Aggregate Contributions” means those contributions included in the numerator of the actual contribution ratio under the definition of actual contribution percentage.

(4) “Compensation” means, for purposes of determining a Covered Employee’s actual deferral and actual contribution ratios, the Covered Employee’s compensation as defined in Section 414(s) of the Code (alternatively, the Administrator may elect to use another definition of compensation described in regulations under Section 414(s) of Code) for the entire Plan Year for which the determination is being made; provided, however, that at the election of the Administrator, compensation as defined herein for a Plan Year shall be computed on the basis of the portion of the Plan Year during which the Employee was a Covered Employee.

(5) “Elective contributions” means Pre-Tax Contributions made on behalf of Covered Employees under this Article IV, and any other contributions made by a Participating or Related Employer to a different plan pursuant to the Covered Employee’s cash or deferred election in accordance with Section 402(e)(3) of the Code. In order for elective contributions to be taken into account under this Section 4.7 for a Plan Year, they must be made for the Plan Year, allocated as of a date within that Plan Year and paid to the applicable trust within 12 months after the end of the Plan Year. Further, in order for elective contributions to be taken into account under this Section 4.7 for a Plan Year, the elective contributions must relate to Compensation that either would have been received by the Covered Employee in the Plan Year but for the Covered employee’s election to defer or is attributable to services performed by the Covered Employee in the Plan Year and, but for the Covered Employee’s election to defer, would have been received by the Covered Employee within two and one-half months after the close of the Plan Year. Elective contributions may be used to satisfy the rules in Section 4.7(c) hereof, subject to the conditions contained in Section 4.7(d) hereof. For Plan Years beginning after December 31, 1988, elective contributions to another qualified plan of a Participating or Related Employer may be taken into account for the purpose of the prior sentence only if that qualified plan utilizes a plan year that is identical to the Plan Year.

(6) “Qualified matching contributions” means immediately nonforfeitable matching contributions made to this Plan or to another qualified plan maintained by a Participating Employer or Related Employer on behalf of a Covered Employee hereunder which are subject to the Vesting and Withdrawal Limitations that apply to elective contributions. For Plan Years beginning after December 31, 1988, any contributions made by a Participating Employer to another qualified plan of a Participating or Related Employer may not be considered qualified matching contributions hereunder unless said qualified plan utilizes a plan year that is identical to the Plan Year. In order to be considered qualifying matching contributions under this Article IV for a Plan Year, the contributions must be made for the Plan Year, allocated as of a date within that Plan Year and paid to the applicable trust within 12 months after the end of the Plan Year.

(7) “Qualified nonelective contributions” means immediately nonforfeitable contributions made by a Participating Employer on behalf of a Covered Employee to this Plan or to any other qualified plan maintained by a Participating or Related Employer, other than elective and matching contributions, which are subject to the Vesting and Withdrawal Limitations that apply to elective contributions. For Plan Years beginning after 1988, any contributions by a Participating Employer made to another qualified plan of a Participating or Related Employer may not be considered qualified nonelective contributions unless said qualified plan utilizes a plan year that is identical to the Plan Year. In order to be considered qualifying nonelective contributions under this Section 4.7 for a Plan Year, the contributions must be made for the Plan Year, allocated as of a date within that Plan Year and paid to the applicable trust within 12 months after the end of the Plan Year.

(b) Subject to the rules described in subsection (e) hereof, the actual deferral percentages described in Section 4.7(a)(2) of this Plan must satisfy one of the following standards for each Plan Year:

(1) the actual deferral percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual deferral percentage of all other Employees who are Covered Employees during that year multiplied by 1.25; or

(2) the actual deferral percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual deferral percentage of all other Employees who are Covered Employees during that year multiplied by 2, provided that the actual deferral percentage for the group of Highly Compensated Employees who are Covered Employees during that year is not more than 2 percentage points higher than the actual deferral percentage for all other Employees who are Covered Employees during that year.

(c) Subject to the rules described in subsection (e) hereof, the actual contribution percentages described in Section 4.7(a)(1) of this Plan must satisfy one of the following standards for each Plan Year:

(1) the actual contribution percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual contribution percentage of all other Employees who are Covered Employees during that year multiplied by 1.25; or

(2) the actual contribution percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual contribution percentage of all other Employees who are Covered Employees during that year multiplied by 2, provided that the actual contribution percentage for the group of Highly Compensated Employees who are Covered Employees during that year is not more than 2 percentage points higher than the actual contribution percentage for all other Employees who are Covered Employees during that year.

(d) Subject to the rules described in this subsection (d), qualified nonelective contributions and qualified matching contributions may be taken into account when applying the rules in subsection (b) of this Plan. Also, subject to the rules of this subsection (d), qualified nonelective contributions and elective contributions may be utilized for purposes of satisfying the rules in subsection (c) hereof. The following rules apply to qualified nonelective contributions and qualified matching contributions:

(1) If only a portion of the qualified nonelective contributions made on behalf of Participants hereunder are taken into account under subsections (b) or (c) hereof, all of the remaining qualified nonelective contributions must be allocated in a manner that does not discriminate in favor of Highly Compensated Employees;

(2) If qualified matching contributions are used to satisfy the rules in subsection (b) hereof, the rules in subsection (c) hereof must be satisfied without regard to those qualified matching contributions;

(3) Elective contributions may be used to satisfy the rules in subsection (c) hereof only if the standards described in subsection (b) hereof are met both when including and excluding those elective contributions taken into account pursuant to said subsection (c);

(4) Any qualified nonelective contributions or qualified matching contributions taken into account under subsection (b) hereof and any qualified nonelective contributions or elective

contributions taken into account under subsection (c) hereof may not also be used to satisfy the same nondiscrimination rules under another qualified plan; and

(5) The Administrator shall designate which contributions are qualified nonelective contributions and qualified matching contributions and must maintain records demonstrating which contributions were used to satisfy the rules in subsections (b) and (c) hereof.

(e) Effective for Plan Years beginning after December 31, 1988, the rules in this Section 4.7(e) apply if the actual deferral percentage limitation in Section 4.7(b)(2) and the actual contribution percentage limitation in Section 4.7(c)(2) are both utilized for the same Plan Year. In the event this subsection (e) applies, the aggregate limit is the greater of (1) or (2):

(1) the sum of:

(A) 125 percent of the greater of the actual deferral percentage or the actual contribution percentage of the non-Highly Compensated Employees; and

(B) The lesser of the actual deferral percentage or the actual contribution percentage of the non-Highly Compensated Employees, increased by 2 percent, provided that the percentage utilized under this subsection (B) does not exceed the lesser of said actual deferral percentage or actual contribution percentage multiplied by 2.

(2) the sum of:

(A) 125 percent of the lesser of (i) the actual deferral percentage of the group of non-Highly Compensated Employees eligible under the 401(k) arrangement for the Plan Year, or (ii) the actual contribution percentage of the group of non-Highly Compensated Employees eligible under the Plan subject to Section 401(m) for the Plan Year beginning with or within the Plan Year of the Section 401(k) arrangement; and

(B) two plus the greater of (i) or (ii) above. In no event, however, shall this amount exceed 200% of the greater of (i) or (ii) above.

(3) For purposes of this subsection (e), the actual deferral percentage and the actual contribution percentage of these Highly Compensated Employees shall be determined after any corrective distribution or recharacterization has been made in accordance with Section 4.7(f) hereof and after any other contributions utilized in accordance with Section 4.7(d) hereof.

(4) If the aggregate limit in this Section 4.7(e) has been exceeded, the Administrator shall reduce the actual contribution percentage of the Highly Compensated Employees in accordance with Section 4.7(f) hereof.

(5) If a corrective distribution or recharacterization has been made pursuant to Section 4.7(f), then for purposes of this Subsection (e), the actual deferral percentage or actual contribution percentage shall be deemed to be the largest amount permitted under Section 4.7(b) or Section 4.7(c) respectively.

(f) (1) The Committee shall determine the actual deferral percentages and the actual contribution percentages for each Plan Year. If the actual deferral percentage or the actual contribution percentage of the Highly Compensated Employees who are Covered Employees exceeds the maximum percentage that would comply with the standards described in Subsections

(b), (c), or (e) hereof, whichever is applicable, the correction procedures of this Subsection (f) shall be followed.

(2) Corrections may be made by making contributions described in Subsection (f)(3) or by doing re-characterizations or distributions described after that subsection. For purposes of doing re-characterizations or distributions, excess elective contributions and excess aggregate contributions must be determined.

“Excess elective contributions” mean the aggregate amount of all elective contributions, qualified nonelective contributions, and qualified matching contributions used in determining the actual deferral percentages of the Highly Compensated Employees for the Plan Year which are in excess of the maximum amount of such contributions permitted by the actual deferral percentage test under Section 4.7(b).

“Excess aggregate contributions” mean the aggregate amount of all aggregate contributions, qualified non-elective contributions, and elective contributions used in computing the actual contribution percentages of the Highly Compensated Employees for the Plan Year which are in excess of the maximum amount of such contributions permitted by the actual contribution percentage test under
Section 4.7(c).

The excess elective contributions and excess aggregate contributions shall be determined by reducing the individual deferral ratios or individual contribution ratios of the Highly Compensated Employees, beginning with the actual deferral ratio or the actual contribution ratio of the Highly Compensated Employee with the highest actual deferral ratio or highest actual contribution ratio, as the case may be, and reducing such ratio to the extent required to (i) enable the arrangement or plan to satisfy the actual deferral percentage test under Section 4.7(b), or the actual contribution percentage test under Section 4.7(c); or (ii) cause such Highly Compensated Employee’s actual deferral ratio or actual contribution ratio to equal the ratio of the Highly Compensated Employee with the next highest actual deferral ratio or actual contribution ratio. This process must be repeated until the arrangement or plan satisfies the actual deferral percentage test under Section 4.7(b) or the actual contribution percentage test under Section 4.7(c), whichever is applicable.

If a Participating Employer makes additional contributions as described in Section 4.7(f)(3), the calculation described in Section 4.7(f)(1) shall be redone, and the excess elective contributions and excess aggregate contributions re-determined, before any re-characterizations or distributions are made pursuant to this subsection.

(3) In the event that contributions for a Plan Year exceed the permissible contribution limitations of subsections (b), (c), or (e) hereof, a Participating Employer may make additional contributions on behalf of Qualified Employees of the Participating Employer for that year who are not Highly Compensated Employees for that year until the actual deferral percentage or the actual contribution percentage of the Highly Compensated Employees for that year complies with subsections (b), (c), or (e) hereof. Contributions by the Participating Employer pursuant to this paragraph (3) shall be allocated equally among those Qualified Employees. Contributions by the Participating Employer pursuant to this paragraph (3) shall be subject to the Vesting and Withdrawal Limitations that apply to elective contributions, except that amounts attributable to such contributions are not distributable merely on account of an individual’s Hardship.

(4) In the event that contributions for a Plan Year exceed the permissible contribution limitations of subsection (b), the Administrator may, in its discretion, recharacterize the excess elective contributions, adjusted for any earnings or losses, as voluntary contributions made by Participants in accordance with this Article IV. Excess contributions may not be recharacterized after 2-1/2 months following the end of the Plan Year to which the recharacterization relates. Recharacterized contributions are includible in a Participant's gross income on the earliest dates any elective contributions made on behalf of the Participant for the Plan Year would have been received by the Participant had the Participant originally elected to receive the amounts in cash. These recharacterized amounts are subject to the contribution limitations in subsection (c) hereof for that Plan Year. If a Participating Employer re-characterizes any excess elective contributions, the amount of re-characterizations shall reduce the total of excess elective contributions that would otherwise have to be distributed as described in Subsection (f)(5). Such re-characterizations shall be made on the same basis as the amounts would be distributed if they were not re-characterized.

(5) If the contributions for a Plan Year exceed the permissible contribution limitations contained in subsections (b), (c), or (e) hereof after any steps taken pursuant to paragraphs (3) and (4) of this subsection (f), the Administrator shall direct the Trustees to distribute to the appropriate Highly Compensated Employee the excess contributions, from such accounts as it shall determine, adjusted for any earnings or losses attributable to the Plan Year and the period from the end of the Plan Year to the date of the distribution. These distributions must be made after the end of the Plan Year for which the excess contributions were made and within 12 months after the end of such Plan Year. The earnings or losses allocable to such excess contributions shall be determined in accordance with any reasonable method for computing the income or losses allocable to excess contributions, provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year and is used for allocating income to Participants' Accounts. However, income or losses may be allocated in accordance with the following rules:

(A) The net earnings or losses allocable to the excess contributions for the Plan Year are determined by multiplying the earnings or losses for the Plan Year and the gap period described in subparagraph (A)(ii) allocable to Before Tax Contributions, Cash or Deferred Contributions and contributions treated as elective contributions under subsection (b) hereof, or to voluntary contributions, matching contributions, and contributions treated as matching contributions under subsection (c) hereof, as the case may be, by a fraction. The numerator and denominator of the fraction are as follows:

(i) The numerator is the amount of excess contributions made by or on behalf of a Participant for the Plan Year; and

(ii) The denominator is the sum of (a) the total account balance of the Participant attributable to Before Tax Contributions, Cash or Deferred Contributions and other contributions treated as elective contributions under subsection (b) hereof, or voluntary contributions, matching contributions, and other contributions treated as matching contributions under subsection (c) hereof, as the case may be, as of the beginning of the Plan Year; and (b) the Participant's elective contributions and amounts treated as elective contributions, or employee and matching contributions, and amounts treated as matching contributions for the Plan Year and for the period between the end of the Plan Year and the distribution date ("gap period").

(B) As an alternative, the calculation in subsection (f)(5)(A) may be altered so that the net earnings or losses for the gap period described in subsection (f)(5)(A)(ii) may be determined to be equal to 10 percent of the net earnings or losses calculated under subsection (f)(5)(A) for the Plan Year multiplied by the number of calendar months that have elapsed since the end of that Plan Year. If a distribution is made after the 15th day of a month, that month will be treated as having elapsed for purposes of making this calculation. Otherwise, the month in which a distribution is made will be disregarded.

The excess elective contributions and excess aggregated contributions shall be distributed by reducing the elective contributions or aggregate contributions of the Highly Compensated Employees, beginning with the elective contributions or aggregate contributions of the Highly Compensated Employee with the highest amount of elective contributions or highest amount of aggregate contributions, as the case may be, to the extent required to (i) enable the arrangement or plan to distribute all excess elective contributions or excess aggregate contributions, or (ii) cause such Highly Compensated Employee's amount of elective contributions or aggregate contributions to equal the amount of such contributions of the Highly Compensated Employee with the next highest amount of elective contributions or aggregate contributions. This process must be repeated until the arrangement or plan has distributed all excess contributions or excess aggregate contributions as the case may be.

If excess Participating Employer contributions are forfeitable, these contributions may be used to reduce Participating Employer contributions made on behalf of the remaining Participants. A distribution or forfeiture of excess contributions must be made after the end of the Plan Year in which the excess occurred and before the end of the following Plan Year.

(6) The amount of the excess Pre-Tax Contributions that are either recharacterized or distributed with respect to a Participant for a Plan Year will be determined without regard to any excess pre-tax contributions previously distributed to the Participant in accordance with Section 4.3 hereof, for the calendar year ending with or within such Plan Year.

(7) If the Administrator fails to correct the excess contributions made by a Participating Employer, as determined under subsections (b), (c), or (e) hereof within 2-1/2 months after the end of the Plan Year for which the excess contributions were made, the Participating Employer may be subject to a 10 percent excise tax with respect to the amount of the excess.

(8) Excess Aggregate Contributions which are Matching Contributions made on behalf of a Participant (and earnings or losses attributable to those contributions determined by the Administrator in a manner consistent with the prior provisions of paragraph (5) of this subsection) which are not Vested shall be forfeited and such contributions (and such earnings) which are Vested shall be distributed. The Participant's Participating Employer shall use amounts forfeited pursuant to this paragraph as soon as administratively feasible to reduce subsequent Matching Contributions. Amounts that are to be distributed pursuant to this paragraph shall be distributed as provided for excess aggregate contributions.

(9) A distribution or forfeiture of excess contributions must be made after the end of the Plan Year in which the excess occurred and before the end of the following Plan Year.

(g) The determination of the amount of excess contributions with respect to this Plan shall be made by:

(1) first determining excess deferrals as provided under Section 402(g) of the Code;

(2) then determining excess contributions as provided under Section 401(k) of the Code; and

(3) then determining excess contributions as provided under Section 401(m) of the Code.

(h) The Administrator shall maintain records demonstrating compliance with this section.

(i) Consistent with Section 410(b)(4)(B) of the Code, the Administrator may elect to separately satisfy the requirement of Section 410(b) of the Code for Employees of a Participating Employer who have not met the minimum age and service requirements described in Section 410(a) of the Code. For Plan Years beginning after December 31, 1998, if such election is made, the Plan Administrator may in applying the tests described in this section exclude from consideration all Covered Employees of the Participating Employer (other than Highly Compensated Employees of the Participating Employer) who have not met such minimum age and service requirements.

(j) Notwithstanding the prior provisions of this section, Section 4.7 (c) shall not apply to Employees under a collectively bargained portion of this Plan (as described in Section 1.401(m)-1(a)(3) of Treasury Regulations). Further, Section 4.7(b) and the subsequent subsections of this section prior to this subsection shall apply separately to Employees under such a collectively bargained portion of this Plan.

Section 4.8. Payroll Deduction of Contributions. Pre-Tax Contributions and After-Tax Contributions shall be made in the form of payroll deductions. The Administrator shall establish uniform and nondiscriminatory rules regarding such payroll deductions.

Section 4.9. Time for Payment of Contributions.

(a) All Pre-Tax Contributions or After-Tax Contributions withheld during a month pursuant to Section 4.7 shall be transmitted by the applicable Employer to the Administrator or, pursuant to the direction of the Administrator, directly to the Trustee in time to reach the Trustee within any time limit required by applicable Code or Regulations.

(b) Toro Investment Fund Contributions, ESOP Contributions and Matching Contributions made for a Plan Year by a Participating Employer shall be paid to the Trustee no later than the date, including any extension thereof, provided by law for the filing of the Participating Employer’s federal income tax return for its fiscal year in which that Plan Year ends. Matching Contributions may be made monthly based on Pre-Tax Contributions and After-Tax Contributions made throughout the Plan Year.

Section 4.10. Valuation of ESOP Toro Common Stock Contributions. The value of ESOP Contributions and Matching Contributions in Toro Common Stock shall be equal to the Toro Common Stock Value of such stock determined as of the date of contribution.

Section 4.11. Advance Contributions. In the event that a contribution is made during a Valuation Period prior to the Valuation Date which ends that period, the Administrator may direct the Trustee to hold such advance contributions as part of a separate Investment Fund or Funds until said Valuation Date. The changes in value of such separate funds shall not be allocated against the Trust Fund as a whole but shall be attributable to the amount of the contribution which is to be allocated as of said Valuation Date or a previous Valuation Date. If any such contribution is not to be allocated until a later Valuation Date, then such contribution shall continue to be held as a separate Investment Fund until the Valuation Date as of which it is to be allocated and the change in value of such separate fund shall not be

allocated against the Trust Fund as a whole but shall be attributed to the contribution which is to be allocated as of said Valuation Date.

Section 4.12. Correcting Contribution. If an erroneous failure to allocate amounts to or an erroneous forfeiture of a Participant's Account has occurred in a prior Plan Year, the Participant's Participating Employer may, at its election, and in lieu of reallocating the earlier contribution or forfeiture, make a correcting contribution for the Account of such Participant in accordance with the Employee Plans Compliance Resolution System provided in Revenue Procedure 2001-17 (or any successor procedure or related guidance), or its successor system of correction programs for sponsors of retirement plans. The correcting contribution may include an amount attributable to actual investment gains attributable to amounts to which the contribution relates.

Section 4.13. Contributions Conditioned Upon Deductibility. A Participating Employer's contributions made under this Plan shall be conditioned upon deductibility under the provisions of the Code for each fiscal year of the Participating Employer. In the event an Employer makes a contribution to the Plan which is not deductible, such contribution will be returned to such Employer pursuant to Section 14.2(b)(1).

Section 4.14. Special Contribution for New Participants. If an Employee becomes a Covered Employee on or after August 1, 1989, the Covered Employee's Participating Employer shall contribute one share of Toro Common Stock or cash sufficient to purchase one share of Toro Common Stock to the Trust on behalf of that Covered Employee for the Plan Year in which the Employee becomes a Covered Employee. If a Covered Employee has more than one Participating Employer, only the Participating Employer from which the Covered Employee receives the greatest Compensation during such Plan Year will make such contribution. Such contribution shall not be made if the limitations described in Section 5.3 will be exceeded. Such contribution will be made to the ESOP Toro Common Stock Account.

ARTICLE V.
Allocation of Contributions

Section 5.1. Allocation of Contributions.

(a) As of each Valuation Date, all Pre-Tax Contributions, After-Tax Contributions, and Rollover Contributions made on behalf of a Participant, which have been remitted to the Trustee since the immediately preceding Valuation Date, shall be allocated to the appropriate Account of the Participant described in Section 6.1. All Pre-Tax Contributions and After-Tax Contributions will be allocated to the profit sharing portion of the Plan.

(b) As of the last day of a Plan Year, a Participating Employer's Toro Investment Fund Contribution for such year which has been made on behalf of a Participant under Section 4.1 or Matching Contributions which have been made on behalf of the Participant shall be allocated by the Administrator (or the Trustee upon the direction of the Administrator) to the appropriate Account of such Participant. Alternatively, in the discretion of the Administrator, if Matching Contributions are made throughout such Plan Year, allocations of those contributions may be made as of each Valuation Date. Toro Investment Fund Contributions will be allocated to the profit sharing portion of the Plan. Matching Contributions will be allocated to the stock bonus portion of the Plan that is an ESOP.

(c) As of the last day of a Plan Year, a Participating Employer's ESOP Contribution for such year that has been made on behalf of a Qualified Employee under Section 4.2(a) shall be allocated by the Administrator (or the Trustee upon the direction of the Administrator) to the ESOP General Account of

such Qualified Employee. ESOP Contributions will be allocated to the stock bonus portion of the Plan that is an ESOP.

(d) A Participating Employer's cash contribution for a Plan Year that has been made under Section 4.2(b) shall be used first to pay any principal and interest due on an Exempt Loan. The balance shall be allocated to the ESOP General Accounts of Qualified Employees of such Participating Employer as of such day as the Administrator shall determine, but no later than the last day of such Plan Year, and shall be allocated in the manner described in subsections (f)(1) and (f)(2) of this Section 5.1.

(e) The Trustee may acquire Toro Common Stock for the Trust with the proceeds of an Exempt Loan. Toro Common Stock acquired with the proceeds of an Exempt Loan shall not be allocated to the Accounts of Participants but shall be maintained in a Toro Common Stock Suspense Account until such time as the stock is released from encumbrance under the Exempt Loan. If more than one Exempt Loan is outstanding, all Toro Common Stock acquired with the proceeds of such loans shall be maintained in a single Toro Common Stock Suspense Account.

(f) Toro Common Stock which has been contributed by a Participating Employer under Section 4.2(b), or released from encumbrance under an Exempt Loan during a Plan Year (including fractional shares) shall be allocated to the ESOP Toro Common Stock Accounts of Participants as of such day as the Administrator shall determine, but no later than the last day of that Plan Year, and shall be allocated in the following manner:

(1) If such allocation is made as of a date between July 1 and December 31, the Toro Common Stock shall be allocated to such Accounts of Participants who are ESOP Covered Employees of such Participating Employer on the date of the allocation in the same proportion as the Compensation of each such Participant for the calendar year ending on the December 31 which occurs during such period, multiplied by a fraction, not to exceed one, the numerator of which is the number of months that the Participant has been an ESOP Covered Employee prior to such allocation date and the denominator of which is 12, bears to the total such Compensation of all such Participants so apportioned.

(2) If such allocation is made as of a date between January 1 and June 30, the Toro Common Stock shall be allocated to the Accounts of Participants who are ESOP Covered Employees of such Participating Employer on the date of the allocation in the same proportion as the Compensation of each such Participant for the calendar year ending on the December 31 which falls immediately prior to such period, multiplied by a fraction, not to exceed one, the numerator of which is the number of months that the Participant has been an ESOP Covered Employee prior to such allocation date and the denominator of which is 12, bears to the total such Compensation of all such Participants so apportioned.

(g) Toro Common Stock that has been purchased with the assets of a Participant's ESOP General Account shall be allocated to the Participant's ESOP Toro Common Stock Account as of the Valuation Date coincident with or immediately following such purchase.

(h) A special contribution made on behalf of a Participant under Section 4.14 shall be allocated to the Account of that Participant as of the last day of the Plan Year for which the contribution is made. Such contributions will be allocated to the stock bonus portion of the Plan that is an ESOP.

Section 5.2. Dividends.

Dividends paid to the Trustee on Toro Common Stock that is held in one of a Participant's ESOP Accounts may be disbursed to such Participant or invested in Toro Common Stock under that Account at the election of the Participant. The Administrator shall establish rules and a

process for such elections, including allowing participants a reasonable time to make such an election. If the Participant elects that such a disbursement be made, the disbursement must be made before 90 days after the end of the Plan Year in which the dividends are paid to the Trustee. If the Participant does not make the election made available by this section, then such dividends will be invested in Toro Common Stock. Also, dividends paid on Toro Common Stock not allocated to Participants' Accounts shall be used by the Trustee to pay interest on any outstanding Exempt Loans, and, if no such Exempt Loans exist, such dividends shall be disbursed in the manner described in the preceding provisions of this section. This section shall be interpreted in a manner consistent with Section 404(k) of the Code.

Section 5.3. Limitations on Annual Additions.

(a) For purposes of this Section 5.3:

(1) "Annual additions" means, for each limitation year, the sum of:

(A) contributions by a Participating or Related Employer to this Plan or any other qualified defined contribution retirement plan;

(B) any forfeitures allocated to a Participant under such plan;

(C) any contribution to such a plan by the Participant; and

(D) for purposes of the dollar limitation under subsection (b) of this Section 5.3, any contributions by a Participating or Related Employer allocated in years beginning after March 31, 1984, to an individual medical benefit account as defined in Section 415(l)(2) of the Code for a Participant under any pension or annuity plan, or in the case of a key employee as defined in Article XIII hereof, any contribution by a Participating Employer and a Related Employer allocated in limitation years beginning after 1985 on the Participant's behalf to a separate account established for the purpose of providing post-retirement medical benefits as described in Section 419(A)(d)(2) of the Code.

"Annual Additions" shall include excess deferrals, excess contributions or excess aggregate contributions (as those terms are used in Section 1.415-6(b)(1)(ii) of the Treasury Regulations), unless an exception applies. The term "annual additions" shall not include any investment earnings allocable to a Participant, any rollover contributions of the type described in Section 4.6 hereof (including any amounts transferred directly to the Trustee from another qualified plan), Pre-Tax Contributions distributed under 5.3(f), or payments of principal and interest on any loan made to a Participant under the terms of the Plan (should loans be permitted). Also, contributions made pursuant to Section 4.12 shall be considered "annual additions" only as provided under Section 1.415-6(b)(2)(ii) of the Treasury Regulations.

If no more than one-third of the contributions to the ESOP Accounts for a Plan Year are allocated to the ESOP Accounts of Highly Compensated Employees for that year, then interest on loans described in Section 9.9 that are deductible under Section 404(a)(9)(B) and charged against the Participant's Account and forfeitures of Toro Common Stock acquired with such a loan and held under the Matching Contributions Account shall not be part of the Participant's Annual Additions for that year.

(2) "Earnings" means amounts paid to or accrued for a Participant by the Participating and Related Employers for a limitation year, including salary and wages, overtime

pay, bonuses, commissions, and taxable fringe benefits, but shall not include amounts contributed by a Participating Employer (including elected amounts deferred under an arrangement described in Section 401(k) of the Code) under the Plan or any other plan of the Participating Employer or any Related Employer or any nonqualified fringe benefits which are nontaxable to employees. Effective for limitation years beginning after December 31, 1997, earnings will include any elective deferral (as defined in Section 402(g)(3) of the Code) and any amount which is contributed or deferred by the Participant's Employer at the election of the Participant by reason of Section 125 or Section 457 of the Code. The determination of Earnings shall be made in accordance with Section 415(c)(3) of the Code and Section 1.415-2(d)(1) of the Regulations. It is understood that those sections include remuneration of an Employee received from a Participating Employer while the Employee is a non-resident alien even if that remuneration is not considered earned income (within the meaning of Section 911(d)(2) of the Code) which constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code). For limitation years beginning on and after January 1, 2001, earnings shall include elective amounts that are not includible in the gross income of the employee by reason of Section 132(f)(4) of the Code.

(3) "Excess amount" means the amount credited or allocated to a Participant in excess of the limits allowable under Section 5.3(b) or 5.3(c).

(4) "Limitation year" means the Plan Year.

(5) "Minimum accrued benefit" means a Participant's accrued benefit under a defined benefit retirement plan maintained by a Participating or Related Employer in which the individual is a participant determined as of the end of the last limitation year of such plan beginning before 1987, computed without regard to any changes in the provisions of such plan after May 5, 1986, and without regard to any subsequent cost of living adjustments under the plan.

(6) "Projected annual retirement benefit" means the annual benefit to which a Participant would be entitled under the provisions of a defined benefit retirement plan maintained by a Participating or Related Employer in which the individual is a participant, based on the assumptions that the Participant continues employment until the Participant's normal retirement age, that the Participant's earnings continue at the same rate as in effect in the plan's limitation year under consideration until the Participant's normal retirement age, and that all other relevant factors used to determine benefits under the plan as of the current limitation year of such plan remain constant for all such future limitation years.

(7) "Social security retirement age" means a Participant's retirement age under Section 216(l) of the Social Security Act determined without regard to the age increase factor under that Section as if the early retirement age under paragraph (2) thereof were 62.

(b) Annual additions credited to any Participant for any limitation year beginning after 1986, under this Plan and any other qualified defined contribution retirement plan maintained by any Participating Employer or Related Employer, shall not exceed an amount equal to the lesser of:

(1) 25 percent of the Participant's earnings for the limitation year, or

(2) $30,000 (this amount shall be adjusted as provided in Section 415(d) of the Code), except that such dollar limitation shall be reduced for a short limitation year which occurs on account of a short Plan Year (the dollar limitation for the short limitation year will equal the

otherwise applicable dollar limitation multiplied by the ratio of the number of months in the short limitation year over twelve (12)).

(c) (1) Effective for all limitation years beginning after 1986, if any Participant is covered at any time under a qualified defined benefit retirement plan maintained by a Participating or Related Employer, the sum of the defined contribution fraction as described in subparagraph (A) below, as modified by subparagraph (C) below, and the defined benefit fraction as described in subparagraph (B) below shall not exceed l.0:

(A) Except as otherwise provided in Section 5.3(c)(2) hereof, the numerator of the defined contribution fraction shall be the sum of the annual additions credited to the Participant for all limitation years (determined with respect to each year under rules which governed the crediting of annual additions for such year) determined as of the end of the limitation year, and the denominator shall be the sum of the lesser of the following amounts computed for each limitation year of the Participant's service with a Participating or Related Employer as of the end of the limitation year including limitation years when the individual was not a Participant either because the individual was not eligible to participate or because a Participating Employer did not maintain a defined contribution plan:

(i) 125 percent of the defined contribution dollar limitation in effect for such limitation year; or

(ii) 35 percent of the Participant's earnings for the limitation year.

(B) The numerator of the defined benefit fraction shall be the Participant's projected annual retirement benefit under any qualified defined benefit retirement plan of the Participating and Related Employers, determined as of the end of the limitation year, and the denominator shall be the greater of:

(i) the Participant's minimum accrued benefit; or

(ii) the lesser of:

(a) 125 percent of $90,000 (or, for purposes of benefits commencing before or after the social security retirement age, the actuarial equivalent of such amount), as adjusted under Section 5.3(d) hereof; or

(b) subject to Section 5.3(d) hereof, 140 percent of the Participant's projected average earnings for the Participant's three consecutive highest paid limitation years.

(C) At the election of the Administrator, with respect to any limitation year ending after 1982, the denominator of the defined contribution fraction of each Participant for all limitation years ending before 1983 shall be an amount equal to the product of:

(i) the denominator of the defined contribution fraction for the limitation year ending in 1982 (computed under the provisions of Section 415(e)(3)(B) of the Code as in effect for such limitation year), multiplied by

(ii) a fraction, the numerator of which is the lesser of $51,875 or 35 percent of the earnings paid to the Participant for the limitation year ending in 1981, and the denominator of which is the lesser of $41,500 or 25 percent of the earnings paid to the Participant for the limitation year ending in 1981.

(2) The numerator of the defined contribution fraction as computed under Section 5.3(c)(1)(A) hereof as determined on the first day of the limitation year beginning in 1987, shall be reduced by an amount specified under applicable regulations under Section 415 of the Code so that the sum of the defined benefit fraction and the defined contribution fraction that is calculated on that date does not exceed l.0. This paragraph (2) shall apply only if the defined contribution and defined benefit plans maintained by the Participating Employer and any Related Employer satisfied the requirements of Section 415 of the Code for the last limitation year beginning before 1987.

(3) The preceding provisions of this Section 5.3(c) shall cease to be effective for limitation years beginning after December 31, 1999, with respect to Participants who incur at least one Hour of Service for a Participating Employer or Related Employer in such a limitation year.

(d) (1) The dollar limitation referred to in Section 5.3(c)(1)(B)(ii) hereof shall be adjusted after 1987 in accordance with applicable regulations under Section 415 of the Code for increases in the cost of living.

(1) (2) In the case of a Participant who has terminated the Participant's employment with the Participating Employer, the amount of the Participant's average earnings described in Section 5.3(c)(1)(B)(ii) hereof shall be annually adjusted by multiplying that amount by a fraction with a numerator equal to the adjusted dollar limitation set forth in Section 5.3(b) hereof for the limitation year in which this adjustment is being made and the denominator equal to the adjusted dollar limitation stipulated under that Section 5.3(b) hereof for the limitation year in which the Participant terminated employment. When an adjustment is made hereunder in the case of a Participant who terminated employment prior to 1974, the denominator utilized in the applicable fraction shall be determined in accordance with rates prescribed by the Commissioner of Internal Revenue.

(3) If a Participating or Related Employer maintains a qualified defined benefit retirement plan which provides for any post-retirement ancillary benefits (other than a qualified joint and survivor annuity with the Participant's spouse), the denominator referred to in Section 5.3(c)(1)(B) hereof shall be adjusted in accordance with applicable regulations under Section 415 of the Code.

(4) The preceding provisions of this Section 5.3(d) shall cease to be effective for Plan Years beginning after December 31, 1999, with respect to Participants who incur at least one Hour of Service for a Participating Employer or Related Employer in such a Plan Year.

(e) If an excess amount is determined for any limitation year by the Administrator, such excess amount shall be treated as follows:

(1) First, any non-deductible voluntary contributions made to this Plan or any other qualified retirement plan maintained by a Participating or Related Employer, to the extent that the return thereof would reduce such excess amount, shall be returned to the Participant.

(2) Any remaining excess amount shall be attributed to, and treated in accordance with the provisions of, the qualified retirement plan or plans maintained by a Participating or Related Employer in the following order:

(A) any qualified defined benefit retirement plans;

(B) any qualified 401(k) retirement plans and profit sharing plans;

(C) any qualified stock bonus retirement plans;

(D) any qualified target benefit retirement plans;

(E) any qualified money purchase retirement plans.

(3) Any excess amount which is attributed to this Plan shall be treated as follows:

(A) If the Participating Employer's contribution for the limitation year has not been made, the amount that would otherwise be contributed to the Plan shall be reduced by such excess amount;

(B) If the Participating Employer's contribution for the limitation year has been made, any remaining excess amount which is contributed under conditions described in Section 14.2 hereof shall be returned to the Participating Employer in accordance with said Section 14.2. Any excess amount that remains attributed to this Plan after the return of contributions to the Participating Employer shall be set aside in a suspense account. The amount placed in the suspense account shall be allocated to the Plan Participants during the next limitation year (and for each succeeding limitation year, as necessary) by reducing future contributions by the Participating Employer (including allocations of any forfeitures) which would otherwise be allocated to the accounts of such Participants.

(f) Notwithstanding any distribution limitations or requirements contained in the Plan (including Section 5.3(e)(3)(B)), if for any limitation year described in Section 5.3 the limitation described in Section 5.3(b) would otherwise be exceeded with respect to any Participant, the Participant's Annual Additions shall be reduced under this paragraph after making adjustments under Section 5.3(e)(3)(A), but before making adjustments under Section 5.3(e)(3)(B), to the extent necessary to reduce the Participant's Annual Additions to the level permitted in Section 5.3(b). The reduction shall occur by distributing to the Participant elective deferrals (as defined in Treasury Regulation Section 1.415-6(b)(6)(iv)) made for that limitation year by the Participant to the extent that the distribution of such elective deferrals reduces such excess Annual Additions. Such distribution shall be made as soon as administratively possible after that limitation year and within any time period required by regulations under Section 415 of the Code.

(g) If elective deferrals are distributed to any Participant under the prior subsection for a Plan Year, earnings or losses allocable to such distributed elective deferrals for such Plan Year shall also be distributed to the Participant at the same time. Such earnings and losses shall be determined in accordance with any reasonable method for computing the income or losses allocable to such distributed elective deferrals provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all such corrective distributions under the Plan for the Plan Year and is used for allocating income to Participant Accounts. However, the net earnings or losses allocable to such distributed elective deferrals for the Plan Year may be determined by multiplying the earnings or

losses for the Plan Year allocable to Pre-Tax Contributions and contributions treated as elective contributions under Section 4.7(b) by a fraction with respect to which:

(1) The numerator is the amount of such distributed elective deferrals; and

(2) The denominator is the sum of (i) the portions of the account balance of the Participant attributable to Pre-Tax Contributions and other contributions treated as elective contributions under Section 4.7(b), as of the beginning of the Plan Year and (ii) the Participant's Pre-Tax Contributions and amounts treated as the Participant's elective contributions under Section 4.7(b), for the Plan Year.

(h) If non-deductible voluntary contributions are distributed to any Participant under Section 5.3(e)(1) for a Plan Year, earnings or losses allocable to such distributed voluntary contributions for such Plan Year shall also be distributed to the Participant at the same time. Such earnings and losses shall be determined in accordance with any reasonable method for computing the income or losses allocable to such distributed voluntary contributions provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all such corrective distributions under the Plan for the Plan Year and is used for allocating income to Participant Accounts.

(i) Notwithstanding the prior provisions of this section, the methods of reduction described in Subsections (e)(3), (f), or (g) above may only be used if the reductions are due to forfeitures, a reasonable error in estimating Compensation, a reasonable error in determining the amount of elective deferrals (within the meaning of Section 402(g)(3)) which may be made without causing the limits of this section to be exceeded, or other causes permitted by applicable Regulations.

Section 5.4. Data for Administration. Each Participating Employer shall prepare and send to the Administrator (or the Trustee at the direction of the Administrator) any data required by the Administrator in connection with determination of any allocations to be made under the Plan.

ARTICLE VI.
Interest in Fund

Section 6.1. Individual Accounts.

(a) The Administrator (or the Trustee upon the direction of the Administrator) shall maintain an individual account for each Participant that shall show the amount of the Participant's beneficial interest in the Trust Fund. Each Participant's individual account shall be divided into the following Accounts (each such Account may have further subaccounts as provided in this Plan or as needed):

(1) Employer Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Toro Investment Fund Contributions made by a Participating Employer on and after August 1, 1995, and attributable to similar contributions made under any Prior Plan prior to that date and the Participant's interest in the Trust Fund derived from amounts transferred to it pursuant to Section 9.7;

(2) Pre-Tax Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Pre-Tax Contributions made by the Participant on and after August 1, 1995, and attributable to similar contributions made under any Prior Plan prior to that date;

(3) After-Tax Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from After-Tax contributions made by the Participant on and after August 1, 1995, and attributable to similar contributions made under The Toro Company Matching Stock Plan prior to that date;

(4) Matching Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Matching Contributions made on behalf of the Participant on and after August 1, 1995, and attributable to similar contributions made under The Toro Company Matching Stock Plan prior to that date;

(5) ESOP Toro Common Stock Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Toro Common Stock and allocated to it under Sections 5.1(f), (g), and (h);

(6) ESOP General Account, which shall show the Participant's interest in the Trust Fund derived from a Participating Employer's cash contributions as described under Sections 5.1 (c) and (d) and not invested in Toro Common Stock;

(7) Rollover Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Rollover Contributions;

(8) Voluntary Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from voluntary after tax contributions made by the Participant (such contributions are no longer permitted); and

(9) Such further Accounts as may be established by the Administrator.

(b) Contributions or transfers to the Plan on behalf of a Participant shall be credited to the appropriate Account described in Section 6.1(a) on the date provided in Section 5.1. Such Accounts shall also be adjusted as provided in Section 6.2 and shall be reduced by any disbursements made pursuant to Article VII.

(c) At the time of establishing any additional Accounts as permitted by Section 6.1(a)(9), the Administrator shall designate whether the assets allocated to that Account are fully Vested.

(d) A separate subaccount shall be established as part of such Accounts as the Administrator may determine in order to account for the contributions made to those Accounts. Subaccounts may be necessary to account for assets described in Section 7.2(a).

(e) Those Accounts that are considered part of the ESOP Account will be considered part of the stock bonus portion of the Plan that is an ESOP.

Section 6.2. Determination and Allocation of Changes in Value. For purposes of determining the change in the value of each Investment Fund and allocating that change in value among the Accounts of which some portion is invested in such Investment Fund, the following steps shall be taken:

(a) The Administrator (or the Trustee upon the direction of the Administrator) shall determine the fair market value of each Investment Fund (using the Toro Common Stock Value as the value of Toro Common Stock) as of each Valuation Date, and the value so determined shall be deemed to be the value of such Investment Fund on such Valuation Date. The difference between the value of such Investment Fund on such Valuation Date and the sum of:

(1) all contributions which have been made to the Trust during the Valuation Period ending upon such Valuation Date and which have been invested in such Investment Fund; and

(2) any portion of any Account transferred to such Investment Fund during such Valuation Period; and

(3) the value of such Investment Fund on the next preceding Valuation Date (not including Employer Contributions made subsequent to that date but allocated as of such date or a previous Valuation Date and invested in such Investment Fund); minus

(4) all disbursements and distributions from such Investment Fund during the Valuation Period (either to Participants or their Beneficiaries or to another Investment Fund), shall be the net increase or decrease in the value of such Investment Fund for the Valuation Period.

(b) The net increase or decrease in the value of such Investment Fund for such Valuation Period shall be allocated to each Account of which a portion is invested in such Investment Fund in the proportion that the "Adjusted Portion" of such Account as of the Valuation Date ending such Valuation Period bears to the total of the Adjusted Portions of each such Account as of such Valuation Date. In addition, there shall be a pro rata division of each such allocation among the subaccounts (if any) of each such Account.

(c) The "Adjusted Portion" of a Participant's Account as of any Valuation Date shall be the difference between the value of the portion of the Participant's Account invested in such Investment Fund as of the next preceding Valuation Date and the sum of all disbursements from the Investment Fund made to the Participant or any of the Participant's Beneficiaries or to another Investment Fund during the Valuation Period ending upon the Valuation Date as of which such Adjusted Portion is being determined.

(d) Notwithstanding subsection (a), no part of the value of Toro Common Stock which has been released from the Toro Common Stock Suspense Account (except any such Toro Common Stock which has been allocated to Participants' Accounts) nor income attributable to such Toro Common Stock (received during such Valuation Period) and no cash or other property received during such Valuation Period upon the sale of such Toro Common Stock shall be considered in determining the value of an Investment Fund for purposes of this Section 6.2. Also, notwithstanding subsection (a), no part of the value of Encumbered Toro Common Stock shall be considered in determining the value of an Investment Fund for purposes of this Section 6.2. Income attributable to such Encumbered Toro Common Stock shall be used to repay any outstanding loan used to purchase Encumbered Toro Common Stock to the extent provided under the Plan. Any Toro Common Stock allocated to a Participant's Toro Common Stock Account shall be treated as a separate investment from the funds allocated to the Participant's other Accounts and shall not share in any amounts allocated pursuant to this Section 6.2. Any increase or decrease in the value of such Toro Common Stock and any income attributable to that Toro Common Stock shall be allocated directly to such Participant's Toro Common Stock Account. Also, if any such Toro Common Stock is sold, the proceeds of such sale shall be deemed allocated to such Participant's Account as of the Valuation Date coincident with or following the date of such sale and such Toro Common Stock shall cease to be attributed to the Participant's Toro Common Stock Account as of such Valuation Date.

(e) In the event that Section 4.11 is applicable in any Plan Year, adjustments shall be made to the calculations described in the preceding provisions of this section so as to take account of the provisions of Section 4.11.

(f) Notwithstanding the preceding provisions of this section, the Administrator may determine to allocate the portion of the net increase or decrease in value of an Investment Fund allocable to a Participant's Account based on a modified definition of Adjusted Portion so long as such modification is equitable and non-discretionary. Under that modified definition, as of the applicable Valuation Date, contributions (of a type selected by the Administrator) made during the relevant Valuation Period on behalf of the Participant may be added to the Participant's Adjusted Portion determined before application of this subsection (f).

(g) The Administrator, or the Trustee at the direction of the Administrator, shall maintain adequate records of the cost basis of Toro Common Stock acquired by the Trustee.

(h) Suspense accounts described in Section 5.3 shall not share in any change in value of an Investment Fund, unless the record-keeping system used for Plan administration requires otherwise.

Section 6.3. Vesting.

(a) Amounts contributed to a Participant's account under Sections 4.1, 4.2, 4.3, 4.4, 4.6, 4.7 and 4.14, together with income attributable thereto shall be 100 percent Vested (nonforfeitable) at all times. Also, dividends on Toro Common Stock allocated to a Participant's Account under Section 5.2, together with income attributable thereto, shall be 100 percent Vested.

(b) Amounts contributed under Section 4.5 on and after August 1, 1995, together with income attributable thereto and amounts contributed under The Toro Company Matching Stock Plan as it existed prior to that date pursuant to a similar section of that plan together with income attributable thereto shall be vested in accordance with the following schedule:

On completion of one year of Vesting Service, twenty percent (20%)

On completion of two years of Vesting Service, forty percent (40%)

On completion of three years of Vesting Service, sixty percent (60%)

On completion of four years of Vesting Service, eighty percent (80%)

On completion of five years of Vesting Service, one hundred percent (100%) provided, however, that the Trust Fund Share of a Participant shall be 100 percent (100%) Vested no later than when the Participant reaches age 65 or, if earlier, the date such Participant dies prior to incurring a Termination of Service or incurs a Termination of Service on account of a Disability.

(c) If a Participant incurs a Termination of Service, any portion of the Participant's Trust Fund Share to which a Participant is not entitled shall be held in a suspense account (such suspense account shall be broken into subaccounts which shall correspond with and equal in number the Participant's Accounts and subaccounts of those Accounts which contain forfeitable amounts) by the Trustee pending the Participant's return as an Employee of a Participating Employer or Related Employer of that Participating Employer, or the Participant's experiencing a Forfeiture Event. The disposition of such suspense account shall be as follows:

(1) If the Participant returns as an Employee of a Participating Employer or Related Employer of a Participating Employer before the Participant experiences a Forfeiture Event, there shall be no forfeiture and such suspense account shall cease to exist unless a distribution has been made and Section 6.3(e) is applicable.

(2) If such Participant experiences a Forfeiture Event before the Participant is rehired by a Participating Employer or Related Employer of a Participating Employer, all amounts held in the suspense account shall be forfeited and any balance remaining in any subaccount of the suspense account which are attributable to a contribution made by a Participating Employer shall be applied as soon as administratively possible to pay expenses incurred by the Plan or to reduce future contributions of such Participating Employer and the Administrator shall select the type of contribution which shall be reduced (unless those balances are used to restore amounts forfeited by others as provided in paragraph (4) below). Whether forfeited amounts are used to pay Plan expenses or to reduce future contributions is to be decided by the Plan Administrator in the Plan Administrator's sole discretion. A Participant's forfeited amounts may be restored as specified in paragraph (4) below.

(3) If a Participant has a Vested Share, and the entire Vested Share has not been distributed to the Participant, a forfeiture shall not take place until the Participant has incurred five consecutive One-Year Breaks in Service. If the value of a Participant's Vested benefit is zero, the Participant shall be deemed to have received a distribution of such Vested benefit.

(4) If a Participant has incurred a Termination of Service and is later re-employed by a Participating Employer, and if the Participant had received a distribution of the Participant's entire Vested Share prior to such re-employment, any portion of the Participant's Trust Fund Share which was forfeited shall be restored if and when the Participant repays to the Trust the full amount distributed to the Participant provided that the Participant makes that repayment before the earlier of (A) five years after the date of the Participant's re-employment, or (B) the close of the first period of five consecutive One-Year Breaks in Service commencing after the distribution. In the event a Participant did not have a Vested Share and is re-employed by a Participating Employer before the Participant has five consecutive One-Year Breaks in Service, the Participant's Trust Fund Share which was forfeited shall be restored in full upon such re-employment. In each case, the restored amounts shall be unadjusted by any gains or losses which may have occurred subsequent to the Participant's Termination of Service. Restoration shall be made using assets forfeited by other Participants under this Plan or contributions made for that purpose by the Participant's Participating Employer which generated the contributions which were forfeited.

(5) If any forfeited amounts are attributable to contributions made by an Employer that is no longer a Participating Employer, such amounts shall be applied in an equitable manner determined by the Administrator as if they were attributable to other Participating Employers.

(d) Matching Contributions which relate to excess deferrals, excess contributions, or excess aggregate contributions (those terms are intended to have the meanings given them in Regulations under Section 401(k) of the Code which are distributed under Section 4.3 or Section 4.7 of the Plan and are not excess aggregate contributions (and earnings or losses attributable to those contributions determined by the Plan Administrator) will be forfeited. Forfeitures of excess aggregate contributions are described in Section 4.7 of the Plan. Forfeitures from a Participant's Matching Contributions Account will be used to reduce Matching Contributions in the Plan Year in which forfeitures are deemed to occur.

(e) If a distribution is made pursuant to Article VII of less than all of the portion of a Participant's Account to a Participant who is not then fully Vested in such Account (as provided in this section), or amounts are restored under Section 6.3(c)(4), then a separate subaccount shall be established for the portion of the Participant's Account which contains forfeitable amounts. Until the Participant forfeits amounts in the subaccount or becomes fully Vested under this section, whichever occurs first, the Participant's Vested portion (X) of such subaccount at any relevant time shall be determined by the

formula “X = P(B + (R x D)) - (R x D)” where “P” is the Vested percentage at such relevant time, “B” is the subaccount balance at the relevant time, “D” is the amount of the Participant’s subaccount which was previously distributed, and “R” is the ratio of the subaccount balance at the relevant time to the subaccount balance immediately after the distribution.

Section 6.4. Inalienability of Interest. Neither the interest of a Participant or of any Beneficiary in the Trust Fund or the Participant’s Trust Fund Share nor any right to the disbursement of all or any part thereof shall be subject to voluntary or involuntary alienation or encumbrance of any kind in any manner. Any attempted alienation or encumbrance shall be wholly void. In case of any such attempt, the Trustee shall have the power upon the direction of the Administrator to terminate the interest or right to disbursement of the Trust Fund Share and to hold or apply it for the benefit of the Participant or (if the Participant be deceased) the Participant’s Beneficiary in accordance with the terms of the Plan. Nothing in this section shall be deemed to prevent the transfer of the Trust Fund to a successor Trustee. Further, this Section shall not apply to a Qualified Domestic Relations Order or to any offset permitted under Section 401(a)(13)(C) of the Code.

Section 6.5. Termination of Interest. After there shall have been distributed to or for the benefit of a Participant or the Participant’s Beneficiary the entire portion of the Participant’s Trust Fund Share to which the Participant or Beneficiary is entitled, the Participant’s interest therein shall terminate.

ARTICLE VII.
Distribution to Participants

Section 7.1. Right to Disbursements. A Participant who incurs a Termination of Service or, in the event of the Participant’s death, the Participant’s Beneficiary shall be entitled to a disbursement of the Participant’s Vested Share at such time and such manner as is provided in this Article VII.

Section 7.2. Method of Disbursement.

(a) A Participant’s Vested Share may be disbursed by any of the following methods as the person who is entitled to the distribution shall designate in writing or by another method permitted by the Administrator:

(1) a single sum of cash (Toro Common Stock or a combination of such stock and cash may be distributed from the Participant’s ESOP Accounts); or

(2) a series of installments (including installments of different amounts).

In the event that assets of another plan are transferred to this Plan on behalf of a Participant, any additional optional forms of distribution applicable to the transferred assets under the former plan shall be available with respect to the portion of the Participant’s Vested Share attributable to those transferred assets, but only to the extent they may not be eliminated or modified under applicable regulations to one of the above listed options. Also, any additional optional forms of distribution applicable to any assets of the Prior Plan held in a Participant’s Accounts shall continue to be available with respect to the portion of the Participant’s Vested Share attributable to such assets of the Prior Plan, but only to the extent they may not be eliminated or modified under applicable regulations to one of the above listed options.

(b) If a Participant’s Vested Share exceeds $5,000 and the Participant hasn’t reached the latest date that distribution must commence to the Participant under Section 7.3 of the Plan, then the Participant must consent to any distribution of such Vested Share. However, such consent shall not be

required in the event that the Participant's Vested Share does not exceed such amount, unless Section 7.4 applies to the Participant and the Participant's Annuity Starting Date has occurred.

(c) If:

(1) a Participant's consent is required under subsection (b); and

(2) if the Participant is married on the Participant's Annuity Starting Date and the requirements of Section 7.4 of the Plan are applicable to the Participant;

then both the Participant and the Participant's spouse (or where either the Participant or the Participant's spouse has died, the survivor) must consent to any distribution of the Participant's Vested Share (spousal consent shall be comparable to the spousal consent described in Section 7.4).

(d) The following requirements apply with respect to distributions made on or after January 1, 1994:

(1) The Administrator shall notify the Participant, and the Participant's spouse if a spouse's consent is required under subsection (c), of the right to defer any distribution until the latest date permitted under Section 7.3 of the Plan. Such notification shall include a general description of the material features and an explanation of the relative values of, the optional forms of benefit available under the Plan in a manner that would satisfy the notice requirements of Section 417(a)(3) of the Code. Notwithstanding the foregoing, only the Participant need consent to the commencement of a distribution in the qualified joint and survivor annuity form described in Section 7.4 of the Plan prior to reaching such date. Furthermore, if payment in the qualified joint and survivor annuity form is not required with respect to the Participant pursuant to Section 7.4 of the Plan, only the Participant needs to consent to distribution of the Participant's Vested Share prior to reaching such date. Neither the consent of the Participant nor the Participant's spouse shall be required to the extent that a distribution is required to satisfy Section 401(a)(9) or Section 415 of the Code.

(2) The Administrator shall also provide a written explanation to the Participant consistent with Section 402(f) of the Code that explains the right to make the election described under Section 7.12 of the Plan.

(3) The Administrator shall provide each Participant with notice of the Participant's rights specified in subsections (d)(1) and (d)(2) hereof no less than 30 days and no more than 90 days before the distribution date for the Participant. Consent of the Participant to the distribution in writing or by another method permitted by applicable rules or regulations and made available by the Administrator must not be made before the Participant receives the notice and must not be made more than 90 days before such distribution date.

(4) If a distribution is one to which Sections 401(a)(11) and 417 of the Code do not apply, or if any notice requirement under such sections which is applicable to the Participant has been satisfied, such distribution may commence less than 30 days after the notice required under Section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

(A) the Administrator clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(B) the Participant, after receiving the notice, affirmatively elects a distribution.

(e) Notwithstanding any provision of the Plan to the contrary, to the extent that any optional form of benefit under this Plan permits a distribution to a Participant prior to the Participant's death, disability, or Termination of Service, and prior to termination of the Plan, the optional form of benefit is not available with respect to benefits attributable to assets (including the post transfer earnings thereon) and liabilities that are transferred, within the meaning of Section 414(l) of the Code, to the Plan from a money purchase pension plan or target benefit plan qualified under Section 401(a) of the Code (other than any portion of those assets and liabilities attributable to voluntary employee contributions).

Section 7.3. Distribution Requirements.

(a) Any person entitled to the disbursement of a Participant's interest in the Trust Fund shall make application for such disbursement with the Administrator in writing or by another method required or made available by the Administrator, and shall furnish such data in support of the application as the Administrator may reasonably require for the proper administration of the Plan. The disbursement shall be made or shall begin as soon as administratively feasible after such application with all such supporting data has been provided to the Administrator. The amount to be distributed shall be determined as of a Valuation Date that follows such application and is on or as close to but before the date of distribution as is administratively feasible under the circumstances applicable to the distribution. Notwithstanding the prior provisions of this subsection (a), distribution shall not be made later than a date required by subsection (b) or subsection (c) and if distribution must be made by such a date, the amount to be distributed shall be determined as of a Valuation Date on or as close to but before the date of distribution as is administratively feasible under the circumstances applicable to the distribution. Notwithstanding the prior provisions of this subsection (a), in order to ease administration of distributions, the Administrator may specify that the amounts to be distributed shall be determined as of a limited number of valuation dates selected by it in a nondiscriminatory manner. If any application for disbursement is denied, the Participant or the Participant's spouse or Beneficiary may take advantage of the claims procedures provided in Article VIII.

(b) (1) Subject to Section 7.3(c) and unless the Participant elects otherwise under subsection (b)(2), the payment of the Participant's Vested Share, other than a death benefit, shall begin no later than the 60th day following the close of the Plan Year in which the latest of the following events occurs:

(A) The Participant's Normal Retirement Date; and

(B) The date the Participant incurs a Termination of Service.

(2) Subject to Section 7.3(c), a Participant may elect to have payment of the Participant's Vested Share begin after the date prescribed under subsection (b)(1) above by:

(A) submitting to the Administrator a written statement, signed by the Participant, or

(B) by another method permitted by applicable rules or regulations and provided by the Administrator,

specifying the date to which the Participant wishes the commencement of the payment of the Participant's Vested Share to be deferred and furnishing such other information as the

Administrator may reasonably require. Such Participant shall be deemed to have made such election if the Participant fails to consent to a distribution by the day described in Subsection (b)(1).

(c) Effective in 1997, distributions to any Participant, other than a five percent owner (as defined in Section 13.5(e)), under the Plan shall commence no later than the later of the April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2 or the date the Participant incurs a Termination of Service. A Participant who is not a five percent owner may elect to have the benefit distribution commence on or after the April 1 of the calendar year following the year in which the Participant attains age 70-1/2. Benefit distributions to a Participant who is a five percent owner must commence by the April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2.

(d) After the first distribution in accordance with any periodic payment method, additional payments must be made no later than each subsequent December 31 during the distribution period if distributions are required to be made annually pursuant to Section 401(a)(9) of the Code; provided, however, if the method of distribution selected by the Participant is an annuity for one or more lives (or a life annuity with a period certain not exceeding 20 years), additional payments need not be made until the next scheduled annuity payment.

(e) The method of distribution elected under Section 7.2(a) is subject to the following rules at the time distributions are required to begin pursuant to Section 7.3(c) or, if earlier, at the time the Participant irrevocably elects to receive payments in the form of an annuity:

(1) The entire interest of the Participant shall be distributed, in accordance with applicable Regulations, over the life of the Participant, or over the joint and last survivor lives of the Participant and any Beneficiary, or over a period not extending beyond either the life expectancy of the Participant or the joint and last survivor life expectancy of the Participant and any Beneficiary.

(2) If the payments are to be measured by the joint and last survivor life expectancy of the Participant and the spouse of the Participant, each periodic payment to be made to the Beneficiary shall not be greater than each periodic payment to be made to the Participant. For calendar years beginning after December 31, 1988, the amount to be distributed each year, beginning with distributions for the first distribution calendar year shall not be less than the quotient obtained by dividing the Participant’s benefit by the lesser of (A) the applicable life expectancy or (B) if the Participant’s spouse is not the designated Beneficiary, the applicable divisor determined from tables set forth in applicable Regulations (which are Section 1.401(a)(9)-2 of the proposed Treasury Regulations at the time of the preparation of this document). Distributions after the death of the Participant shall be distributed using the applicable life expectancy as the relevant divisor without regard to such Regulations.

(3) The Beneficiary shall receive benefit payments under a method of distribution that is at least as rapid as the method under which the Participant was receiving benefit payments.

(4) The life expectancy of a Participant or a Beneficiary shall be based on the individual’s attained age in the calendar year for which distributions are required to begin. Life expectancies shall be determined by using Tables V and VI contained in Section 1.72-9 of the Treasury Regulations. If the form of payment selected by the Participant is not an annuity, the life expectancy of the Participant or the Participant’s spouse or the joint and last survivor life expectancy of the Participant and the Participant’s spouse may be recalculated annually. Any

election to recalculate life expectancy must be made no later than the date on which distributions begin in accordance with rules established by the Administrator. Once payments begin, the election becomes irrevocable. If the Participant has elected to have a recalculation of life expectancy, life expectancy will be based upon the attained age of the applicable individual in each succeeding year in which a distribution occurs. In the event the Participant fails to make an election, life expectancy will not be recalculated. If life expectancy is not to be recalculated and the form of payment selected by the Participant is not an annuity, life expectancy will be determined as of the time when distributions commence, and the amount required to be paid for any calendar year will be based on the number of years so determined reduced by the number of entire years that have elapsed since distributions commenced.

(5) If the method of distribution selected by the Participant is an annuity, payments must be made on an annual or more frequent basis. Annuity payments for a period certain may not be extended after payments have begun. Except as provided in applicable Regulations (which are Sections 1.401(a)(9)-1 and 2 of the proposed Treasury Regulations at the time of the preparation of this document), annuity payments must be nonincreasing.

(6) The provisions of Section 7.5 apply when determining a Beneficiary for purposes of applying the rules contained in this Section 7.3(e). The provisions of Section 7.5 also apply when determining distributions to a Beneficiary.

(f) Anything herein to the contrary notwithstanding, but subject to the consent requirement referred to in Section 7.2(b), if the amount to which the Participant is entitled does not exceed $5,000, the Administrator shall direct the Trustees to distribute the entire amount to which the Participant is entitled in a lump sum payment; provided, however, that such payment is made no later than the Participant’s Annuity Starting Date.

(g) No distribution may be made from a Participant’s Pre-Tax Contribution Account or any Account comprised of Matching Contributions or non-elective contributions which are treated as elective contributions in accordance with the provisions of Section 4.7 except under one of the following circumstances:

(1) Such Participant’s separation from service, death, or disability;

(2) Such Participant’s attainment of age 59-1/2;

(3) The avoidance or alleviation of financial hardship (in the case of contributions to which Section 402(e)(3) of the Code applies);

(4) The termination of this Plan without the establishment of a successor plan within the meaning of Treasury Regulation Section 1.401(k)-1(d)(3);

(5) The sale or disposition by such Participant’s Employer of at least 85% of the assets used by such Employer in a trade or business to an unrelated corporation which does not maintain the Plan, but only if such Participant continues employment with the corporation acquiring the assets and only if such Employer continues to maintain this Plan; or

(6) The sale or disposition of such Participant’s Employer by the Adopting Employer of its interest in the Participant’s Employer to an unrelated entity which does not maintain the Plan, but only if such Participant continues employment with such Employer and only if the Adopting Employer continues to maintain this Plan.

This Section 7.3(g) does not apply to distributions of excess deferrals or excess contributions (those terms are intended to have the meaning given them in Regulations under Section 401(b) of the Code), or excess Annual Additions described in Section 5.3(f) of the Plan. To be treated as an event described in Sections 7.3(g)(4), (5), and (6), the Participant must receive a lump sum distribution (as defined in Section 401(k)(10)(B)(ii) of the Code) and, in the case of the latter two sections, the distribution must be made in connection with the disposition.

The prior provisions of this Section 7.3(g) do not establish any right to a distribution. However, distribution may be made to a Participant under the terms of this article if either Section 7.3(g)(5) or Section 7.3(g)(6) would permit distribution to be made to the Participant under this Plan.

(h) If a Participant made a written election within the time permitted by law to receive retirement benefits in a manner consistent with the terms of this Plan in effect on December 31, 1983, such election, unless subsequently revoked, shall determine the manner in which the Participant's distributions are made. If an amount is transferred from one plan to this Plan, the amount transferred may be distributed in accordance with a Section 242(b) election made under the transferor plan if the Employee did not elect to have the amount transferred and if the amount transferred is separately accounted for under this Plan. However, only the benefit attributable to the amount transferred, plus earnings thereon, may be distributed in accordance with the Section 242(b) election made under the transferor plan.

(i) Notwithstanding anything herein to the contrary (other than subsection (h)), distributions shall be made in accordance with Section 401(a)(9) of the Code and the regulations thereunder. Further, such regulations shall supersede any distribution option in the Plan that is inconsistent with Section 401(a)(9) of the Code.

(j) With respect to distributions under the Plan made in calendar years beginning on or after January 1, 2002, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the regulations under Section 401(a)(9) of the Code that were proposed in January 2001, notwithstanding any provision of the Plan to the contrary. This Subsection (j) shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under Section 401(a)(9) of the Code or such other date specified in guidance published by the Internal Revenue Service.

Section 7.4. Qualified Joint and Survivor Annuity.

(a) (1) Notwithstanding the prior provisions of this Article VII, benefits payable to or on behalf of a Participant shall be paid in the form of a qualified joint and survivor annuity described in Paragraph (2) hereof in the case of a Participant who has an annuity option available under Section 7.2(a) of the Plan on account of a transfer of assets to the Plan, and either (A) elects to receive distribution in the form of an annuity or (B) has been credited with such a transfer from a money purchase pension plan or target benefit plan qualified under Section 401(a) of the Code. Also, until the later of July 1, 2002 or 90 days from the date a summary is provided to Participants that explains that this sentence will cease to apply to Participants, such requirement of payment in the form of a qualified joint and survivor annuity shall apply to all Participants. The requirements of this Paragraph (1) shall not apply if the Participant and, if the Participant is married, the Participant's spouse waive the qualified joint and survivor annuity pursuant to the requirements of Subsection (b) hereof.

(2) A qualified joint and survivor annuity is an annuity payable to a Participant for the Participant's life with annuity payments equal to 50% of the Participant's annuity payments

continuing to the Participant's spouse upon the death of the Participant. However, in the case of an unmarried Participant, a qualified joint and survivor annuity is an annuity payable to a Participant for the Participant's life.

(b) (1) An election to waive the qualified joint and survivor annuity, or life annuity in the case of an unmarried Participant, must be made by the Participant in writing or by another method permitted by applicable rules or regulations and made available by the Administrator during the 90 day period ending on the Annuity Starting Date and, if the Participant is married, the Participant's spouse must consent to the election in writing or by another method permitted by applicable rules or regulations and made available by the Administrator. The spouse's consent must specifically acknowledge the effect of such election, any other designated Beneficiary and the form of payment elected. The spouse's consent must be witnessed by a Plan representative or a notary public or by another method permitted by applicable rules or regulations and made available by the Administrator. The consent shall not be binding on a subsequent spouse. Spousal consent shall not be required if it is established to the satisfaction of the Administrator that it cannot be obtained because there isn't a spouse, the spouse cannot be located, or under such other circumstances as may be prescribed by applicable rules or regulations. The Participant may revoke in writing or by another method permitted by applicable rules or regulations and made available by the Administrator any election made hereunder without the consent of the spouse, at any time during the election period. A change in designated Beneficiary made subsequent to a spousal consent shall be deemed to be a revocation of the waiver. Any subsequent election to waive the survivor annuities must comply with the requirements of this paragraph. Notwithstanding the prior provisions of this subsection (b)(1), the consent of the spouse may expressly permit designation by the Participant without any requirement of further consent by the spouse.

(2) Not less than 30 days and not more than 90 days before the Annuity Starting Date, the Administrator shall provide the Participant with a written explanation of:

(A) the terms and conditions of the qualified joint and survivor annuity;

(B) the Participant's right to waive the qualified joint and survivor annuity and the effect thereof;

(C) the requirement that the Participant's spouse consent to any waiver of the qualified joint and survivor annuity and that the spouse's consent specifically acknowledge the effect of such waiver, any designated Beneficiary, and the form of payment elected; and

(D) the right of the Participant to revoke such election, and the effect of such revocation.

(3) Notwithstanding the above, with respect to distributions made on or after January 1, 1996, to which Sections 401(a)(11) and 417 of the Code apply, if the Participant, after having received the written explanation described in Section 7.4(b)(2), affirmatively elects a form of distribution and the spouse consents to that form of distribution (if necessary), the Annuity Starting Date may be less than 30 days after the date on which a written explanation was provided to the Participant, provided the following requirements are met:

(A) The Administrator provides information to the Participant clearly indicating that the Participant has a right to at least 30 days to consider whether to waive

the qualified joint and survivor annuity and consent to a form of distribution other than a qualified joint and survivor annuity.

(B) The Participant is permitted to revoke an affirmative distribution election at least until the Annuity Starting Date, or, if later, at any time prior to the expiration of the seven-day period that begins the day after the explanation of the qualified joint and survivor annuity is provided to the Participant.

(C) The Annuity Starting Date is after the date that the explanation of the qualified joint and survivor annuity is provided to the Participant. However, the Annuity Starting Date may be before the date that any affirmative distribution election is made by the Participant if the actual distribution in accordance with the affirmative election does not commence before the expiration of the seven-day period that begins the day after the explanation of the qualified joint and survivor annuity is provided to the Participant.

Section 7.5. Death Benefit.

(a) If a Participant dies, the Participant’s Beneficiary shall be entitled to the Participant’s Vested Share. Any amount to which a Beneficiary is entitled under this paragraph shall be distributed in such manner as may be determined under Section 7.2 (other that a qualified joint and survivor annuity form described in Section 7.4). If a Beneficiary becomes entitled to a benefit under this section and thereafter dies before payment of that benefit is completed, the remaining portion of that benefit shall be paid to the Beneficiary’s estate or to a beneficiary selected on a form provided by the Administrator, unless the Participant provides otherwise in the Participant’s designation of Beneficiary.

(b) (1) If Section 7.4(a)(1) does not apply to a Vested Participant and the Participant is married at the time of death, the death benefit shall be paid to or applied for the Participant’s surviving spouse, or the Participant’s designated Beneficiary if the spouse consents to the designation of such Beneficiary in a manner consistent with subsection (c), in accordance with the options under Section 7.2, as selected by the surviving spouse or Beneficiary on an application for benefits. However, if the provisions in Section 7.4(a)(1) apply to a Vested Participant, then, notwithstanding anything herein to the contrary, if the Vested Participant dies prior to the Vested Participant’s Annuity Starting Date and is married as of the date of the Participant’s death, the Participant’s spouse shall be entitled to a pre-retirement survivor annuity contract. However, the requirements of the prior sentence shall not apply if the Participant and the Participant’s spouse waive the pre-retirement survivor annuity pursuant to the requirements of subsection (c). The benefit shall commence on the first day of the month following the date of the Participant’s death or as soon thereafter as administratively feasible, unless the spouse elects a later commencement date, subject to the requirements contained in Section 7.5(f).

(2) A pre-retirement survivor annuity is an annuity for the life of the surviving spouse, the actuarial equivalent of which shall be:

(A) in the case of a Participant who incurs a Termination of Service before the Participant’s Normal Retirement Date and dies before the Participant’s Annuity Starting Date, the Participant’s Vested Share; and

(B) in the case of any other Participant who dies before the Participant’s Annuity Starting Date, the Participant’s Trust Fund Share.

(c) An election to waive the pre-retirement survivor annuity must be made by the Participant in writing or by another method permitted by rules or regulations and made available by the Administrator during the election period described in subsection (d) and the Participant's spouse must consent to the election in writing or by another method permitted by applicable rules or regulations and made available by the Administrator. However, a waiver of the pre-retirement survivor annuity may be made earlier than that election period, with spousal consent, if a written explanation of the pre-retirement survivor annuity containing information similar to the information described in Section 7.4(b)(2) is provided to the Participant and the waiver becomes invalid upon the beginning of the Plan Year in which the Participant reaches age 35. The election must be made on a form furnished or by another method permitted by applicable rules or regulations and made available by the Administrator that shall clearly indicate the Participant's election. The spouse's consent must acknowledge the effect of such election and any other designated Beneficiary. The spouse's consent must be witnessed by a Plan representative or notary public or made by another method permitted by applicable rules or regulations and made available by the Administrator. The consent shall not be binding on a subsequent spouse. The spousal consent shall not be required if it is established to the satisfaction of the Administrator that it cannot be obtained because there is no spouse, the spouse cannot be located, or because of such other circumstances as may be prescribed by applicable rules or regulations. A Participant may revoke the Participant's waiver of the pre-retirement survivor annuity at any time during the election period without the Participant's spouse's consent. Any subsequent waiver must contain the spouse's consent. Any change in Beneficiary occurring after the spousal consent shall be deemed to be a revocation of the Participant's waiver of the pre-retirement survivor annuity. Notwithstanding the prior provisions, the consent of the spouse may expressly permit designations by the Participant without any requirement of further consent by the spouse.

(d) The election period with respect to the pre-retirement survivor annuity contract shall begin on the first day of the Plan Year in which the Participant attains age 35 or if later, the date the Participant enters the Plan, and shall end on the earlier of the date benefits commence or the date of the Participant's death. If a Participant incurs a Termination of Service prior to the beginning of this election period, the election period shall begin on the date of the Termination of Service. The Administrator shall provide each such Participant with a written explanation of the pre-retirement survivor annuity containing information comparable to that required in Section 7.4(b)(2). The written explanation shall be provided during whichever of the following five periods ends last:

(1) the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the last day of the Plan Year immediately preceding the Plan Year in which the Participant reaches age 35;

(2) the 12 month period after becoming a Participant;

(3) the 12 month period immediately following the date the pre-retirement survivor annuity is no longer subsidized within the meaning of Section 1.401(a)-(20) of the Regulations;

(4) the 12 month period immediately following the date on which the pre-retirement survivor annuity first became effective with respect to the Participant;

(5) the period that begins 12 months before the Participant incurred a Termination of Service prior to attaining age 35 and ends 12 months after that Termination of Service.

(e) If a Participant dies after the Participant's Annuity Starting Date, the death benefit, if any, payable to the Participant's Beneficiary, shall depend upon the terms of the benefit payment option in effect at the time of such death.

(f) (1) Death benefits payable under Section 7.5(a) shall be distributed by the end of the calendar year that includes the fifth anniversary of the date of the Participant's death; provided, however, that:

(A) Subject to the requirements of Section 7.5(g)(2), death benefits may be distributed over the life of the Beneficiary or over a period not extending beyond the life expectancy of the Beneficiary.

(B) Death benefits payable over the life of the Beneficiary or over a period not exceeding the life expectancy of the Beneficiary shall begin no later than the end of the calendar year immediately following the year of the Participant's death. Alternatively, if the Beneficiary is the Participant's surviving spouse, distributions may begin by the end of the calendar year in which the Participant would have reached age 70-1/2.

(C) If the Beneficiary is the Participant's surviving spouse and the surviving spouse dies prior to the date that death benefit payments are required to commence, death benefit payments shall be made in accordance with the following rules:

(i) Distributions shall be completed by the end of the calendar year that includes the fifth anniversary of the date of the spouse's death, or

(ii) Distributions shall commence no later than the end of the calendar year immediately following the year of the spouse's death and shall be completed over the life of the spouse's beneficiary or over a period not exceeding the life expectancy of the spouse's beneficiary.

(2) The life expectancy of the Participant's Beneficiary shall be based on the Beneficiary's attained age in the calendar year in which distributions are required to begin or, if earlier, the date on which distributions begin pursuant to the Beneficiary's irrevocable election to have benefits paid in the form of an annuity. Life expectancies shall be determined by using Tables V and VI contained in Section 1.72-9 of the Treasury Regulations. If the Beneficiary is the Participant's spouse and the form of payment is other than an annuity, the spouse's life expectancy may be redetermined on an annual basis. Any election to recalculate life expectancy must be made prior to the benefit commencement date in accordance with the rules of the Administrator. Once payments begin, this election becomes irrevocable. In the event no such election is made with respect to the Participant's spouse, the spouse's life expectancy will not be recalculated. If life expectancy is not to be recalculated and the method of distribution is other than an annuity, the life expectancy will be determined at the time when distributions first begin, and payments required for any calendar year will be based on that determination reduced by the number of entire years that have elapsed since distributions commenced.

(3) If the death benefit is payable in the form of an annuity, payments must satisfy the requirements of Section 7.3(e)(5) hereof.

(g) (1) Subject to the requirements of Sections 7.5(b) and 7.5(c), each Participant shall have the unrestricted right to designate the Beneficiary to receive the death benefits which are payable hereunder and the manner in which such death benefits shall be paid, and to change any such designations on a form furnished by and filed with the Administrator or by another method required or made available by the Administrator.

(2) Death benefit payments may not be based on the life or life expectancy of the Beneficiary unless the Beneficiary is either an individual or is a trust that meets the following standards:

(A) the trust is a valid trust under the applicable state law;

(B) the trust is irrevocable;

(C) a beneficiary of the trust who is a Beneficiary with respect to the trust's interest under this Plan is identifiable from the trust instrument; and

(D) a copy of the trust instrument is provided to the Administrator.

(3) If more than one individual is designated as a Participant's Beneficiary, the individual with the shortest life expectancy will be considered the Beneficiary for purposes of determining the applicable life expectancy.

(h) Anything herein to the contrary notwithstanding, but subject to the consent requirement referred to in Section 7.2(b), if the value of the death benefit payable under this Section 7.5 does not exceed $5,000, the Administrator shall direct the Trustees to distribute the entire value of the deceased Participant's Accounts in a lump sum payment; provided, however, that such payment is made prior to the commencement of death benefit payments. In addition, if the Participant's Accounts exceed $5,000 and the Beneficiary is the surviving spouse, the Administrator shall pay the death benefits in accordance with any of the options available under Section 7.2 as selected by the spouse on a form or pursuant to another method permitted by applicable rules or regulations and provided by the Administrator, reduced by any benefits paid to the spouse in the form of a pre-retirement survivor annuity.

(i) Subject to the spousal death benefit requirements of Sections 7.5(b) and 7.5(c), this Section 7.5 shall not apply when inconsistent with a Participant's election, made within the time permitted by law, for the distribution of death benefits in a manner that complies with the terms of this Plan in effect on December 31, 1983, unless such election is subsequently revoked.

(j) With respect to distributions under this section made in calendar years beginning on or after January 1, 2002, the Plan will apply the provisions of Section 7.3(j) of the Plan.

Section 7.6. Withdrawal of Contributions. A Participant who has not incurred a Termination of Service may make withdrawals from the Participant's Voluntary Contributions Account subject to the following rules (and any additional administrative rules established by the Administrator):

(a) A Participant may make only one such withdrawal during any 12 month period (or more often as the Administrator may provide). A Participant who desires to make a withdrawal must make a request for a withdrawal by a method required or made available by the Administrator at least 30 days before the effective date of the withdrawal which shall be a Valuation Date (or such other date as the Administrator shall provide).

(b) The Administrator shall determine (in a uniform and nondiscriminatory manner) the proportions of the amounts withdrawn by a Participant which shall be taken from the Investment Funds in which the amounts credited to the Participant's Voluntary Contributions Account are invested.

(c) A Participant's withdrawal under this section shall be subject to any limits applicable to assets in the Investment Fund or Funds in which the Participant's voluntary employee contributions are

invested. Further, such a withdrawal may not exceed the lesser of (1) the sum of such contributions without any interest thereon or other increment thereto, less the sum of any previous such withdrawals or (2) the value of the Participant's Voluntary Contributions Account.

A Participant who has completed five years of Vesting Service may, upon the Participant's request by a method required or made available by the Administrator, withdraw After-Tax Contributions that have been allocated to the Participant's After-Tax Contributions Account. If such contributions are withdrawn, a Participant shall cease to be able to make such contributions for a period of at least six months subsequent to the effective date of such withdrawal and may not make any additional such withdrawals for a period of three years. A Participant's withdrawal under this paragraph may include a portion or all of the Participant's After-Tax Contributions Account.

Section 7.7. Disability Leave of Absence.

(a) A Participant who is on leave of absence on account of disability may make an election in writing or by another method made available by the Administrator to receive a distribution from the Vested portion of the Participant's Vested Accounts other than the Participant's ESOP General Account or ESOP Toro Common Stock Account in either a lump sum or installments which shall not exceed thirty percent (30%) of the Participant's Compensation for the Plan Year preceding the Plan Year in which the Participant commenced such leave.

(b) Distributions described in subsection (a) shall terminate upon the earliest to occur of the following events:

(1) the Participant's death or other termination of the Participant's disability,

(2) the Participant reaches the Participant's Normal Retirement Date, or

(3) the Participant incurs a Termination of Service.

(c) For purposes of this section, a disability is a medically determinable physical or mental disability that renders an Employee unable to engage in the Participant's usual occupation for the Participant's Participating or Related Employer. The certificate of a medical doctor satisfactory to the Administrator shall establish the existence or nonexistence of such disability.

Section 7.8. Special Distribution and Payment Requirements.

(a) Pursuant to Section 409(o) of the Code and notwithstanding any other provision of the Plan, other than such provisions as require the consent of the Participant to a distribution with a present value in excess of $5,000, a Participant may elect to have the portion of the Participant's ESOP Accounts attributable to Toro Common Stock acquired by the Plan after December 31, 1986, distributed as follows:

(1) If the Participant incurs a Termination of Service by reason of the attainment of the Participant's Normal Retirement Date under the Plan, death or Disability, the distribution of such portion of the Participant's account balance will begin not later than one year after the close of the Plan Year in which such event occurs unless the Participant otherwise elects under the provisions of the Plan other than this Section 7.8.

(2) If the Participant incurs a Termination of Service for any reason other than those enumerated in paragraph (1) above, and is not reemployed by the Employer at the end of the fifth Plan Year following the Plan Year of such Termination of Service, distribution of such portion of

the Participant's account balance will begin not later than one year after the close of the fifth Plan Year following the Plan Year in which the Participant incurred a Termination of Service unless the Participant otherwise elects under the provisions of this Plan other than this Section 7.8.

(3) If the Participant incurs a Termination of Service for a reason other than those described in paragraph (1) above, and is employed by the Employer as of the last day of the fifth Plan Year following the Plan Year of such Termination of Service, distribution to the Participant, prior to any subsequent Termination of Service, shall be in accordance with terms of the Plan other than this Section 7.8.

For purposes of this Section 7.8, Toro Common Stock shall not include any Toro Common Stock acquired with the proceeds of a loan described in Section 404(a)(9) of the Code until the close of the Plan Year in which such loan is repaid in full.

(b) Distributions required under Section 7.8 shall be made in substantially equal annual payments over a period of five years unless the Participant otherwise elects under provisions of this Plan other than this Section 7.8. In no event shall such distribution period exceed the period permitted under Section 7.3 and Section 401(a)(9) of the Code. Notwithstanding the provisions in this subsection to the contrary, effective for distributions attributable to stock acquired after December 31, 1986, if the fair market value of a Participant's account attributable to Toro Common Stock is in excess of $500,000 (as adjusted in the same manner and at the same time as under Section 415(d) of the Code) as of the date distribution is required to begin under Section 7.8, distributions required under Section 7.8 shall be made in substantially equal annual payments over a period not longer than five years plus an additional one year (up to an additional five years) for each $100,000 increment, or fraction of such increment, by which the value of the Participant's account exceeds $500,000, unless the Participant otherwise elects under the provisions of the Plan other than this Section 7.8(b). In no event shall such distribution period exceed the period permitted under Section 401(a)(9) of the Code.

(c) If the portion of a Participant's account balance attributable to Toro Common Stock which was acquired by the Plan after December 31, 1986 has not been separately accounted for, the Administrator shall select a method for identifying that portion.

Section 7.9. Delayed Benefit Determinations; Lost Participant; Escheat.

(a) If the amount of a Participant's Vested Share cannot be ascertained by the date provided in the preceding Sections, a payment retroactive to such date may be made, provided that such payment must be made no later than sixty days after the earliest date on which such amount can be ascertained under the Plan.

(b) If a Participant cannot be located (after reasonable effort), the Participant's Vested Share shall be forfeited and used as soon as administratively feasible to reduce future contributions by the Participant's Participating Employer. However, if the Participant is located, the amount forfeited shall be restored to the Participant in full unadjusted by any gains or losses. The Participant's Participating Employer shall make restoration where contributions were reduced under this subsection (b).

(c) If all or a portion of a Participant's Vested Share has been lost by reason of escheat under state law, the Participant shall cease to be entitled to the portion so lost.

Section 7.10. Qualified Domestic Relations Order. Notwithstanding the preceding provisions of this article, benefits and payments of benefits under the plan shall be altered to conform to a Qualified Domestic Relations Order.

Section 7.11. Withholding of Taxes.

(a) In the case of a disbursement, the Administrator shall direct the Trustee to withhold such tax as is required by law. Also, the Administrator or the Trustee upon the direction of the Administrator shall give to each person entitled to any such disbursement such notices regarding distributions or rollovers as are required by law.

(b) In the case of a disbursement to be made by means of an annuity contract purchased from a life insurance company, the Administrator shall direct the insurance company to withhold from each annuity payment such tax as is required by law, and the Administrator shall provide the insurance company with such information as may be required by law to enable the insurance company properly to withhold such tax.

Section 7.12. Direct Rollovers. Effective January 1, 1993, the following requirements apply to distributions:

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this provision, a "distributee" may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an "eligible rollover distribution" paid directly to an "eligible retirement plan" specified by the distributee in a "direct rollover."

(b) For purposes of implementing the requirements of this provision, certain terms contained in subsection (a) above shall be defined as follows:

(1) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other exception permitted by law or the Internal Revenue Service. Effective for distributions occurring after December 31, 1998, an eligible rollover distribution shall not include any hardship distribution described in Section 401(k)(2)(B)(i)(IV) of the Code.

(2) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(3) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(4) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

ARTICLE VIII.
Administration of the Plan

Section 8.1. Trustee. Except to the extent otherwise provided in Articles IX and X, the Trustee shall have the exclusive authority to manage and control the assets of the Trust Fund.

Section 8.2. Administrator. Toro shall be the Administrator unless the Chief Executive Officer of Toro (said Chief Executive Officer shall be a named fiduciary for purposes of ERISA and this Plan) designates a person or persons other than Toro as the Administrator. If said Chief Executive Officer designates a person or persons other than Toro as Administrator, such person or persons shall serve as Administrator pursuant to such procedures as said Chief Executive Officer may provide. Each such person shall be bonded as may be required by law. Said Chief Executive Officer or his or her delegate shall act for Toro in its capacity as Administrator.

Section 8.3. Administrative Duties and Powers. In addition to the duties and powers elsewhere in this Plan imposed and conferred upon the Administrator, the Administrator has the duty and power:

(a) To interpret and construe the provisions of the Plan;

(b) To determine the eligibility of Employees to participate in the Plan and to give eligible Employees timely notice thereof;

(c) To maintain records with respect to each Participant, upon the basis of any information furnished by the Participant’s Employer, by the Participant or by the Trustee, sufficient to determine the benefits due, or which may become due, to the Participant;

(d) To prepare and file with the appropriate agencies of the United States Government such reports as are required by law from time to time;

(e) To prepare and furnish to each Participant such reports and individual statements or other disclosures as are required by law from time to time;

(f) To maintain records containing the necessary basic information from which the foregoing instruments and reports may be prepared in sufficient detail so that their accuracy may be verified;

(g) To make available in its office, for examination during business hours by any Participant or Beneficiary, copies of all of the instruments under which the Plan has been established and is being operated and copies of all reports or other documents which are required by law to be made available to them;

(h) To furnish to any Participant or Beneficiary, upon receipt of a request thereof in writing or by another method required or made available by the Administrator and in return for payment of the reasonable cost thereof, a copy of any document required to be made available to them;

(i) To determine the right of any person to a benefit under the Plan, the amount thereof and the method and time or times of payment;

(j) To furnish to each Participant whose employment with a Participating or Related Employer is terminated in any manner, or who has a Break in Service, or who so requests, but no more frequently than once a Plan Year, a report sufficient to inform the Participant of the Participant's accrued benefits under the Plan and the percentage of those benefits that is Vested;

(k) To engage an independent qualified public accountant, as may be required by law, and such other advisors, counsel (including, at the discretion of the Administrator, counsel also consulted or employed by a Participating Employer), agents and employees as may be reasonably necessary to the administration of the Plan;

(l) To instruct the Trustee with respect to the disbursements from the Trust Fund;

(m) To serve as agent for the service of legal process upon the Plan along with the Trustee and any other person designated by the Chief Executive Officer of Toro or such officer's delegate; and

(n) To perform such other duties as the Chief Executive Officer of Toro or such officer's delegate may specify from time to time with regard to the administration of the Plan.

Section 8.4. Rule Against Discrimination. In the administration of the Plan, the Administrator shall never discriminate in any way in favor of Employees who are Highly Compensated Employees of a Participating Employer.

Section 8.5. Claims Procedure.

(a) A Participant or the Participant's spouse or Beneficiary shall have the right to submit a claim for benefits in writing or by another method permitted by applicable rules or regulations to the Claims Reviewer. The claim must specify the basis of it and the amount of the benefit claimed.

(b) The Claims Reviewer shall act to deny or accept said claim within ninety (90) days of the receipt of the claim by notifying the Participant or the spouse or the Beneficiary of the Claims Reviewer's action, unless special circumstances require the extension of such ninety (90) day period. If such extension is necessary, the Claims Reviewer shall provide the Participant or the spouse or Beneficiary with notification in writing or by another method permitted by applicable rules or regulations of such extension before the expiration of the initial ninety (90) day period. Such notice shall specify the reason or reasons for such extension and the date by which a final decision can be expected. In no event shall such extension exceed a period of ninety (90) days from the end of the initial ninety (90) day period.

(c) In the event the Claims Reviewer denies the claim of a Participant or the spouse or Beneficiary in whole or in part, the Claims Reviewer's notification in writing or by another method permitted by applicable rules or regulations shall specify, in a manner calculated to be understood by the claimant:

(1) the reason or reasons for denial;

(2) the specific section or sections of the Plan upon which the denial is based;

(3) a description of any additional material or information, if any, necessary for the claimant to perfect his or her claim, and an explanation as to why such information or material is necessary;

(4) a statement that the claimant will be provided, on request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits;

(5) an explanation of the claim review procedure specified in the Plan; and

(6) a statement of the claimant's right to bring a civil action pursuant to Section 502(a) of ERISA following a continued denial of the claimant's claim after appeal review.

(d) Should the claim be denied in whole or in part and should the claimant be dissatisfied with the Claims Reviewer's disposition of the claimant's claim, the claimant may have a full and fair review of the claim by the Administrator upon request therefor in writing or by another method permitted by applicable rules or regulations submitted by the claimant or the claimant's duly authorized representative and received by the Administrator within sixty (60) days after the claimant receives notification in writing or by another method permitted by applicable rules or regulations that the claimant's claim has been denied.

(e) In connection with such review in Subsection (d), the claimant or the claimant's duly authorized representative shall be entitled to review pertinent documents and submit the claimant's views as to the issues in writing or by another method permitted by applicable rules or regulations. The Administrator shall act to deny or accept the claim within sixty (60) days after receipt of the claimant's request in writing or by another method permitted by applicable rules or regulations for review unless special circumstances require the extension of such sixty (60) day period. If such extension is necessary, the Administrator shall provide the claimant with notification in writing or by another method permitted by applicable rules or regulations of such extension before the expiration of such initial sixty (60) day period.

(f) In all events, the Administrator shall act to deny or accept the claim within one hundred twenty (120) days of the receipt of the claimant's request for review in writing or by another method permitted by applicable rules or regulations. The action of Administrator shall be in the form of a notice in writing or by another method permitted by applicable rules or regulations to the claimant and its contents shall include all of the requirements for action on the original claim.

(g) In no event may a claimant commence legal action for benefits the claimant believes are due the claimant until the claimant has exhausted all of the remedies and procedures afforded the claimant by this section.

ARTICLE IX.
The Trust Fund

Section 9.1. Trust Fund. The Trustee appointed by the Chief Executive Officer of Toro under a Trust Agreement shall hold all assets of the Plan in a Trust. Such Trust Agreement shall contain provisions that are consistent with the terms of this article and Article X. The assets of the Trust shall constitute the Trust Fund.

Section 9.2. Source of Trust Fund. The Trustee shall hold in a Trust maintained pursuant to a Trust Agreement which it has entered into with Toro any contributions and other property received by it from or at the direction of a Participating Employer or the Administrator pursuant to the Trust Agreement.

Section 9.3. Payments from Trust Fund. The Trustee shall, within a reasonable length of time after receipt of written notice from the Administrator make such distributions from the Trust Fund as the

Administrator shall from time to time direct. Such payments may be made directly to such person or persons, natural or otherwise, at such time and in such amounts as the Administrator directs, and the Trustee shall have no duty, except as otherwise required by ERISA, to question the propriety of any such direction.

Section 9.4. Division of Trust Fund.

(a) The Chief Executive Officer of Toro may direct the Trustee from time to time to divide and redivide the Trust Fund into one, two or more Investment Funds with names that such officer shall designate. Upon each division or redivision, the Chief Executive Officer of Toro may specify the part of the Trust Fund to be allocated to each such Investment Fund and the terms and conditions, if any, under which the assets in such Investment Fund shall be invested. If an Investment Account is established pursuant to Section 10.3, the Chief Executive Officer of Toro shall direct that the Trust Fund be divided in such manner as to have the Investment Account constitute an Investment Fund pursuant to this section or a portion of such an Investment Fund.

(b) The Chief Executive Officer of Toro may specify that contributions from Participants that are attributable to Rollover Contributions or Pre-Tax Contributions shall not be invested in a fund that invests in securities of a Participating Employer. This may require setting up a separate Investment Fund for such contributions. In such case, or if the Participant otherwise desires to do so, the Chief Executive Officer of Toro shall provide that such contributions shall be invested in such a separate Investment Fund.

(c) The Chief Executive Officer of Toro may direct the Trustee to invest an Investment Fund in any contract or contracts issued by a life insurance company which shall be selected by the Chief Executive Officer of Toro. Such contract shall contain such terms and conditions as may be agreed upon by the Chief Executive Officer of Toro and said life insurance company. Such contract may provide for a guaranty by the life insurance company (for such period or periods of time as may be agreed upon) against loss of amounts which are invested under it and may also provide (for such period or periods of time as may be agreed upon) for one or more agreed rates of interest upon said amounts.

(d) The Chief Executive Officer of Toro may direct the Trustee to cause any part or all of the Trust Fund, without limitation as to amount, to be commingled with the money of trusts which are created by others (including trusts for qualified employee benefit plans), by it or them or by it or them in participation with others, by causing such money to be invested as a part of any or all of the pooled or collective investment funds heretofore or hereafter created by Declarations of Trust listed in Appendix A, which is attached hereto, and the portion of the Trust Fund so added to any such fund at any time shall be subject to all provisions of the applicable Declarations of Trust as it may be amended from time to time. The Declarations of Trust listed in Appendix A are specifically incorporated by this reference into this Plan. Such Appendix may be altered by the Chief Executive Officer of Toro or the Chief Executive Officer's delegate to properly list the pooled or collective investment funds which such person determines should be on the list.

(e) The Chief Executive Officer of Toro shall direct the Trustee to invest the assets of the Trust Fund attributable to Matching Contributions and assets attributable to similar contributions under The Toro Company Matching Stock Plan as it existed immediately prior to that date exclusively in Toro Common Stock (which may be acquired by contribution from Toro or purchase). Such direction shall be subject to any exceptions described in this Article IX. While it is intended that such assets of the Trust Fund be invested exclusively in Toro Common Stock, the Chief Executive Officer of Toro shall authorize the Trustee to invest any cash received under the Plan for a reasonable period of time prior to acquiring Toro Common Stock, invest such cash as may be necessary to distribute cash in lieu of fractional shares, or invest such cash as may be necessary too anticipate distributions to a Participants in cash. The Chief

Executive Officer of Toro shall also direct the Trustee to establish an Investment Fund which invests in Toro Common Stock and to permit each Participant to direct that up to 100% of the Participant's Trust Fund Share be invested in that fund. Up to 1,500,000 shares of Toro Common Stock may be awarded or allocated under the Plan as of dates after September 19, 2002, such number of shares to be adjusted as appropriate for events such as reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering or other like action.

(f) The assets of the stock bonus part of the Plan as reflected in the ESOP Accounts shall be invested under the Trust Fund primarily in Toro Common Stock. Up to one hundred percent (100%) of such the Trust Fund may be invested in Toro Common Stock. Up to 1,500,000 shares of Toro Common Stock may be awarded or allocated under the Plan as of dates after September 19, 2002, such number of shares to be adjusted as appropriate for events such as reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, or other like action.

Section 9.5. Participant Investment Options.

(a) As of each Investment Option Date, each Participant or Beneficiary may elect to have the Participant's or Beneficiary's Accounts in the Trust Fund, other than the Participant's Accounts attributable to contributions pursuant to Sections 4.2, 4.5 and 4.14 that have not been transferred to the Employer Contribution Account pursuant to Section 9.7, invested in one or more Investment Funds; provided, however, that the Administrator shall establish uniform rules as to the portion of an Account which may be invested in any one Investment Fund; and provided further, if any of the limitations of Section 9.4(b) are applicable, the Participant or Beneficiary may only elect to have amounts attributable to contributions described in that subsection invested as provided in such subsection. The Administrator may limit a class of Participants to selected Investment Funds. The Administrator may establish rules concerning elections made under this section, including but not limited to the number of elections which may be made by a Participant or Beneficiary during any period of time and the time or period on or for which an election will be effective. Until modified by the Administrator, a Participant or Beneficiary may make under this section at any time; provided, however, that the Administration may establish additional limitations on such elections made by any Participant who is subject to Section 16 of the Securities Exchange Act and the rules thereunder.

(b) Each election by the Participant or Beneficiary under subsection (a) shall be made by a method required or made available by the Administrator in time to permit transmittal of the election to the Trustee before the date as of which it is to become effective. Any such election shall continue in effect until a subsequent such election becomes effective. In the absence of a valid election, a Participant's or Beneficiary's Accounts in the Trust Fund shall be allocated to the Investment Funds in such percentages as shall be determined pursuant to rules established by the Administrator until a valid election becomes effective.

(c) A Participant's election under this section shall be applicable to the amounts that are included in the Participant's Accounts on the Investment Option Date as of which such election is effective. Any contributions to the Plan which are added to the Trust Fund following such Investment Option Date shall be subject to the same election unless a separate election is made by the Participant with respect to those contributions pursuant to rules established by the Administrator. Such elections shall remain effective until the Participant makes a new election or elections as of an Investment Option Date.

(d) The Administrator shall direct the Trustee to divide the Trust Fund in a manner which will allow the elections which are effective as of a date to be put into effect as of that date. The

Administrator shall give its directions to the Trustee within such time and in such manner as will give the Trustee time to carry out the directions on such Investment Option Date or during the period immediately following said Investment Option Period.

(e) Notwithstanding the previous provisions of this section, any Participant or Beneficiary who directs the investment of all or a portion of the Participant's or Beneficiary's Accounts in the Trust Fund in a contract as described in Section 9.4(c) may change, amend or suspend or cancel such direction and again direct such investment only under the terms and conditions provided for, from time to time, in such contract, and may withdraw such part of the Participant's or Beneficiary's Accounts which are invested in such contract only to the extent such withdrawal is permitted under the terms and conditions of such contract and this Plan.

(f) A Participant or Beneficiary who elects to invest any portion of the Participant's or Beneficiary's Accounts in the Trust Fund in Toro Common Stock consents to such portion being held as part of the stock bonus portion of the Plan that is an ESOP.

Section 9.6. Investment in and Retention of Life Insurance Contracts.

(a) The Trust Fund may not be used to purchase life insurance on the life of a Participant, the proceeds of which insurance upon the death of such Participant are or become payable directly or indirectly to such Participant's Beneficiary. However, the Trustee may hold such insurance in the Trust Fund if such insurance was an asset of a Prior Plan. In such case, such insurance shall be subject to the remaining provisions of this section.

(b) If the Trust Fund is used to purchase life insurance on the life of a Participant, the proceeds of which insurance upon the death of such Participant are or become payable directly or indirectly to such Participant's Beneficiary, then the assets in the Trust Fund shall be subject to the following conditions and limitations:

(1) The Administrator may direct the Trustee first to apply all or any part of the Rollover Contributions, which have previously been made allocable to one of the Participant's Accounts toward the premium cost of such insurance. If such a direction is made, no Trust Fund earnings, Employer contributions to the Trust Fund or forfeitures arising pursuant to Section 6.3 shall be applied toward the premium cost of such insurance unless such premium cost exceeds such Rollover Contributions.

(2) If any contributions made by a Participating Employer to the Trust Fund or forfeitures (attributable thereto) arising pursuant to Section 6.3 are used to pay the premium cost of such insurance, the following further conditions shall be applied:

(A) Upon the direction of the Administrator, the Trustee, at or before the date of said Participant's "retirement" (as such term is used in Revenue Ruling 54-51), shall either:

(i) convert the entire value of such insurance contract or contracts into cash and add the same to such Participant's Vested Share, or

(ii) convert such insurance contract or contracts into a form which will provide periodic income to the Participant in conformance with the provisions of Article VII such that no portion of such value may be used to continue life insurance beyond such date, or

(iii) distribute the insurance contract or contracts to the Participant, or

(iv) do any combination of the foregoing.

(B) At no time shall the premium paid with such contributions and forfeitures to purchase ordinary life insurance on the life of such Participant equal or exceed fifty percent (50%) of the total contributions of the Participating Employer and forfeitures (attributable thereto) then credited to the Accounts of the Participant. In the case of premiums paid for term and other life insurance contracts that are not ordinary life insurance, that percentage shall not exceed twenty-five percent (25%) of that total. Further, the sum of one-half of such ordinary life insurance premiums and the premiums on such term and other life insurance contracts shall not exceed twenty-five percent (25%) of that total. However, notwithstanding the previous provisions of this subparagraph (B), premiums for such insurance may always be paid from amounts in the Participant's Accounts which have been held since the last accounting date at least two years preceding the date of the premium payment.

(3) Any dividends or credits earned on such insurance contracts and received by the Trustee will be allocated to the appropriate Accounts of the Participant.

(4) Amounts attributable to a Participant's deductible voluntary employee contributions may not be used to purchase such insurance. The Administrator's instructions to the Trustee shall not be inconsistent with the foregoing restrictions.

(c) The Administrator shall direct the Trustee to select options and otherwise deal with such contracts in a manner that will assure that such contracts are disbursed in a manner consistent with Article VII of the Plan. In the event of any conflict between the terms of this Plan and the terms of any insurance contract acquired hereunder, the Plan provisions shall control.

(d) Individual life insurance or annuity contracts may be sold by the Trustee to a Participant, a relative of the Participant, a Participating Employer or an employee benefit plan, or may be sold or transferred to or exchanged with the Trustee by a Participant or a Participating Employer; provided, however, that any such sale, transfer or exchange must comply with any prohibited transaction exemptions issued by the Department of Labor or Department of the Treasury.

Section 9.7. Diversification of Investments.

(a) As of the end of each calendar quarter, each Participant who has attained age 55 will be permitted to direct the Plan as to the investment of 100 percent of the value of the portion of the Participant's Matching Contribution Account (including the Vested and non-Vested portions) and of 100 percent of the Participant's ESOP Toro Common Stock Account, to the extent the Participant has not previously been permitted to direct the investment thereof in accordance with Section 9.7(b). A Participant will not be allowed to direct the investment of the Participant's Matching Contributions or contributions pursuant to Section 5.1(f), (g), and (h) allocated during a calendar quarter after the Participant has attained age 55 until the subsequent calendar quarter.

(b) Effective as of June 1, 2003, a Participant or Beneficiary may direct the investment of the portion of a Participant's or Beneficiary's Matching Contribution Account and the Participant's or Beneficiary's Account attributable to contributions made pursuant to Sections 5.1(f), (g), and (h), other than amounts previously diversified pursuant to this Section 9.7, that exceed thirty percent (30%) of the total value of the Participant's or Beneficiary's total Account (including the Vested and non-Vested

portions), as determined at the end of each calendar quarter. Such amounts will continue to be invested in Toro Common Stock, but will be transferred to the Participant's or Beneficiary's Employer Contribution Account, and the Participant or Beneficiary can direct the investment thereof consistent with Section 9.5. Effective as of December 31, 2003, the thirty percent (30%) diversification threshold in the preceding sentence will be reduced to twenty-five percent (25%). Effective as of June 30, 2004, the twenty-five percent (25%) threshold in the preceding sentence will be reduced to twenty percent (20%).

(c) The requirements in this section shall be satisfied by offering the investment options made available under Section 9.5 of the Plan to each Participant with respect any portion of a Participant's Account described in subsections (a) or (b) above.

(d) The portion of a Participant's Account subject to the investment direction of the Participant as described in subsections (a) and (b) above shall be allocated to an appropriate Account of the Participant specified by the Administrator.

(e) All valuations of employer securities which are not readily tradable on an established securities market with respect to activities carried on by the Plan must be by an independent appraiser. For purposes of the preceding sentence, the term "independent appraiser" means any appraiser meeting requirements similar to the requirements of the regulations under Section 170(a)(1) of the Code.

(f) Notwithstanding anything herein to the contrary, the Trustee may sell sufficient shares of Toro Common Stock from a Participant's Account without direction as may be necessary to raise cash sufficient to meet the expenses of the Trust.

(g) Any Participant who has incurred a Termination of Service will be permitted to direct the Plan as to the investment of the value of the Participant's Vested Share in a manner consistent with the requirements of this Section 9.7 as if the Participant had not incurred a Termination of Service.

Section 9.8. Voting of Shares and Tender Offers.

(a) Each Participant or Beneficiary in the Plan is entitled to direct (in accordance with procedures established by the Administrator) the Plan as to the exercise of voting rights with respect to the shares of Toro Common Stock (including fractional shares) allocated to the Account of such Participant or Beneficiary. Toro shall provide to each Participant or Beneficiary, who shall be considered named fiduciaries solely for the purpose of pass through voting and tender offer rights described in subsection (c) with respect to Toro Common Stock held by the Plan, necessary and accurate information pertaining to the exercise of such rights containing all the information distributed to Toro's shareholders as part of an information distribution to the shareholders (this information may include proxy materials and copies of tender offer materials furnished to security holders generally). A Participant or Beneficiary shall have the opportunity to exercise any such rights within the same time period as Toro's shareholders.

(b) In the exercise of voting rights, votes representing shares of Toro Common Stock either (1) held in a suspense account for Toro Common Stock, or (2) on account of which Participant's may direct the exercise of voting rights, but do not, shall be voted by the Trustee in the same ratio for the election of directors and for and against each other issue as the applicable vote directed by Participants with respect to shares of Toro Common Stock allocated to their Accounts to the extent permitted by Section 404(a)(1)(D) of ERISA.

(c) In the event of any tender offer or exchange offer regarding Toro Common Stock, the Trustee's response to those offers with respect to any such stock which has been allocated to the Accounts of Participants shall be made in accordance with directions made by Participants under the terms of the

Plan; provided that the Trustee's positive and negative responses to those offers with respect to shares of Toro Common Stock held in a suspense account, or shares of Toro Common Stock allocated to the Accounts of Participants for which the Trustee does not receive direction under the terms of the Plan shall be proportionate to the positive and negative responses to those offers (tabulated in terms of shares) received from Participants regarding shares of such stock allocated to their Accounts in a manner consistent with this Section 9.8 and Section 404(a)(1)(D) of ERISA.

(d) A Participant shall be entitled to direct the Trustee regarding whether or not to tender or exchange any shares of Toro Common Stock allocated to the Participant's Account in the event of a tender offer or exchange offer presented to the Trustee. The procedure for obtaining that direction from a Participant shall be as follows:

(1) Necessary and accurate information for the Participant to make a decision shall be provided by the Trustee to the Participant.

(2) Steps shall be taken to assure that the Participant's decision is confidential within the meaning of Section 203 of Delaware's General Corporation Law (the information is to be made available only to the Trustee).

(3) The Administrator shall establish any additional procedural steps as may be appropriate to obtain directions from the Participant to the Trustee.

Section 9.9. Loans to Acquire Toro Common Stock.

(a) The Trustee shall be authorized and empowered to borrow funds from any lender (except as otherwise provided by ERISA, the Code, or any Regulations thereunder) upon such terms, for such periods of time, and at such reasonable rate of interest as it deems proper (subject to the provisions of this section), and for such security as it deems proper and as is allowed by this section, in order to acquire Toro Common Stock, but it shall exercise such power only as and to the extent directed by the Administrator. Any loan obtained pursuant to this section must be primarily for the benefit of the Participants and their Beneficiaries.

(b) Shares of Toro Common Stock purchased with the proceeds of a loan described in this section, or used as collateral for a prior loan described in this section which was repaid with the current loan described in this section, are the only assets of the Trust Fund which may be used as collateral for such loan. The terms of such loan shall contain a formula which shall provide for the release from encumbrance of Toro Common Stock used as collateral. The formula must provide that for each Plan Year throughout the duration of the loan, the number of shares of Encumbered Toro Common Stock to be released shall be equal to either:

(1) the number of shares of Encumbered Toro Common Stock held immediately before release for the applicable Plan Year multiplied by a fraction, the numerator of which is the amount of principal and interest payments allocated to such Plan Year and the denominator of which is the sum of the numerator plus the principal and interest payments allocated to all future Plan Years, or

(2) a number of shares computed with reference to the repayment of the principal of such loan; provided, however, under this paragraph (2), the following rules shall be applicable:

(A) the loan must provide for annual payments of principal and interest at a cumulative rate that is not less rapid at any time than level annual payments of such amounts for ten years;

(B) interest shall only be disregarded to the extent it would be considered interest under standard loan amortization tables; and

(C) this paragraph (2) shall cease to be applicable and paragraph (1) shall be applicable from the time that, by reason of a renewal, extension or refinancing, the sum of the expired duration of the loan, the renewal period, the extension period, and the duration of the new loan exceeds ten years.

(c) The terms of a loan described in this section shall also provide that in case of default with respect to such loan, the total Toro Common Stock Value of Toro Common Stock (as of the date of transfer) which may be transferred to the lender in satisfaction of such loan shall not exceed the amount of such default. In addition, if the lender (a guarantor of the loan shall not be considered a lender for purposes of this subsection (c)) is a “disqualified person” (a person is a “disqualified person” if the person has such a relationship to the Plan or a Participating Employer as to be considered a disqualified person with respect to the Plan pursuant to Section 4975(e)(2) of the Code), the loan must provide for such a transfer only upon and to the extent of the failure of the Trust to meet the payment schedule of the loan.

(d) In addition to the pledging of collateral as provided in this section, the Participating Employer, except as otherwise provided by ERISA, the Code, or the regulations thereunder, may guarantee repayment of said loan.

(e) Toro Common Stock purchased with the proceeds of a loan described in this section shall be held in the Toro Common Stock Suspense Account by the Trustee until released from such Account pursuant to the terms of such loan. Toro Common Stock released pursuant to such terms shall be allocated to the individual accounts of Participants in accordance with the applicable provisions of the Plan.

(f) The Toro Common Stock purchased with the proceeds of a loan made pursuant to this section and held in the Toro Common Stock Suspense Account pursuant to subsection (e) shall be treated as an asset of the Trust Fund and the Plan except that such Toro Common Stock shall be segregated from other assets of the Trust Fund. In the discretion of the Trustee, subject to the direction of the Administrator, income from such Toro Common Stock, including dividends and other income, shall be used to repay such loan, paid to Participants or their Beneficiaries, or paid to the Plan and distributed to the Participants or their Beneficiaries as provided in Section 404(k) of the Code and under this Plan.

(g) Any loan made pursuant to this section must meet the additional following requirements:

(1) The proceeds of such loan must be used, within a reasonable time but not later than any applicable time period prescribed under the Code or ERISA, or the Regulations thereunder, by the Trustee to acquire Toro Common Stock, to repay such loan or to repay a prior loan obtained pursuant to this section.

(2) Such loan must be without recourse against the Plan or Trust.

(3) The terms of the loan must provide that:

(A) Neither the lender nor any other person entitled to any payment under the loan shall have any right to the assets of the Trust other than:

(i) the collateral for the loan as provided in this section;

(ii) the portion of Employer Contributions (other than Toro Common Stock) which are made under the Plan to meet the obligations of the Plan or Trust under the loan; and

(iii) any earnings attributable to such collateral and the investment of such portion of Employer Contributions.

Such portion of Employer Contributions and such earnings must be accounted for separately by the Trustee until loan is repaid.

(B) Payments made with respect to such loan during any Plan Year must not exceed an amount equal to the sum of Employer Contributions and earnings as are described in subsection (A) and as are received during such Plan Year or prior Plan Years less such payments made in prior Plan Years.

(h) The prior provisions of this section are intended to provide guidance to the Administrator and the Trustee as to the steps to be taken to assure that a loan described in this section will not result in the imposition of any excise tax, as provided for in Section 4975 of the Code. To the extent additional or other steps need the taken to prevent the imposition of such excise tax, the Trustee is authorized to take such steps, subject, however, to the direction of the Administrator.

ARTICLE X.
Investment Advisers

Section 10.1. Appointment of Investment Advisers. The Chief Executive Officer of Toro shall have the right to appoint one or more Investment Advisers. All appointments of Investment Advisers shall be by written agreement between Toro and the Investment Adviser. The Trustee shall receive a copy of each such agreement and all amendments, modifications and terminations thereof and shall give written acknowledgment of receipt of same. Until receipt of a copy of each such amendment, modification or termination, the Trustee shall be fully protected in assuming the continuing authority of such Investment Adviser under the terms of its original agreement with Toro as theretofore amended or modified.

Section 10.2. Investment Adviser Agreements. Among other matters, each agreement between Toro and an Investment Adviser or an agreement between the Investment Adviser and the Trustee shall provide that:

(a) All directions given by the Investment Adviser to the Trustee shall be in writing, signed by an officer or partner of the Investment Adviser or by such other person as may be designated in writing by the Investment Adviser; provided that the Trustee shall accept oral directions for the purchase or sale of securities which shall be confirmed by such authorized personnel of the Investment Adviser in writing.

(b) Should the Investment Adviser find it desirable, it shall receive a power of attorney from the Trustee, in such form and substance as may be approved by the Trustee and the Chief Executive Officer of Toro, authorizing the Investment Adviser to effect transactions directly for its Investment Account.

(c) All settlements of purchases and sales are to be in such place as the Trustee and Investment Adviser may agree.

(d) In all events the Trustee is to retain physical custody of all assets comprising an Investment Account, or control of all such assets at central depositories including the Federal Reserve banks (unless that custody is not required by ERISA).

(e) Payment of the cost of the acquisition, sale or exchange of any security or other property for an Investment Account shall be charged to that Investment Account.

(f) The responsibility of the Investment Adviser to vote proxies shall be recognized unless the agreement expressly precludes the Investment Adviser from voting proxies.

(g) The Investment Adviser acknowledges that it is a "fiduciary" of the Plan and that for the term of the agreement it will qualify as an "investment manager" (as both of said terms are used in ERISA).

Section 10.3. Notification of Appointment of Investment Advisers. Written notice of each appointment of an Investment Adviser shall be given to the Trustee at least ten days in advance of the effective date of the appointment. Such notice shall state the part of the Trust Fund which is to become the Investment Account of the Investment Adviser and shall either include or be accompanied by a direction to the Trustee to establish the Investment Account as an Investment Fund pursuant to Section 10.1. Upon receipt of said notice, the Trustee shall allocate the designated part of the Trust Fund to the Investment Account of such Investment Adviser. The Chief Executive Officer of Toro may by similar notice modify such designation from time to time.

Section 10.4. Investment Adviser's Authority. So long as the appointment of an Investment Adviser is in effect, the Trustee shall be directed to follow the directions of the Investment Adviser with respect to its Investment Account in exercising the powers granted to the Trustee in the Trust Agreement regarding investment of the Trust Fund. One of those powers is voting proxies; however, the Investment Adviser won't have that power if the agreement described in Section 10.2 expressly precludes the Investment Adviser from voting proxies (and the Trustee shall have the power).

Section 10.5. Trustee's Responsibility for Investment Adviser's Account. The Trustee shall monitor all instructions from the Investment Adviser and shall notify the Administrator in the event that it considers any instruction to involve an improper investment of the Trust Fund. However, the Trustee shall have no further duty to question such instructions and, except as may be otherwise provided by ERISA, the Trustee shall not be liable for any loss which may result by reason of any action taken by it in accordance with a direction of an Investment Adviser acting within the powers granted to it under this Article X, or by reason of any lack of action by the Trustee upon the failure of an Investment Adviser to exercise its said powers.

Section 10.6. Investment Adviser's Access to Records. The Trustee shall make available to an Investment Adviser copies of or extracts from such portions of its accounts, books or records relating to the Investment Account of such Investment Adviser as the Trustee may deem necessary or appropriate in connection with the exercise of the Investment Adviser's functions, or as the Administrator may direct.

Section 10.7. Allocation of Charges to Investment Adviser Account. All charges (other than those covered in Section 10.2(e)) against each Investment Account shall be made in such proportions as the Administrator may direct from time to time.

ARTICLE XI.
Amendment

Section 11.1. Power.

(a) Toro reserves the power to amend, alter or wholly revise this instrument, prospectively or retrospectively, at any time by the action of its Chief Executive Officer or such officer's delegate, and the interest of each Participant is subject to the power so reserved. No amendment may be made, however, that would reduce the interest in the Trust Fund Vested in any Participant or the Participant's Beneficiary at the time of the amendment (elimination of an optional form of benefit available to a Participant with respect to the Participant's benefits accrued before the amendment is considered to be such a reduction), or that would divert any part of the Trust Fund to any use or purpose other than for the exclusive benefit of the Participants and Beneficiaries; provided, however, that any amendment may be made which may be or become necessary in order that the Plan and Trust will conform to the requirements of ERISA and qualify under the provisions of Sections 401(a) and 501(a) of the Code (as it may be amended from time to time), or in order that all of the provisions of the Plan and Trust will conform to all valid requirements of applicable federal and state laws.

(b) An amendment of this Plan by whatever means must not reduce or eliminate a benefit under the Plan, protected under Section 411(d)(6) of the Code, unless permitted to do so under applicable regulations. To the extent that such an amendment would cause such a reduction or elimination, the Administrator shall disregard the amendment and maintain an appropriate schedule of optional forms of benefit which shall continue to be available to the affected Participants.

Section 11.2. Method. An amendment shall be stated in an instrument in writing signed in the name of Toro by its Chief Executive Officer or such officer's delegate.

Section 11.3. Amendment of Vesting Schedule.

(a) If a Participating Employer when it adopts this Plan modifies the vesting schedule or the method of computing service for vesting purposes under a Prior Plan, a Participant who was a participant in such Prior Plan and who has not less than three (3) years of service for vesting purposes by the end of the period described in subsection (c) shall be provided the opportunity to make the election described in subsection (b) within said period. In addition, if Toro modifies the vesting schedule or the method of computing service for vesting purposes by amending the Plan, a Participant having not less than three (3) years of such service by the end of the period described in subsection (c) shall be given the opportunity to make the election described in subsection (b) within said period. For Participants who do not have at least one hour of service in any Plan Year beginning after December 31, 1988, this provision shall be applied by substituting "5 years of Vesting Service" for "3 years of Vesting Service" where such language appears.

(b) A Participant described in subsection (a) may elect to have the Participant's Vested percentage of the portion of the Participant's Trust Fund Share attributable to the Participant's Accounts which are not fully Vested computed under the Prior plan or under this Plan as it existed prior to the amendment of the Plan, whichever is applicable. An election made under this subsection (b) shall be irrevocable when it is made.

(c) In order for the election described in subsection (b) to be effective, it must be executed in writing upon forms to be provided by the Administrator or made by another method required or made available by the Administrator and must be delivered to the Administrator on or after the effective date of

adoption of the Plan by the Participating Employer or the date the Plan is amended (whichever is applicable) and before the latest of:

(1) the date which is sixty (60) days after said effective date or the day the Plan is so amended,

(2) the date which is sixty (60) days after said effective date or the day the new amendment becomes effective; or

(3) the date that is sixty (60) days after the day the Participant is issued written notice by the Administrator of said adoption of the Plan or amendment of the Plan.

(d) The preceding provisions of this section shall not be applicable if after the modification described in Section 11.3(a) each Participant will always be at least as Vested at any point in time on or after the modification as the Participant would have been without the modification.

ARTICLE XII.
Termination, Withdrawals and Acquisitions

Section 12.1. Termination of Plan, Withdrawals and Discontinuance of Contributions.

(a) Toro now intends the Plan to be permanent; nevertheless, it reserves to its Chief Executive Officer or such officer's delegate the power to terminate the Plan as to itself and any or all other Participating Employers and as to any designated group of Employees, former Employees or Beneficiaries. If there are any Participating Employers other than Toro, Toro shall deliver to each other Participating Employer a written notice of termination specifying the effective date thereof (which shall not be less than thirty days after the notice date) and executed in the manner provided for the execution of an amendment by Toro.

(b) Any Participating Employer (other than Toro) may withdraw from participation in the Plan at the end of any Plan Year by giving the Administrator thirty days' written notice. The Administrator may terminate the participation in the Plan of any Participating Employer (other than Toro) by giving the Participating Employer thirty days' written notice. Such withdrawal or termination may be a termination of the Participating Employer's plan as maintained under this Plan (this could occur if the Participating Employer is not (has ceased to be) a Related Employer of Toro) unless such plan is continued under documents other than this Plan by the Participating Employer or by an acquiring Employer described in Section 12.4.

(c) A complete discontinuance of contributions under the Plan by all Participating Employers shall be deemed a termination of the Plan as to such Participating Employers unless the Plan is continued under documents other than this Plan by the Participating Employers or by an acquiring Employer described in Section 12.4. If a Participating Employer maintains its own plan under this Plan because it is not (has ceased to be) a Related Employer of Toro, a complete discontinuance of contributions under such plan by such Participating Employer shall be deemed a termination of such plan as to such Participating Employer unless such plan is continued under documents other than this Plan by the Participating Employer or by an acquiring Employer described in Section 12.4.

(d) In the event that all of the Participating Employers should be dissolved and liquidated, or should be adjudged as voluntarily or involuntarily bankrupt, or should participate in a consolidation, merger or other corporate reorganization as a result of which the new, surviving or reorganized corporation or corporations does not or do not assume or continue the obligations of the Plan, or should

have its or their corporate existence terminated in any other way, than the Plan shall terminate. If a Participating Employer maintains its own plan under this Plan because it is not (has ceased to be) a Related Employer of Toro, and if the prior sentence would apply to it if it was the only Participating Employer, then such plan shall be deemed to have terminated. In either case described in the prior two sentences, any new, surviving or reorganized corporation shall have the power to continue such plan or the Plan, whichever is applicable, as its own (and thus prevent termination) as provided in Section 12.4.

Section 12.2. Allocation Upon Termination. Upon the termination of the Plan as to a Participating Employer, any previously unallocated funds which are part of the Trust Fund and are allocable to Active Participants who are Employees of the Participating Employer shall be allocated to such Active Participants as provided in Articles V and VI as of the date of termination of the Plan as to that Participating Employer. If a Participating Employer maintains its own plan under this Plan because it is not (has ceased to be) a Related Employer of Toro, and such plan is terminated as described in Section 12.1, then the prior sentence shall apply to such plan.

Section 12.3. Distribution Upon Termination or Complete Discontinuance of Contributions.

(a) Upon the complete termination of the Plan or the complete discontinuance of contributions under the Plan, the respective interests of the Participants in the Trust Fund shall fully vest, and the Trustee shall proceed to liquidate the Trust Fund, distributing benefits to the Participants or their Beneficiaries as soon as administratively feasible after the termination of the Plan, unless benefits are transferred to a successor plan. The Trustee shall reserve such amounts as may be required to pay any expenses of termination, liquidation and distribution, and shall then segregate each Participant's Trust Fund Share in a special account. Each such Share shall be distributed to such Participant or the Participant's Beneficiary. The method and commencement date of distribution shall be determined as provided in Section 7.2 and Section 7.3, respectively.

(b) If a Participating Employer maintains its own plan under this Plan because it is not (has ceased to be) a Related Employer of Toro, and such plan is terminated as described in Section 12.1, then the prior provisions of this section shall apply to such plan and the portions of the Trust Fund and Trust Fund Share's of Participants affected by the termination.

(c) Upon a partial termination of the Plan, the foregoing provisions of this section shall apply, but only as to those Participants and to that portion of the Trust Fund affected by the termination.

Section 12.4. Acquisitions. If all, or substantially all, of the Employees of a Participating Employer or all, or substantially all, of the Employees constituting a separate or separable unit of operation of a Participating Employer, are transferred directly to the employment of another corporation, partnership or individual proprietorship (in this paragraph called "Buyer"), which, as a part of the same transaction, acquires either all, or substantially all, of the operating assets of a Participating Employer or all, or substantially all, of the operating assets that constitute, together with the Employees, a separate or separable unit of operation, such Buyer with the consent of the Administrator may adopt and may amend the Plan with respect to the transferred Employees and continue the Plan as its own. Alternatively, such Buyer may adopt a separate plan of its own for such transferred Employees or provide that such Employees shall be covered by an existing plan of the Buyer's, in which case, notwithstanding the distribution provisions of Article VII, the Administrator may direct that the portion of the Trust Fund allocable to such transferred Employees be segregated and transferred to a medium designated by such Buyer for the funding of its plan.

ARTICLE XIII.
Top Heavy Rules

Section 13.1. Effective Period of Article XIII. This Article XIII is to be effective for Plan Years commencing after December 31, 1997. Notwithstanding the prior provisions of this Plan, the provisions of this Article XIII shall govern during a Plan Year (and for subsequent Plan Years if so specified) in the event that the Plan is a Top Heavy Plan for that Plan Year. This Article XIII shall not apply to Covered Employees who are part of a unit of Employees covered by a collective bargaining agreement which meets the requirements of Section 7701 (a)(46) of the Code provided that the retirement benefits under the Plan were the subject of good faith bargaining. Important definitions used in this Article are described in the last section of the Article.

Section 13.2. Minimum Allocation. If this Plan is a Top Heavy Plan for a Plan Year with respect to a Participating Employer, a different allocation of the Participating Employer's contributions to the Plan may have to be made than provided in the previous provisions of this Plan, subject to the following rules:

(a) Notwithstanding Section 5.1 of the Plan and subject to the remaining provisions of this section, the allocation of the Participating Employer's contribution for such Plan Year shall be altered as necessary to assure that the allocation on behalf of each Considered Employee is not less than the lesser of (1) three percent (3%) of the Considered Employee's Credited Compensation or (2) the percentage of Credited Compensation contributed for that Plan Year on behalf of the Key Employee who has the highest such percentage contributed on the Key Employee's behalf.

(b) If the Participating Employer or a Related Employer of that Participating Employer maintains another defined contribution plan which provides for a minimum contribution or allocation which partially or wholly satisfies the minimum contribution requirement for Top Heavy defined contributions plans (as it may be modified by Section 416(h)(2) of said Code), the minimum allocation required by the previous subsection shall be reduced to a level at which said requirement is met.

(c) Effective for years beginning after December 31, 1988, elective contributions, as described in Section 401(k) of the Code, on behalf of Key Employees are taken into account in determining the minimum required contribution under Section 416(c)(2) of the Code. However, elective contributions on behalf of employees other than Key Employees may not be treated as Employer contributions for purposes of the minimum contribution or benefit requirement of Section 416 of the Code. Also, Matching Contributions may not be treated as Employer contributions for that purpose.

A Participant will be required to be employed on the last day of a Plan Year in order to be entitled to benefit provided by this Section. The Plan may not satisfy the requirements of this Section through Employer contributions to Social Security.

Section 13.3. Limitation on Benefits. If the Plan is a Top Heavy Plan with respect to a Participating Employer and the Participating or a Related Employer of that Participating Employer maintains a defined benefit plan in addition to this Plan, the limits on allocations described in Section 5.3 of the Plan shall continue to be applicable to the Participant provided, however, that the "defined benefit plan fraction" and "defined contribution plan fraction" referred to in that section shall be modified by substituting "1.0" for "1.25" where it appears in those definitions in the event that the Plan is a Super Top Heavy Plan or such modification is otherwise required by Section 416(h)(1) of the Code. Further, the Administrator may, in calculating the defined contribution plan fraction, elect to apply the transitional rule described in Section 415(e)(7) of the Code and Section 5.3(c)(1)(C) of the Plan only as modified (if modified) by Section 416(h)(4) of said Code ($41,500 is substituted for $51,875 in the transition fraction

described in Section 5.3(c)(1)(C). The transition rule provided in Section 5.3(c) and this section will cease to be effective for limitation years (as defined in Section 5.3(a)(4) of the Plan) beginning after December 31, 1999, with respect to each Participant who incurs one Hour of Service for a Participating Employer or Related Employer in one of those limitation years.

Section 13.4. Compensation. In the event that the Plan is a Top Heavy Plan with respect to a Participating Employer for a Plan Year, the Compensation of an Employee which may be taken into account under the Plan for that Plan Year shall not exceed One Hundred Fifty Thousand Dollars ($150,000), provided that that limit shall be increased to conform to any cost of living adjustment made to the limit by the Secretary of the Treasury or the Secretary's delegate. Subsequent to 1993 under this and the Prior Plans, the amount of Compensation that may be taken into account will be the same as defined in the definition of Compensation.

Section 13.5. Definitions. The terms defined in this Section, when used in this Article XIII with initial capital letters have the following meanings unless the context clearly indicates that other meanings are intended:

(a) Accrued Benefit. "Accrued Benefit" means the amount of benefit which a person has accrued under a defined benefit plan through a specific date.

(b) Considered Employee. For any Plan Year, a "Considered Employee" is an Employee of a Participating Employer who is not a Key Employee of that Employer and is either a Qualified Employee of the Participating Employer or one of a group of Employees of a Participating Employer who would have been Qualified Employees but failed to complete the required number of Hours of Service to be Qualified Employees.

(c) Credited Compensation. "Credited Compensation" means, effective for Plan Years beginning after December 31, 1988, compensation as defined in Section 415(c)(3) of the Code, but including amounts contributed by a Participating Employer pursuant to a salary reduction agreement which are excludable from the Participant's gross income under Sections 125, 402(e)(3), 402(h), or 403(b) of the Code. For Plan Years beginning on and after January 1, 2001, Credited Compensation shall include elective amounts that are not includible in the gross income of the employee by reason of Section 132(f)(4) of the Code.

(d) Determination Date. "Determination Date" for a plan year of a plan means the last day of the plan's preceding plan year or, in the case of the first plan year of a plan, the last day of such plan year.

(e) Five Percent Owner. "Five Percent Owner" means either:

(1) if the Employer is a corporation, any person who owns (or is considered as owning within the meaning of Section 318 of the Code) more than five percent (5%) of the outstanding stock of the corporation or stock possessing more than five percent (5%) of the total combined voting power of all stock of the corporation, or

(2) if the Employer is not a corporation, any person who owns more than five percent (5%) of the capital or profits interest in the Employer.

(f) Key Employee. A "Key Employee" is any Employee or former Employee (and the Beneficiaries of such Employee) of a Participating Employer who at any time during the "determination period" was an officer of the Participating Employer or one of its Related Employers having Credited Compensation in excess of fifty percent of the dollar limitation under Section 415(b)(1)(A) of the Code,

an owner (or considered an owner under Section 318 of the Code) of one of the ten largest interests (if two individuals have the same interest, the individual having the greatest annual Credited Compensation shall be treated as having the largest interest) in the Participating Employer and its Related Employers if such individual's Credited Compensation from those Employers exceeds the dollar limitation under Section 415(c)(1)(A) of the Code, a Five Percent Owner of the Participating Employer or one of its Related Employers, or a one percent (1%) owner of the Participating Employer or one of its Related Employers who has an annual Credited Compensation of more than $150,000 from the Participating Employer and its Related Employers. The "determination period" is the Plan Year in which the "Determination Date" occurs and the four preceding Plan Years. The determination of whom is a Key Employee shall be made in accordance with Section 416(i)(1) of the Code as applied to Employees of the Participating Employer or its Related Employers.

(g) Present Value of Accrued Benefit.

(1) The "Present Value of Accrued Benefits" of a participant under a defined benefit plan as of the plan's Determination Date is the present value of that participant's Accrued Benefit as of the Valuation Date which falls within a 12 month period ending on the Determination Date. It shall be determined as if the participant incurred a Termination of Service as of the Valuation Date. Further, the amount shall be determined by an actuary selected by Toro using reasonable actuarial assumptions. The assumptions used must be the same for two or more defined benefit plans which are being aggregated with this Plan for testing whether it is a Top Heavy Plan, but need not be the same as actuarial assumptions used for funding or equivalence calculations under those plans. Interest and post-retirement mortality assumptions must be used and pre-retirement mortality and future increases in cost of living may also be assumed. Assumptions as to future withdrawal or future salary increases may not be used.

(2) The "Present Value of Accrued Benefits" of a participant under a defined contribution plan as of its Determination Date is the sum of (A) the participant's individual account balance as of the most recent Valuation Date occurring within a 12 month period ending on the Determination Date and (B) any contributions due to be allocated to the participant's account balance as of the Determination Date.

(3) The Accrued Benefit of a Participant other than a Key Employee shall be determined for Plan Years beginning after 1986 under the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the aggregate group described in the Top Heavy Plan definitions, or, if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.

(h) Super Top Heavy Plan. "Super Top Heavy Plan" means a plan which would be considered a Top Heavy Plan even if the figure "Ninety Percent (90%)" were substituted for the figure "Sixty Percent (60%)" in each place that the latter figure appears in the definition of Top Heavy Plan.

(i) Top Heavy Plan. A determination of whether or not this Plan is a "Top Heavy Plan" with respect to a Participating Employer for a Plan Year shall be made as of the Determination Date for that Plan Year as follows:

(1) The Participating Employer and its Related Employers shall be treated as one employer (referred to as the "Participating Employer") for purposes of determinations made under this subsection.

(2) If this Plan is not aggregated with other plans in accordance with the following subsections, it shall be considered a Top Heavy Plan with respect to a Participating Employer if the Present Value of Accrued Benefits under the Plan for Key Employees of the Participating Employer exceeds sixty percent (60%) of the Present Value of Accrued Benefits under the Plan for all Employees (and their beneficiaries) of the Participating Employer.

(3) If the Participating Employer maintains any other defined benefit or defined contribution plans in which a Key Employee of the Participating Employer participates or maintains any such plans which permit this Plan to meet the coverage requirements of Section 401(a)(4) or Section 410 of the Code, then such plans shall be aggregated with this Plan for purposes of determining whether the Plan is a Top Heavy Plan.

(4) In addition to the required aggregation just described, the Participating Employer may aggregate other defined contribution and defined benefit plans with this Plan which are maintained by the Participating Employer if such permissive aggregation thereby eliminates the status of this Plan as a Top Heavy Plan under the following subsection and if the aggregated plans would continue to meet the requirements of Sections 401(a)(4) and 410 when taking the plans into account together.

(5) This Plan shall be considered a Top Heavy Plan with respect to a Participating Employer only if the sum of the Present Values of Accrued Benefits for Key Employees of the Participating Employer under all defined benefit and defined contribution plans included in a group of plans aggregated in accordance with the preceding subsections exceeds sixty percent (60%) of a similar sum for all Employees (and their beneficiaries) of the Participating Employer. Said present values shall all be determined as of the Determination Dates which fall within the calendar year that this Plan's Determination Date falls.

(6) For purposes of determining a Participant's Present Value of Accrued Benefits under a defined contribution or defined benefit plan, such present value shall be increased by the aggregate distributions made with respect to such Participant under the plan during the five year period ending on the plan's Determination Date. The preceding sentence shall also apply to distributions under a terminated plan that if it had not been terminated would have been included in an aggregation group.

(7) For purposes of this subsection, the Present Value of Accrued Benefits for an Employee who was a Key Employee but is no longer a Key Employee shall not be taken into account.

(8) Adjustment shall be made to the Present Values of Accrued Benefits to account for rollovers and plan to plan transfers. In the case of unrelated rollovers and transfers, which are those initiated by an individual and made from a plan maintained by one Employer to a plan maintained by another Employer, the plan making the distribution counts it as a distribution for purposes of subsection (i)(6) of this section, and the plan accepting the distribution does not consider the distribution part of the Accrued Benefits under that plan if such distribution was accepted after December 31, 1983, but considers it part of said Accrued Benefits if the distribution was accepted on or prior to December 31, 1983. In the case of related rollovers and transfers, which are those either not initiated by an individual or made to a plan maintained by the same Employer, the plan providing the distribution does not count the distribution as a distribution under subsection (i)(6) of this section and the plan accepting the distributed amount counts the distribution as part of the Accrued Benefits under the plan.

(9) For Plan Years beginning after December 31, 1984, the Accrued Benefit of an Employee who has not performed any service for the Participating Employer during the five year period ending on the Determination Date is excluded from the determination made under this subsection.

(j) Valuation Date.

(1) "Valuation Date" in the case of a defined contribution plan means a date on which individual accounts are valued.

(2) In the case of a defined benefit plan, "Valuation Date" means the date on which plan costs are determined for purposes of the minimum funding rules under ERISA.

ARTICLE XIV.
Miscellaneous

Section 14.1. Procedures and Other Matters Regarding Domestic Relations Orders.

(a) To the extent provided in any Qualified Domestic Relations Order, the former spouse of a Participant shall be treated as a surviving spouse of such Participant for purposes of any benefit payable in the Qualified Joint and Survivor Annuity Form or as a death benefit to a spouse under Section 7.5(b) (and any spouse of the Participant shall not be treated as a spouse of the Participant for such purposes).

(b) The Plan shall not be treated as failing to meet the requirements of the Code which prohibit payment of benefits before the Participant's Termination of Employment with all Participating Employers solely by reason of payments to an Alternate Payee pursuant to a Qualified Domestic Relations Order.

(c) In the case of any Domestic Relations Order received by the Plan:

(1) the Administrator shall promptly notify the Participant and each Alternate Payee of the receipt of such order and the Plan's procedures for determining the qualified status of Domestic Relations Orders, and

(2) within a reasonable period after receipt of such order, the Administrator shall determine whether such order is a Qualified Domestic Relations Order and notify the Participant and each Alternate Payee of such determination.

The Administrator shall establish reasonable procedures to determine the qualified status of Domestic Relations Orders and to administer distributions under such qualified order.

(d) During any period in which the issue of whether a Domestic Relations Order is a Qualified Domestic Relations Order is being determined by the Administrator, by a court of competent jurisdiction, or otherwise, the Administrator shall separately account for the amounts (referred to hereinafter as the "segregated amounts") which would have been payable to the Alternate Payee during such period if the order had been determined to be a Qualified Domestic Relations Order. If within the eighteen (18) month period beginning with the date on which the first payment would be required to be made under the Domestic Relations Order, the order or modification thereof is determined to be a Qualified Domestic Relations Order, the Administrator shall pay the segregated amounts (including any interest thereon) to the person or persons entitled thereto. If within that eighteen (18) month period either (1) it is determined that the order is not a Qualified Domestic Relations Order or (2) the issue as to whether such order is a Qualified Domestic Relations Order is not resolved, then the Administrator shall pay the segregated amounts (including any interest thereon) to the person or persons who would have been entitled to such amounts if there had been no order. Any determination that an order is a Qualified Domestic Relations Order which is made after the close of that eighteen (18) month period shall be applied prospectively only.

(e) For administrative purposes, an Alternate Payee shall be treated under this Plan in the same manner as a Beneficiary with respect to the portion of a Participant's interest in the Plan being held and invested for the Alternate Payee's benefit.

(f) When distribution is to be made to an Alternate Payee, the Administrator shall determine from which Accounts of a Participant it will be made.

Section 14.2. Prohibition Against Diversion.

(a) Except as provided in paragraph (b), no part of the principal or income of the Trust Fund may be used for or diverted to purposes other than for the exclusive benefit of Employees and their Beneficiaries.

(b) The following are exceptions to subsection (a) (and shall be integrated in a manner consistent with IRS Revenue Ruling 91-4 and subsequent guidance):

(1) If an Employer contribution is received by the Trustee and its delivery is conditioned upon its deductibility by the Employer under Section 404 of the Code (as amended from time to time), then to the extent the deduction is disallowed, the Trustee shall, upon written request of the Employer, return the disallowed portion of such contribution to the Employer within one year after the date of the final denial of said deduction (including a final resolution of any such denial through all appeals procedures).

(2) If all or a portion of an Employer contribution is made under a mistake of fact, the Trustee shall, upon written request of the Employer, return the portion which was so made to the Employer within one year of the date the contribution was delivered to the Trustee.

(3) Upon termination of the Plan, any amounts held in a suspense account under Section 5.3(e) of the Plan (pursuant to Section 1.415-6(b)(6) of the Treasury Regulations) shall revert to the Participating Employer to which the amount is attributable.

Section 14.3. Transfer to or from Qualified Plan. Assets held by the Trust Fund or by any other plan or trust which is qualified under Section 401(a) of the Code on behalf of an Employee or groups of Employees may be transferred between the Trust Fund and such other plan or trust (provided that proper notice is given to the Internal Revenue Service as may be required). The Administrator shall determine whether to allow such transfer and then shall inform the Trustee of its decision and direct them accordingly. An Employee on behalf of whom assets are transferred to the Trust Fund shall be a Non-Contributing Participant unless and until the Employee becomes a Contributing Participant. All such assets received by the Trustee shall be maintained in an Account maintained for such Participant (as specified by the Administrator). Such assets shall be allocated to such Account as of the Valuation Date on or subsequent to the date on which the Trustee receives assets. Any such assets transferred to the Trust Fund shall be considered nonforfeitable with respect to the Employee. Any assets transferred out of the Trust Fund on behalf of a Participant shall be in lieu of any distribution otherwise payable under the Plan to the Participant. Before a transfer is made, the Administrator shall take all necessary steps to make sure that optional forms of distribution applicable to the assets to be transferred remain applicable to the transferred assets after the transfer.

Section 14.4. Leased Employees. Any “leased employee” shall be treated as an Employee of the recipient Employer; however, contributions or benefits provided by the “leasing organization” which are attributable to services performed for the recipient Employer shall be treated as provided by the recipient Employer. The preceding sentence shall not apply to any leased employee if

(a) such Employee is covered by a money purchase plan providing:

(1) a nonintegrated Employer contribution rate of at least 10 percent of compensation, as defined in Section 415(c)(3) of the Code, but including amounts contributed pursuant to a salary reduction agreement which are excludable from such Employee’s gross income under Section 125, Section 402(e)(3), Section 402(h), or Section 403(b) of the Code,

(2) immediate participation, and

(3) full and immediate vesting; and

(b) leased employees do not constitute more than 20 percent of the recipient's non-highly compensable workforce.

For purposes of this paragraph, the term "leased employee" means any person who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Section 414(n)(6) of the Code) on a substantially full time basis for a period of at least one year and, prior to 1997, such services were of a type historically performed by the Employees in the business field of the recipient Employer, or, after 1996, such services are performed under the primary direction or control of the recipient Employer. A leased employee shall not be eligible to become a Covered Employee.

Section 14.5. Delegation of Authority.

(a) Whenever Toro, under the terms of the Plan, is permitted or required to do or perform any act or matter or thing, it shall be done and performed by the Chief Executive Officer of Toro or such officer's delegate.

(b) The Chief Executive Officer of Toro has been given certain powers under this Plan. In the discretion of such officer, such officer may delegate a portion or all of any of such powers to an Employee of Toro. Any person needing evidence of that delegation of authority may request and shall be furnished with a copy of a certificate executed by the Chief Executive Officer of Toro designating the person who has been delegated such authority.

Section 14.6. Agreement Effective Upon Receipt of Determination Letter.

(a) This agreement shall not become effective as to Toro unless the Internal Revenue Service issues determinations or rulings (1) which are acceptable to Toro or (2) which are to the effect that the Plan meets the requirements of Section 401(a) of the Code of 1986 and that the Trust is exempt under Section 501(a) of the Code of 1986; and, if such determinations or rulings are issued, this agreement shall become effective as of the Effective Date of this Restatement. Pending receipt of such determinations or rulings by the Internal Revenue Service, Toro, its officers and the Trustee are hereby authorized to proceed as if this agreement had become effective on the Effective Date of this Restatement and none of them shall be subject to any liability in doing so if this agreement does not become effective, and no Employee or former Employee or such individual's Beneficiary shall acquire any additional rights because of such action if this agreement does not become effective.

(b) If the Plan does not receive rulings which are acceptable to Toro, or which are to the effect that the Plan is initially qualified under said sections of said Code, Toro may, within one year of receiving a final denial of such initial qualification (including a final resolution of such denial through all appeals procedures), rescind this agreement or terminate the Plan or both. Within said period and to the extent permitted under applicable law, Toro may direct the Trustee to return all contributions received during the period the Plan is not initially qualified to the persons from whom received, together with such adjustments so as to reflect, pro rata, the increases and decreases allocable to all such contributions.

Section 14.7. USERRA and Section 414(u) of the Code.

(a) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Section 414(u) of the Internal Revenue Code. This provision is effective with respect to reemployments initiated 60 days or more after the October 13, 1994, enactment date of the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”), that is, reemployments initiated on or after December 12, 1994.

(b) For purposes of this section, and in accordance with Section 414(u) of the Code, if an Employee is reemployed under USERRA, the Employee shall be treated as not having incurred a Break in Service because of the period of military service and the Employee’s military service is treated as service with the Employer for vesting and benefit accrual purposes.

(c) In accordance with Section 414(u) of the Code, an Employee is treated as receiving compensation from the Employer during the period of military service equal to the compensation the Employee otherwise would have received from the Employer during the period immediately preceding the period, or, if the compensation the Employee otherwise would have received is not reasonably certain, the Employee’s average compensation from the Employer during the period immediately preceding the period of military service. For purposes of Section 414(u), USERRA is not treated as requiring the crediting of earnings to an Employee with respect to any contribution before the contribution is actually made or requiring any allocation of forfeitures to the Employee for the period of military service.

Section 14.8. Appendix B. Appendix B attached hereto is a part of the Plan.

ARTICLE XV.
Payroll Based Tax Credit Contributions

Section 15.1. Establishment of Payroll Stock Ownership Plan. In addition to the foregoing Plan provisions, an Employee Stock Ownership Plan has been established which incorporates by reference, as applicable, the other plan provisions herein set forth. This Article is a continuation of similar provisions under the Predecessor Plan and is intended to operate only to the extent employer securities have been transferred which were subject to similar provisions under the Predecessor Plan. Any conflicting Plan provision shall be resolved with reference to the provisions of this Article which shall be deemed to control. For purposes of this Article, the following definitions apply:

(a) “PAYSOP” means a Payroll Stock Ownership Plan as defined in Section 41 of the Internal Revenue Code of 1954, designed to invest primarily in employer securities in accordance with Section 9.4(f);

(b) “total distribution” means a distribution to a Participant or a Participant’s Beneficiary, within one taxable year of such recipient, of the entire balance to the credit of the Participant;

(c) “employer securities” means for purposes of the PAYSOP described in this Article common stock issued by Toro (or a corporation which is a member of the same controlled group of corporations as Toro, the employer as defined in Section 409(l)(4) of the Code) which is readily tradeable on an established securities market, or stock which satisfies the requirements of Section 409(l)(2) or (3) of the Code.

Section 15.2. Contribution Percentages. The contribution percentage made in prior years may be found in the Predecessor Plan. No contribution shall be made under this Article with respect to compensation paid or accrued after December 31, 1986.

Section 15.3. Cash or Shares of Stock. In satisfaction of its contribution obligations under this Article, a Participating Employer may, at its option, deliver or cause to be delivered either cash or shares of employer securities valued at the aggregate current market value thereof on the date of delivery.

Section 15.4. Adjustment of Contributions. If a Participating Employer is subsequently determined to be entitled to a tax credit which is more or less than that claimed for a Plan Year, or there is a recapture of tax credits previously utilized for purposes of this Plan, it may adjust its contribution for such Plan Year, or any succeeding Plan Year, by the amount of such variation. Amounts contributed to the Plan pursuant to this Article shall remain in the Plan irrespective of such redetermination or recapture, and if allocated to the Accounts of Participants, shall remain so allocated.

Section 15.5. Voting of Shares. Voting shall be accomplished in the manner described in Section 9.8.

Section 15.6. Nonforfeitability. Each Participant shall have a nonforfeitable right to any employer securities allocated to the Participant’s Account established under this Article.

Section 15.7. Restrictions on Distributions. Payments will be made in accordance with Article VII; however, no employer securities allocated to the Account of a Participant under the provisions of this Article may be distributed from the Account before the end of the 84th month beginning after the month in which the securities are allocated to the Account; provided, however, that the foregoing restriction shall not apply in the case of:

(a) the Participant’s death, Disability, separation from service, or termination of the Plan;

(b) a transfer of the Participant to the employment of an acquiring employer from the employment of the selling corporation in the case of a sale to the acquiring employer of substantially all of the assets used by the selling corporation in a trade or business conducted by the selling corporation; or

(c) with respect to the stock of a selling corporation, a disposition of such selling corporation’s interest in a subsidiary when the Participant continues employment with such subsidiary.

This Section 15.7 shall not apply to any distribution required under Section 401(a)(9) of the Code or to any distribution or reinvestment required under Section 401(a)(28) of the Code.

Section 15.8. Diversification of Investments. Each Participant will be permitted to direct the Plan as to the investment of amounts held in the Participant’s Account under this Article in accordance with Section 9.7; provided, however, that any distribution or transfer pursuant to Section 9.7 shall be made first from employer securities allocated to a Participant’s Account at least 84 months before the month in which the distribution or transfer occurs.

Section 15.9. Put Option Requirements. The Participant’s right to require a Participating Employer to purchase such part of the stock held pursuant to this Article as the Participant may request shall be administered in the manner described in Section 409(h) of the Code.

Section 15.10. Independent Appraiser. All valuations of employer securities which are not readily tradeable on an established securities market with respect to activities carried on by the Plan shall

be made by an independent appraiser meeting requirements similar to those contained in Section 170(a)(1) of the Code and the Regulations thereunder.

IN WITNESS WHEREOF, The Toro Company has caused its name to be hereto subscribed by its ______________________________ on this __________ day of ____________________, 2003.

THE TORO COMPANY

By ____

Its ____

STATE OF MINNESOTA)
) SS.
COUNTY OF)

On this __________ day of __________, 2003, before me personally appeared ______________________________, to me personally known, who, being by me first duly sworn, did depose and say that he or she is the ____ of The Toro Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors., and he or she acknowledged said instrument to be the free act and deed of said corporation.

____
Notary Public

APPENDIX A
POOLED OR COLLECTIVE INVESTMENT FUNDS
REFERRED TO IN SECTION 9.4(d)

1. The Toro Company Pooled Investment Trust Agreement.

APPENDIX B

This appendix reflects certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA”) and final regulations regarding minimum required distributions. Articles I – IX of this appendix are intended as good faith compliance with the requirements of EGTRRA and are to be construed in accordance with EGTRRA and guidance issued thereunder. Except as otherwise provided, the contents of this appendix are effective as of the first day of the first Plan Year beginning after December 31, 2001. This appendix supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this appendix.

ARTICLE I
LIMITATIONS ON CONTRIBUTIONS

1.1 **Effective date**. This Section shall be effective for limitation years beginning after December 31, 2001.

1.2 **Maximum annual addition**. Except to the extent permitted under Article VII of this amendment and Section 414(v) of the Code, if applicable, the annual addition that may be contributed or allocated to a Participant’s account under the Plan for any limitation year shall not exceed the lesser of:

a. $40,000, as adjusted for increases in the cost-of-living under Section 415(d) of the Code, or

b. 100 percent of the Participant’s compensation, within the meaning of Section 415(c)(3) of the Code, for the limitation year.

The compensation limit referred to in b. shall not apply to any contribution for medical benefits after separation from service (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) which is otherwise treated as an annual addition.

ARTICLE II
INCREASE IN COMPENSATION LIMIT

Increase in Compensation Limit. The annual compensation of each Participant taken into account in determining allocations for any Plan Year beginning after December 31, 2001, shall not exceed $200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. Annual compensation means compensation during the Plan Year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

ARTICLE III
DIRECT ROLLOVERS

3.1 **Effective date**. This Article shall apply to distributions made after December 31, 2001.

3.2 **Modification of definition of eligible retirement plan**. For purposes of the direct rollover provisions of the Plan, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code.

3.3 **Modification of definition of eligible rollover distribution to exclude hardship distributions**. For purposes of the direct rollover provisions of the Plan, any amount that is distributed on account of hardship shall not be an eligible rollover distribution and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan.

3.4 **Modification of definition of eligible rollover distribution to include after-tax employee contributions**. For purposes of the direct rollover provisions in the Plan, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

ARTICLE IV
ROLLOVERS FROM OTHER PLANS

Eligible Rollover Contributions. The Plan will accept Employee Rollover Contributions of eligible rollover distributions made after December 31, 2001, from:

a. a qualified plan described in Section 401(a) or 403(a) of the Code, excluding after-tax employee contributions.

b. an annuity contract described in Section 403(b) of the Code, excluding after-tax employee contributions.

c. an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

The Plan will accept a participant rollover contribution of the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

ARTICLE V
INVOLUNTARY CASH-OUTS

5.1 **Effective date**. This Article shall apply for distributions made after December 31, 2001, and shall apply to all Participants.

5.2 **Consideration of Rollovers for involuntary distributions**. For purposes of the Sections of the Plan that provide for the involuntary distribution of vested accrued benefits of $5,000 or less, the value of a Participant's nonforfeitable account balance shall be determined with consideration of that portion of the account balance that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Code. If the value of the Participant's nonforfeitable account balance as so determined is $5,000 or less, then the Plan shall immediately distribute the Participant's entire nonforfeitable account balance.

ARTICLE VI
REPEAL OF MULTIPLE USE TEST

Repeal of Multiple Use Test. The multiple use test described in Treasury Regulation Section 1.401(m)-2 and the Plan shall not apply for Plan Years beginning after December 31, 2001.

ARTICLE VII
CATCH-UP CONTRIBUTIONS

Catch-up Contributions. All Employees who are eligible to make elective deferrals under this Plan and who have attained age 50 before the close of the Plan Year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, Section 414(v) of the Code. Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Sections 402(g) and 415 of the Code. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the Code, as applicable, by reason of the making of such catch-up contributions.

This Article shall apply to contributions after May 31, 2002.

ARTICLE VIII
MODIFICATION OF TOP-HEAVY RULES

8.1 **Effective date**. This Article shall apply for purposes of determining whether the Plan is a top-heavy plan under Section 416(g) of the Code for Plan Years beginning after December 31, 2001, and whether the Plan satisfies the minimum benefits requirements of Section 416(c) of the Code for such years. This Article amends the top-heavy provisions of the Plan.

8.2 **Determination of top-heavy status**.

a. **Key Employee**. Key Employee means any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the determination date was an officer of the employer having annual compensation greater than $130,000 (as adjusted under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), a 5-percent owner of the employer, or a 1-percent owner of the

employer having annual compensation of more than $150,000. For this purpose, annual compensation means compensation within the meaning of Section 415(c)(3) of the Code. The determination of who is a Key Employee will be made in accordance with Section 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder.

b. **Determination of present values and amounts**. This shall apply for purposes of determining the present values of accrued benefits and the amounts of account balances of Employees as of the determination date.

1. **Distributions during year ending on the determination date**. The present values of accrued benefits and the amounts of account balances of an Employee as of the determination date shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the Code during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Section 416(g)(2)(A)(i) of the Code. In the case of a distribution made for a reason other than separation from service, death, or disability, this provision shall be applied by substituting "5-year period" for "1-year period."

2. **Employees not performing services during year ending on the determination date**. The accrued benefits and accounts of any individual who has not performed services for the employer during the 1-year period ending on the determination date shall not be taken into account.

8.3 **Minimum benefits**.

a. **Matching Contributions**. Employer Matching Contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of Section 416(c)(2) of the Code and the Plan. The preceding sentence shall apply with respect to Matching Contributions under the Plan or, if the Plan provides that the minimum contribution requirement shall be met in another plan, such other plan. Employer Matching Contributions that are used to satisfy the minimum contribution requirements shall be treated as Matching Contributions for purposes of the actual contribution percentage test and other requirements of Section 401(m) of the Code.

b. **Contributions under other plans**. The employer may provide, in an addendum to this amendment, that the minimum benefit requirement shall be met in another plan (including another plan that consists solely of a cash or deferred arrangement which meets the requirements of Section 401(k)(12) of the Code and Matching Contributions with respect to which the requirements of Section 401(m)(11) of the Code are met). The addendum should include the name of the other plan, the minimum benefit that will be provided under such other plan, and the Employees who will receive the minimum benefit under such other plan.

ARTICLE IX
DISTRIBUTION UPON SEVERANCE OF EMPLOYMENT

9.1 **Effective date**. This Article shall apply for distributions and transactions made after December 31, 2001, regardless of when the severance of employment occurred.

9.2 **New distributable event**. A Participant's elective deferrals, qualified nonelective contributions, qualified Matching Contributions, and earnings attributable to these contributions shall be distributed on account of the Participant's severance from employment. However, such a distribution shall be subject to the other provisions of the Plan regarding distributions, other than provisions that require a separation from service before such amounts may be distributed.

ARTICLE X
MINIMUM REQUIRED DISTRIBUTIONS

10.1 **Minimum Distribution Requirements**.

(a) **General Rules**.

(i) **Effective Date**. The provisions of this Article X will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(ii) **Precedence**. The requirements of this section will take precedence over any inconsistent provisions of the Plan.

(iii) **Requirements of Treasury Regulations Incorporated**. All distributions required under this section will be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Internal Revenue Code.

(iv) **TEFRA Section 242(b)(2) Elections**. Notwithstanding the other provisions of this section, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

(b) **Time and Manner of Distribution**.

(i) **Required Beginning Date**. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date within the meaning of section 401(a)(9) of the Code.

(ii) **Death of Participant Before Distributions Begin**. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.

(B) If the Participant’s surviving spouse is not the Participant’s sole designated beneficiary, except as provided by Section 10.1(e), the Participant’s entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant’s death.

(C) If there is no designated beneficiary as of September 30 of the year following the year of the Participant’s death, the Participant’s entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant’s death.

(D) If the Participant’s surviving spouse is the Participant’s sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 10.1(b)(ii), other than paragraph (A) above, will apply as if the surviving spouse were the Participant.

For purposes of this Section 10.1(b)(ii) and Section 10.1(d), unless paragraph (D) above applies, distributions are considered to begin on the Participant’s required beginning date. If paragraph (D) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under paragraph (A) above. If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant’s required beginning date (or to the Participant’s surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph (A) above), the date distributions are considered to begin is the date distributions actually commence.

(iii) **Forms of Distribution**. Unless the Participant’s interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 10.1(c) and 10.1(d). If the Participant’s interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury regulations.

(c) **Required Minimum Distributions During Participant’s Lifetime**.

(i) **Amount of Required Minimum Distribution For Each Distribution Calendar Year**. During the Participant’s lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(A) the quotient obtained by dividing the Participant’s account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant’s age as of the Participant’s birthday in the distribution calendar year; or

(B) if the Participant’s sole designated beneficiary for the distribution calendar year is the Participant’s spouse, the quotient obtained by dividing the Participant’s account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury

regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(ii) **Lifetime Required Minimum Distributions Continue Through Year of Participant's Death**. Required minimum distributions will be determined under this Section 10.1(c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(d) **Required Minimum Distributions After Participant's Death**.

(i) **Death On or After Date Distributions Begin**.

(A) **Participant Survived by Designated Beneficiary**. If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:

(1) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) **No Designated Beneficiary**. If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) **Death Before Date Distributions Begin**.

(A) **Participant Survived by Designated Beneficiary**. If the Participant dies before the date distributions begin and there is a designated beneficiary, except as provided in Section 10.1(b)(ii)(B) and Section 10.1(e), the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in Section 10.1(d)(i).

(B) **No Designated Beneficiary**. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) **Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin**. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 10.1(b)(ii)(A), this Section 10.1(d)(ii) will apply as if the surviving spouse were the Participant.

(e) **Election to Allow Participants or Beneficiaries to Elect 5-Year Rule**.

(i) **General Rule**. Participants or beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in Section 10.1(b)(ii) and Section 10.1(d)(ii) applies to distributions after the death of a Participant who has a designated beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under Section 10.1(b)(ii), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death. If neither the Participant nor beneficiary makes an election under this paragraph, distributions will be made in accordance with Section 10.1(b)(ii) and Section 10.1(d)(ii).

(ii) **Transitional Rule**. A designated beneficiary who is receiving payments under the 5-year rule may make a new election to receive payments under the life expectancy rule until December 31, 2003, provided that all amounts that would have been required to be distributed under the life expectancy rule for all distribution calendar years before 2004 are distributed by the earlier of December 31, 2003 or the end of the 5-year period.

(f) **Definitions**.

(i) **Designated beneficiary**. The individual who is designated as the Beneficiary of the Plan and is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.

(ii) **Distribution calendar year**. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 10.1(b)(ii). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(iii) **Life expectancy**. Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury regulations.

(iv) **Participant's account balance**. The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

Exhibit (d)(1)(B)

AMENDMENT NO. 1 TO
THE TORO COMPANY
INVESTMENT, SAVINGS AND
EMPLOYEE STOCK OWNERSHIP PLAN
(2003 Restatement)

The Toro Company, a Delaware corporation, pursuant to the power of amendment reserved to it in Section 11.1 of The Toro Company Investment, Savings, and Employee Stock Ownership Plan (the "Plan") hereby adopts and publishes this Amendment No. 1 to the Plan.

1. Effective as of September 2, 2003, a new Section 14.9 is added to the Plan to read as follows:

Section 14.9 Merger with Exmark Manufacturing Company, Inc. 401(k) Profit Sharing Plan

(a) Effective as of September 2, 2003, the Exmark Manufacturing Company, Inc. 401(k) Profit Sharing Plan (the "Exmark Plan") is merged with and into the Plan, provided that the Exmark Plan is amended to accomplish that merger as of the same date. On and after September 2, 2003, subject to the special provisions in this Section 14.9, the terms of the Plan shall apply to the accounts (referred to as "Exmark Accounts") established for receipt of assets transferred from the Exmark Plan into the Plan as part of the merger, and to those individuals who were participants in the Exmark Plan that become Participants in the Plan as of September 2, 2003.

(b) Exception: Beneficiary for Exmark Accounts. The Beneficiary for a Participant's Exmark Account shall be the beneficiary as designated in the Exmark Plan as of September 1, 2003, until the first revocation or change of Beneficiary is made by the Participant in accordance with the rules adopted by the Administrator for the Plan. Upon such a revocation or change of Beneficiary, the Beneficiary of all of a Participant's Accounts, including the Participant's Exmark Accounts, shall be the Beneficiary as determined under the Plan.

(c) Exception: Toro Investment Fund Contributions. Each individual who was a participant in the Exmark Plan as of September 1, 2003 who becomes a Participant in the Plan as of September 2, 2003, and who is a Qualified Employee shall be eligible for allocations of Toro Investment Fund Contributions with respect to Compensation paid on or after September 2, 2003.

(d) Exception: ESOP Contributions. Each individual who was a participant in the Exmark Plan as of September 1, 2003 who becomes a Participant in the Plan as of September 2, 2003, and who is a Qualified Employee shall be eligible for allocations of ESOP Contributions with respect to Compensation paid on or after September 2, 2003.

(e) Exception: Pre-Tax Contributions. Each individual who was a participant in the Exmark Plan as of September 1, 2003 and who becomes a Participant in the Plan as of September 2, 2003 shall be deemed to have elected to make Pre-Tax Contributions to the Plan in the same amount as per the deferral contribution election in effect under the Exmark Plan as of September 1, 2003, until such participant otherwise modifies his or her contribution percentage/amount pursuant to Section 4.3.

(f) Exception: Matching Contributions. Each individual who was a participant in the Exmark Plan as of September 1, 2003, who becomes a Participant in the Plan as of September 2, 2003, and who has completed one year of Eligibility Service shall be eligible for allocations of Matching Contributions effective as of September 2, 2003 with respect to the Participant's Pre-Tax Contributions made on or after that date.

(g) Exception: Vesting of Exmark Accounts.

(1) Each Participant will be 100% Vested in his or her Exmark Accounts attributable to elective deferrals and rollover contributions.

(2) Each Participant will be Vested in his or her Exmark Accounts attributable to matching contributions and nonelective contributions (profit sharing contributions) in accordance with the following schedule:

On completion of two years of Vesting Service, twenty percent (20%)

On completion of three years of Vesting Service, forty percent (40%)

On completion of four years of Vesting Service, sixty percent (60%)

On completion of five years of Vesting Service, eighty percent (80%)

On completion of six or more years of Vesting Service, one hundred percent (100%)

(h) Exception: Withdrawal of Contributions for Exmark Accounts.

(1) Each Participant may request and receive a distribution of a portion or all of the Participant's Exmark Accounts upon attaining age 59 1/2.

(2) Each Participant may request and receive a distribution of a portion or all of the Participant's Exmark Accounts related to rollover contributions at any time.

(i) Exception: Plan Loans of Participants. Each individual who was a participant in the Exmark Plan as of September 1, 2003 and who had a plan loan outstanding that was transferred to the Plan as part of the merger of the Exmark Plan and the Plan shall continue to have such plan loan remain outstanding in accordance with its existing terms. Such plan loans shall continue to be administered in accordance with the terms of the promissory note and plan loan policy in effect immediately before the

merger of the Exmark Plan and the Plan. Such Participants must agree to repay all loans by payroll deductions, and any such agreements for payroll deductions between the individual and the Exmark Plan will continue in force for purposes of the repayment of the plan loan to the Plan. All plan loan repayments will be allocated to the appropriate Exmark Account.

IN WITNESS WHEREOF, The Toro Company has hereunto subscribed its name on this __________ day of ____________________, 2003.

THE TORO COMPANY

By ____

Its ____

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this __________ day of ____________________, 2003, before me personally appeared ____, to me personally known, who, being by me first duly sworn, did depose and say that he [she] is the ____ of The Toro Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he [she] acknowledged said instrument to be the free act and deed of said corporation.

____

Notary Public

Exhibit (d)(1)(C)

**AMENDMENT NO. 2 TO
THE TORO COMPANY
INVESTMENT, SAVINGS AND
EMPLOYEE STOCK OWNERSHIP PLAN
(2003 Restatement)**

The Toro Company, a Delaware corporation, pursuant to the power of amendment reserved to it in Section 11.1 of The Toro Company Investment, Savings, and Employee Stock Ownership Plan (the "Plan") hereby adopts and publishes this Amendment No. 2 to the Plan effective as of the dates indicated below.

1. Section 7.2(a) of the Plan is amended by adding the following language at the end, effective as of January 1, 2003:

Options that have been preserved and are not to be eliminated under this section are described in Section 7.13.

2. A new Section 7.13 is added to the Plan to read as follows, effective as of January 1, 2003:

Section 7.13 Preserved Optional Benefit Forms and Distribution Options

(a) A Participant who has attained age 59 1/2 but who has not incurred a Termination of Service may request a distribution of all or a portion of the amounts transferred from the Hahn Equipment 401(k) Plan.

(b) Amounts transferred from the Exmark Manufacturing Company, Inc. 401(k) Profit Sharing Plan as provided in Section 14.9 shall retain the optional benefit forms and distribution options as provided in Section 14.9(h).

3. A new Section 7.14 is added to the Plan to read as follows, effective as of January 1, 2003:

Section 7.14 Payment in Event of Incapacity. If any person entitled to receive any payment under the Plan is physically, mentally or legally incapable of receiving or acknowledging receipt of the payment, and no legal representative has been appointed for such person, the Administrator in its discretion may (but is not required to) cause any sum otherwise payable to such person to be paid to any one or more of the following as may be chosen by the Administrator: the Beneficiaries, if any, designated by such person; the institution maintaining such person; a custodian for such person under the Uniform Transfers to Minors Act of any state; or such person's spouse, children, parents or other relatives by blood or marriage. Any such payment completely discharges all liability under the Plan to the person with respect to whom the payment is made to the extent of the payment.

4. Section 14.9(g) of the Plan is amended to read as follows, effective as of September 2, 2003:

(g) Vesting of Exmark Accounts.

(1) Each Participant will be 100% Vested in his or her Exmark Accounts attributable to elective deferrals and rollover contributions.

(2) Each Participant will be Vested in his or her Exmark Accounts attributable to matching contributions and nonelective contributions (profit sharing contributions) in accordance with the schedule as described in Section 6.3(b).

IN WITNESS WHEREOF, The Toro Company has hereunto subscribed its name on this __________ day of ____________________, 2003.

THE TORO COMPANY

By ______________________________

Its ______________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this __________ day of ____________________, 2003, before me personally appeared ____, to me personally known, who, being by me first duly sworn, did depose and say that he [she] is the ______________________ of The Toro Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he [she] acknowledged said instrument to be the free act and deed of said corporation.

____
Notary Public

Exhibit (d)(1)(D)

**AMENDMENT NO. 3 TO
THE TORO COMPANY
INVESTMENT, SAVINGS AND
EMPLOYEE STOCK OWNERSHIP PLAN
(2003 Restatement)**

The Toro Company, a Delaware corporation, pursuant to the power of amendment reserved to it in Section 11.1 of The Toro Company Investment, Savings, and Employee Stock Ownership Plan (the "Plan") hereby adopts and publishes this Amendment No. 3 to the Plan effective as of the dates indicated below.

1. Section 9.4(e) of the Plan is amended by amending the last sentence in the paragraph to read as follows, effective as of __________, 2003:

   Up to 3,000,000 shares of Toro Common Stock may be awarded or allocated under the Plan as of dates after __________, 2003, such number of shares to be adjusted as appropriate for events such as reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering or other like action.

2. Section 9.4(f) of the Plan is amended by amending the last sentence in the paragraph to read as follows, effective as of __________:

   Up to 3,000,000 shares of Toro Common Stock may be awarded or allocated under the Plan as of dates after __________, 2003, such number of shares to be adjusted as appropriate for events such as reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering or other like action.

3. Section 9.7(a) of the Plan is amended to read as follows effective as of June 1, 2003:

   (a) As of the end of each calendar quarter, each Participant who has attained age 55 will be permitted to direct the Plan as to the investment of 100 percent of the amount of the Participant's Matching Contribution Account (including the Vested and non-Vested portions) and of 100 percent of the amount of the Participant's ESOP Toro Common Stock Account, to the extent the Participant has not previously been permitted to direct the investment thereof in accordance with Section 9.7(b). Such amounts will continue to be invested in Toro Common Stock, but will be transferred to the Participant's or Beneficiary's Employer Contribution Account, and the Participant or Beneficiary can direct the investment thereof consistent with Section 9.5. A Participant will not be allowed to direct the investment of the Participant's Matching Contributions or contributions pursuant to Section 5.1(f), (g), and (h) allocated during a calendar quarter after the Participant has attained age 55 until the subsequent calendar quarter.

IN WITNESS WHEREOF, The Toro Company has hereunto subscribed its name on this __________ day of ____________________ , 2003.

THE TORO COMPANY

By ____

Its ____

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this _______ day of _______, 2003, before me personally appeared ______________________, to me personally known, who, being by me first duly sworn, did depose and say that he [she] is the _____________________________________ of The Toro Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he [she] acknowledged said instrument to be the free act and deed of said corporation.

____

Notary Public

Exhibit (d)(1)(E)

**AMENDMENT NO. 4 TO
THE TORO COMPANY
INVESTMENT, SAVINGS AND
EMPLOYEE STOCK OWNERSHIP PLAN
(2003 Restatement)**

The Toro Company, a Delaware corporation, pursuant to the power of amendment reserved to it in Section 11.1 of The Toro Company Investment, Savings, and Employee Stock Ownership Plan (the "Plan") hereby adopts and publishes this Amendment No. 4 to the Plan effective as of the dates indicated below.

1. A new Section 9.7(h) is added to the Plan to read as follows effective as of March 15, 2004:

(h) Notwithstanding subsection (b) above, a Participant or Beneficiary may elect to tender all or a portion of the Toro Common Stock allocated to the Participant's or Beneficiary's Matching Contribution Account and the Participant's or Beneficiary's Account attributable to contributions made pursuant to Sections 5.1(f), (g), and (h) (including the Vested and non-Vested portions of all such Accounts) other than amounts previously diversified pursuant to this Section 9.7; provided that such tender of Toro Common Stock must be done with respect to the tender offer by Toro that commences on or about March 17, 2004 and ends on or about April 8, 2004. The following provisions shall apply to such tender:

(1) The proceeds of any tender of Toro Common Stock accepted by Toro will be transferred to the Participant's or Beneficiary's Employer Contribution Account, and invested in the default investment fund of the Plan at the time of such transfer, in accordance with the rules of the Administrator. The Participant or Beneficiary can subsequently direct the investment of such proceeds transferred to the Employer Contribution Account consistent with Section 9.5.

(2) With respect to any tender of Toro Common Stock that is not accepted by the Company, the other provisions of this Section 9.7 will continue in force on and after the end of the tender period.

2. Section 9.8(c) of the Plan is amended by adding the following language at the end, effective as of March 15, 2004:

For purposes of the tender offer by Toro that commences on or about March 17, 2004 and ends on or about April 8, 2004, Participants who do not return materials tendering all or a portion of the Toro Common Stock held in their Accounts (including the Vested and non-Vested portions of all such Accounts) will be deemed to have provided a response declining to tender any shares of Toro Common Stock to Toro, and the Trustee will act as if it had received direction from those Participants to retain all of the Toro Common Stock in their Accounts (including the Vested and non-Vested portions of all such Accounts).

IN WITNESS WHEREOF, The Toro Company has hereunto subscribed its name on this day of , 2004.

THE TORO COMPANY

By ________________________________

Its ________________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this day of , 2004, before me personally appeared , to me personally known, who, being by me first duly sworn, did depose and say that he [she] is the of The Toro Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he [she] acknowledged said instrument to be the free act and deed of said corporation.

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Notary Public

Exhibit (d)(11)

Toro Australia Pty. Limited
General Employee Stock Plan

May 2000

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Toro Australia Pty. Limited
General Employee Stock Plan

1. The Purpose

The purpose of the Toro Australia Pty. Limited General Employee Stock Plan (the "**Plan**") is to provide employees of Toro Australia Pty. Limited ACN 001 310 443 (the "**Employer**") with an opportunity to acquire an ownership interest in The Toro Company (the "**Company**") through the purchase of shares of Common Stock, par value $1.00 per share, of the Company (the "**Common Stock**"), and thus develop a stronger incentive to work for the continued success of the Employer and the Company.

2. Definitions

2.1. When used in the Plan, the following terms have the meanings indicated unless a different meaning is plainly required by the context:

Application Form means the form to be completed by an Eligible Employee to become a Participant in the Plan.

Base Remuneration means a Participant's base salary and any part of a Participant's remuneration as the Board may determine from time to time.

Board means the Managing Director and the Human Resources Manager of the Employer and the Director, Compensation & Benefits and the Director, Human Resources of the Company or such other individuals as may be designated by the Company from time to time.

Eligible Employee means a full-time or permanent part-time employee of the Employer who has completed three months of continuous service with the Employer as the Board determines at its discretion or such other person as the Board determines at its discretion.

Participant means an Eligible Employee who meets the requirements for participation in the Plan and has completed an Application Form and who is accepted by the Board for participation.

Relevant Value means the amount of a Participant's Base Remuneration that, as a result of participation in the Plan is not to be paid to the Participant. The Relevant Value must not be less than AU $250 nor more than AU $1,000 or such other amounts as determined by the Board in accordance with applicable law.

3. Exceptions from Eligibility

3.1. The Board may determine at any time that any Eligible Employee shall not participate in the Plan if the Eligible Employee is a participant in any other share, stock or option plan operated by the Employer or the Company or if the Eligible Employee's participation would be unlawful.

3.2. If a Participant withdraws from the Plan in accordance with rule 8, the former Participant shall not participate in the Plan until a new invitation is made under rule 4.1.

3.3. If a Participant's employment with Employer terminates, the Participant shall cease to be an Eligible Employee or Participant in the Plan, and the cash value of the portion of the Relevant Value credited to the Participant's account shall be paid to the former Participant by cheque within three weeks after termination of employment. For the removal of doubt, the former Participant will not be entitled to receive shares of Common Stock on or after termination of employment.

4. Participation

4.1. Subject to the terms and conditions of the Plan, the Board may, in its absolute discretion, invite an Eligible Employee to participate in the Plan by completing an Application Form.

4.2. The Application Form shall include a request by the Eligible Employee to the Board to reduce all or part of the Eligible Employee's Base Remuneration in equal monthly installments totaling the Relevant Value during the one year period specified in the form.

4.3. The Board shall be entitled to accept or reject a Participant's request under rule 4.2 in its absolute discretion.

4.4. A Participant may not amend the Application Form after the applicable one year period has commenced, except with the consent of the Board.

4.5. By completing and returning the Application Form, a Participant agrees to be bound by the terms and conditions of the Plan.

5. Issuance of Common Stock

5.1. If a Participant has not withdrawn from the Plan under rule 8 or terminated employment as governed by rule 3.3, on the fifth business day of December of the one year period specified in a Participant's Application Form and the fifth business day of June following such one year period, one-half of the Relevant Value shall be converted to shares of Common Stock for the Participant. The number of shares to be issued shall be determined by dividing one-half of the Relevant Value by the 4 p.m. New York time

closing price of one share of Common Stock as reported by the New York Stock Exchange for each such business day.

5.2. The Company shall issue stock certificates for the shares acquired pursuant to rule 5.1 and shall send the certificates to the Human Resources Manager in Australia for delivery to Participants as soon as practicable following the conversion dates.

5.3. Certificates shall be issued for whole shares only (rounding down) and cash for any fractional share shall be returned to a Participant in the next payroll cheque or by separate cheque.

5.4. Shares of Common Stock may be treasury shares, newly-issued shares or shares purchased in the open market.

6. Ranking of Common Stock

Common Stock issued under the Plan shall rank equally with all other Common Stock of the Company.

7. Restrictions on Transfer

7.1. Shares of Common Stock issued under rule 5.2 may not be sold or otherwise transferred for three years after the date of issuance.

7.2. Stock certificates issued under rule 5.2 will have a legend prohibiting sale or other transfer of Common Stock for three years after the date of issuance. The Company may request its transfer agent to apply a stock transfer order with respect to any stock certificate issued in connection with the Plan, and do all things necessary or desirable for the purpose of preventing a breach of rule 7.1.

7.3. If at the end of the Plan or the final three year restrictive period a Participant holds less than 100 shares of Common Stock, and the Participant wishes to sell the shares to the Company, the Company will (so long as not prohibited by law) purchase the shares from the Participant at the 4 p.m. New York closing price of the Common Stock as reported by the New York Stock Exchange for the last trading day of May in the applicable year.

8. Withdrawal from Plan

A Participant may withdraw in cash the portion of the Relevant Value credited to his or her account under the Plan at any time by giving written notice to the Employer’s Human Resources Manager. The amount credited to a Participant’s account will be paid as soon as possible after receipt of notice of withdrawal and no further reduction will be made in respect of the former Participant’s Base Remuneration. If a Participant

elects to withdraw under this rule, no shares of Common Stock shall be issued under rule 5.1.

9. Amendment

9.1. Subject to rules 9.2 and 9.3, the Company may at any time amend all or any of the provisions of the Plan, including this rule 9.1.

9.2. No amendment of the Plan shall reduce the rights of any Participant with respect to Common Stock that has been issued but remains subject to the restrictions on transfer in rule 7, other than an amendment introduced primarily:

(a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;

(b) to correct any manifest error or mistake;

(c) to enable contributions or other amounts paid by the Employer with respect to the Plan to qualify as income tax deductions;

(d) to reduce the amount of fringe benefits tax under the Fringe Benefits Tax Assessment Act 1986 or the amount of tax under the Income Tax Assessment Act 1936 (or those laws as amended, re-enacted, replaced or superseded) or the amount of any other tax or impost that may otherwise be payable in relation to the Plan;

(e) for the purpose of enabling the Participants generally (but not necessarily each employee) to receive a more favorable taxation treatment with respect to participation in the Plan; or

(f) to enable compliance with the laws or regulations of the Australian Securities and Investment Commission or securities laws or regulations of the United States of America or rules of the New York Stock Exchange.

9.3. Subject to the above provisions of this rule 9, any amendment made pursuant to rule 9.1 may be retrospective as specified in the written instrument amending the Plan.

10. Powers of the Board

10.1. The Plan shall be managed by the Board which shall have power to:

(a) determine appropriate procedures for the administration of the Plan consistent with Plan rules;

(b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan; and

(c) exercise discretion expressly conferred on it by these rules or which may otherwise be required in relation to the Plan.

10.2. Any power or discretion under these rules may be exercised in the interests or for the benefit of the Employer and the Company, and the Board is not, in the exercise of such a power or discretion, under any fiduciary or other obligation to any other person.

10.3. The Plan may at any time be suspended or terminated by the Company or the Board in their sole discretion. In the event of a suspension or termination, these rules shall continue to operate with respect to any Common Stock issued or transferred under the Plan prior to such a suspension or termination.

11. Term of the Plan

The Plan shall continue in effect for three years, with three one-year invitation periods. The first period commences on June 1, 2000 and ends on May 31, 2001; the second period commences on June 1, 2001 and ends on May 31, 2002; and the third period commences on June 1, 2002 and ends on May 31, 2003. The Company may extend the term of the Plan at its discretion.

12. Contracts of Employment and Other Employment Rights

12.1. It is a condition of these rules that no compensation under any employment contract will arise as a result of operation, modification or termination of the Plan.

12.2. The value of Common Stock acquired shall not increase a Participant’s income for the purpose of calculating any other employee benefits.

12.3. Participation in the Plan shall not confer on any Participant any right to future employment.

13. Plan Costs

A Participant will not be liable for any costs associated with the implementation or administration of the Plan.

14. Governing Law

The laws of South Australia govern the Plan, except that the laws of the United States of America shall govern with respect to the authorization, issuance, offer and sale of the Common Stock.

Exhibit (d)(12)(A)

THE HAHN EQUIPMENT CO.
SAVINGS PLAN
FOR
UNION EMPLOYEES
(2002 Restatement)

Prepared by Timothy R. Quinn
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HAHN EQUIPMENT CO. SAVINGS PLAN
FOR
UNION EMPLOYEES
(2002 Restatement)

Hahn Equipment Co., a Minnesota corporation, pursuant to the power of amendment reserved to it in Section 11.1 of the Hahn Equipment Co. Savings Plan for Union Employees, which was last restated effective as of January 1, 2001, hereby amends and restates the Plan effective as of the later of January 1, 2002 or 90 days from the date a summary of the changes made by this amendment is provided to Participants, except that certain provisions may be effective on other dates as specified in the particular provision. The Plan was first effective on January 1, 1998. The effective dates of the various changes to the Plan that were made pursuant to prior versions of the Plan shall be as specified in those versions. The trust agreement for this Plan is found in a separate document, and was established with Putnam Fiduciary Trust Company on January 1, 1998.

ARTICLE I.
Definitions and Interpretation

Section 1.1. Definitions. The terms defined in this section when used in the Plan with initial capital letters have the following meanings unless the context indicates that other meanings are intended.

Account. "Account" means an account maintained for a Participant pursuant to Section 6.1.

Administrator. The "Administrator" shall be Hahn unless the Chief Executive Officer of Hahn designates another person or persons to be the Administrator pursuant to the provisions of Section 8.2. Hahn shall also be considered the Administrator if the person or persons so designated cease to be the Administrator. The Administrator shall be a named fiduciary for purposes of ERISA and this Plan.

After-Tax Contributions. "After-Tax Contributions" means contributions described in Section 4.3.

After-Tax Contributions Account. "After-Tax Contributions Account" means an Account described in Section 6.1(a)(2).

Alternate Payee. The term "Alternate Payee" means any spouse, former spouse, child, or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such Participant.

Annuity Starting Date. The "Annuity Starting Date" is the first day of the first period for which an amount is paid as an annuity, or any other form.

Beneficiary. The terms "Beneficiary" or "Beneficiaries" mean any person or persons who, upon the death of a Participant, are entitled to receive the distribution of all or a part of such Participant's Vested Share. Under reasonable rules to be developed by the Administrator, a Participant may designate a person or persons, natural or artificial, as a Beneficiary or Beneficiaries. A Beneficiary shall receive only such portion of a Participant's Vested Share as the Participant shall designate. In the event no person is designated as a Beneficiary or in the event all such persons predecease the Participant, then the Participant's Beneficiary shall be the person or persons surviving the Participant in the first of the following classes in which there is a survivor, share and share alike:

(1) The Participant's spouse.

(2) The Participant's children, except that if any of the Participant's children predecease the Participant but leave issue surviving the Participant, such issue shall take, by right of representation, the share their parent would have taken if living.

(3) The Participant's parents.

(4) The Participant's brothers and sisters.

(5) The Participant's estate.

The Participant may change Beneficiaries from time to time in the manner set forth in rules adopted by the Administrator. No Beneficiary shall have any rights under the Plan and Trust until benefits actually become payable under the Plan to such Beneficiary.

Board of Directors. The term "Board of Directors" shall mean the Board of Directors of the corporation referred to but when used with reference to a partnership, it shall mean the managing partner or partners (the persons with authority to make decisions for the partnership).

Break in Service. A "Break in Service" is an Eligibility Computation Period after an Employee's initial Eligibility Computation Period during which the Employee has completed no more than 500 Hours of Service for a Participating or Related Employer.

Claims Reviewer. The "Claims Reviewer" shall be such person who or organizational unit that customarily handles employee benefit matters relating to the Plan as the Administrator shall designate.

Code. "Code" means the Internal Revenue Code of 1986, as it is amended from time to time.

Compensation.

(1) "Compensation" means all wages of an Employee received from an Employer that is subject to federal income tax withholding, determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed. Compensation includes remuneration of an Employee received from a Participating Employer while the Employee is a non-resident alien even if that remuneration is not considered earned income (within the meaning of Section 911(d)(2) of the Code) which constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code). However, in no event shall Compensation include any amount subject to federal income tax withholding on account of the grant or exercise of an option to purchase stock of a Participating Employer. Similarly, Compensation will not include any amount of remuneration of such a non-resident alien due to such a grant or exercise of an option. Also, Compensation shall not include amounts paid to an Employee by the Employee's Participating Employer when the Employee is in a unit of Employees of such Employer which is described in Section 3.1(b). Further, Compensation shall not include any amounts contributed by a Participating Employer to any plan which meets the requirements of Section 401(a) or 404(a)(2) of the Code and shall not include any distributions under a nonqualified deferred compensation plan or agreement. In addition, Compensation shall not include any amounts received by an Employee prior to the date the Employee becomes a Covered Employee or while the Employee is not otherwise a Covered Employee. However, Compensation shall include any salary reductions made by the Employee's Participating Employer which are not includible in the gross income of

the Employee under Sections 125 or 402(e)(3) of the Code. For Plan Years beginning on and after January 1, 2001, Compensation shall also include elective amounts that are not includible in the gross income of the employee by reason of Section 132(f)(4) of the Code.

(2) The annual Compensation of each Participant taken into account under the Plan for any year shall not exceed $150,000, as adjusted by the Commissioner of the Internal Revenue Service pursuant to delegation from the Secretary of Treasury for increases in the cost of living pursuant to Section 401(a)(17) of the Code. This annual compensation limit applies for purposes of applying the nondiscrimination rules under Sections 401(a)(4), 401(a)(5), 401(l), 401(k)(3), 401(m), and 403(b)(12) of the Code, and the nondiscrimination rule in the average benefits percentage test under Section 410(b)(2) of the Code, and in determining whether an alternative method of determining compensation impermissibly discriminates under Section 414(s)(3) of the Code.

(3) Notwithstanding the preceding provisions of this definition, in the case of a short Plan Year, due to a change in the Plan Year, the $150,000 limitation described in paragraph (2) above shall be proportionately reduced by a fraction, the numerator of which shall be the number of days in the short Plan Year and the denominator of which shall be three hundred sixty-five (365).

Contributing Participant. A “Contributing Participant” is a person who has met the requirements of Sections 3.2 and 3.3 and has not ceased to be a Contributing Participant under Sections 3.4 or 3.7 or any other section of the Plan. A person who has ceased to be a Contributing Participant shall again become a Contributing Participant as provided in Section 3.5 or Section 3.8.

Covered Employee. A “Covered Employee” is a person who at one time met the requirements of Sections 3.1 and 3.2 and who has not thereafter died or ceased to be a Covered Employee as provided in Section 3.6. A person who has ceased to be a Covered Employee shall again become a Covered Employee as provided in Section 3.8.

Disability. “Disability” means a medically determinable physical or mental disability which renders an Employee unable to engage in the Participant’s usual occupation for the Participant’s Participating or Related Employer. The existence or nonexistence of such Disability should be established by the certificate of a medical doctor chosen by or satisfactory to the Administrator.

Domestic Relations Order. The term “Domestic Relations Order” means any judgment, decree or order (including approval of a property settlement agreement) which:

(1) relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Participant, and

(2) is made pursuant to a State domestic relations law (including a community property law).

Effective Date of the Prior Plan. The “Effective Date of the Prior Plan” is the date on which a Prior Plan is effective.

Effective Date of this Restatement. The “Effective Date of this Restatement” is the later of January 1, 2002 or 90 days from the date a summary of the changes made by this document is provided to Participants.

Eligibility Computation Period. An Employee's initial "Eligibility Computation Period" shall be the twelve consecutive month period commencing with the date such Employee first performs an Hour of Service for a Participating or Related Employer. The Employee's subsequent "Eligibility Computation Periods" shall be the twelve consecutive month periods commencing on the anniversaries of such date. However, if such Employee incurs a Break in Service before such Employee completes the one year of Eligibility Service required by Section 3.1, then for purposes of this definition the date the Employee first performs an Hour of Service for a Participating or Related Employer after such break shall be deemed to be the date the Employee first performs an Hour of Service for a Participating or Related Employer.

Eligibility Service.

(1) General Rule. An Employee shall be deemed to have completed a year of "Eligibility Service" for each Eligibility Computation Period during which the Employee is credited with at least 1,000 Hours of Service for a Participating Employer or Related Employer.

(2) Exception: Break in Service. If the Employee incurred a Break in Service during any Eligibility Computation Period after the Employee's initial Eligibility Computation Period prior to being credited with the one year of Eligibility Service required by Section 3.1, the Employee's years of Eligibility Service completed before such Break in Service shall not be taken into account.

(3) Exception: Predecessor Employer. In determining Eligibility Service, service (as an Employee or self-employed person) with a Predecessor Employer shall be treated as employment with a Participating Employer; however, if an Employer has been designated as a Predecessor Employer as provided in Section 3.1(b)(3), then no more service than specified pursuant to Section 3.1(b)(3) shall be treated in that manner.

Employee. An "Employee" is a natural person employed in the service of an Employer as a common law employee, including such a natural person who is an officer or director of that Employer.

Employer. "Employer" means the employer of the Employee with respect to whom the term is used.

ERISA. "ERISA" is the Employee Retirement Income Security Act of 1974, as it now exists or as it may hereafter be amended.

Foreign Subsidiary. "Foreign Subsidiary" means either

(1) a foreign corporation not less than twenty percent (20%) of the voting stock of which is owned by Toro or a U.S. corporation which is an Affiliate, or

(2) a foreign corporation more than fifty percent (50%) of the voting stock of which is owned by a Foreign Subsidiary described in paragraph (1).

Forfeiture Event. A Participant shall experience a "Forfeiture Event" when the Participant experiences the earlier of (1) five consecutive One-Year Breaks in Service or (2) the distribution of the entire Vested Share of the Participant (if a Participant is not Vested when the Participant incurs a Termination of Service, the Participant shall be deemed to have such a distribution upon that Termination of Service).

Hahn. "Hahn" means Hahn Equipment Co., a Minnesota corporation, or any successor thereof.

Highly Compensated Employee.

(1) Effective for years beginning on or after January 1, 1997, a "Highly Compensated Employee" of a Participating Employer for a Plan Year is such individual who:

(A) is a five percent owner (the definition in Section 416 of the Code shall apply) of the Participating Employer or at least one of its Related Employers during that Plan Year or the prior Plan Year; or

(B) received earnings from the Participating Employer and its Related Employers in excess of $80,000 during the prior Plan Year.

The term "earnings" for purposes of this paragraph shall have the meaning given that term in Section 5.2(a)(2).

The $80,000 amount will be adjusted pursuant to Section 414(q)(1) of the Code.

(2) For purposes of making the determinations under this definition, the following rules shall apply:

(A) Employees who are nonresident aliens and who do not receive earned income (within the meaning of Section 911(d)(2) of the Code) from the Participating Employer or any of its Related Employers which constitutes income from services within the United States (within the meaning of Section 861(a)(3) of the Code) shall not be treated as Employees of those Employers.

(B) A former Employee of the Participating Employer or one of its Related Employers shall be treated as a Highly Compensated Employee of the Participating Employer if the former Employee was a Highly Compensated Employee of the Participating Employer when the Employee incurred a Termination of Service or the former Employee was a Highly Compensated Employee of the Participating Employer at any time after attaining age 55.

The determination of who is a former Highly Compensated Employee is based on the rules applicable to determining Highly Compensated Employee status as in effect for that determination year, in accordance with Section 1.414(q)-1T, A-4 for the Temporary Income Tax Regulations and Notice 97-75, or later guidance under the Code.

In determining whether an Employee is a Highly Compensated Employee for years beginning in 1997, the amendments to Section 414(q) of the Code are treated as having been in effect for years beginning in 1996.

Hour of Service.

(1) General Rule.

(A) An "Hour of Service" is each hour for which an Employee is, directly or indirectly, paid (or entitled to payment) by an Employer for any reason including each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by said Employer. A back pay Hour of Service shall be allocated to the

period or periods to which the award or agreement pertains unless the Employee has otherwise received credit for an Hour of Service for the same period.

(B) Any hour for which the Employee is being directly or indirectly paid at more than the Employee's regular rate of pay shall be counted as one Hour of Service.

(C) The Hours of Service of an Employee who is paid by the Employer for reasons other than for the performance of duties shall be determined in accordance with Sections 2530.200b-2(b) and (c) of the Department of Labor Regulations. However, no more than 501 Hours of Service shall be credited to an Employee for any single continuous period during which the Employee performs no duties, no Hours of Service shall be credited to an Employee for a payment made or due under a plan maintained solely for the purpose of complying with workmen's compensation, unemployment compensation or disability insurance laws, no Hours of Service shall be credited for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee, and an Hour of Service shall not be credited to an Employee under this subparagraph (C) if it has already been credited to such Employee pursuant to another provision of this definition.

(D) For purposes of determining Hours of Service before the Effective Date of the Prior Plan, or in the case of a Participating Employer (or Related Employer of that Participating Employer) in such Prior Plan other than Hahn, the later of the Effective Date of the Prior Plan, the date ERISA became applicable to the Prior Plan of such Participating Employer, or the date as of which the Employer becomes a Participating Employer in such Prior Plan, the Employer may use whatever records are reasonably available to the Employer and may make such calculations as are necessary to determine the approximate number of such Hours of Service.

(2) Exception: Federal Law. If a law of the United States (including any law relating to credit for time spent in military service) or any rule or regulation duly issued thereunder so requires, Hours of Service shall be added to the total calculated under the prior provisions of this definition and if such law, rule or regulation so permits, an Hour of Service shall be subtracted from said total.

(3) Exception: Break in Service. For Plan Years beginning on or after January l, 1985, in the case of each individual who is absent from service with an Employer for any period by reason of the pregnancy of the individual, by reason of the birth of a child of the individual, by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or for purposes of caring for such child for a period beginning immediately following birth or placement, the Plan shall treat as Hours of Service, solely for purposes of determining whether a Break in Service has occurred, the following hours:

(A) the Hours of Service which otherwise would normally have been credited to such individual but for such absence, or

(B) in any case in which the Plan is unable to determine the hours described in Subsection (A) above, eight hours of service per normal work day of absence, except that the total number of hours treated as Hours of Service under this clause by reason of any such pregnancy or placement shall not exceed 501 hours. Said hours shall be treated as Hours of Service only in the year in which the absence from work begins, if a Participant would be prevented from incurring such a Break in Service in such year solely

because the period of absence is treated as Hours of Service under this subsection (3), or in any other case, in the immediately following year. For purposes of this subsection (3), the term "year" means the period used in determining that Break in Service. No credit will be given under this subsection (3) unless the individual furnishes to the Administrator such timely information as the Administrator may reasonably require to establish that the absence from work is for reasons described in this subsection (3) and the number of days for which there was such an absence.

(4) Exception: Employees who are not Compensated by the Hour. If an Employee is paid on other than an hourly basis, the Employee shall receive credit at the rate of 45 Hours of Service for each week during which the Employee completed an Hour of Service for the Employer.

(5) Clarification: Related Employer. For purpose of determining an individual's Hours of Service with an Employer that is a Related Employer, only Hours of Service credited while that Employer is a Related Employer shall be taken into account.

(6) Clarification: Overlapping Period. In the case of Hours of Service to be credited to an Employee under this definition for a period that overlaps two computation periods used in determining service under the Plan, Hours of Service may be credited to either the first or second computation period, or may be credited pro rata to each such computation period, as determined by the Administrator in a consistent non-discriminatory manner.

<u>Investment Account</u>. "Investment Account" means that portion of the Trust Fund, initially determined under Section 10.3 (and all subsequent increases and decreases thereof), which is to be invested under the direction of an Investment Adviser.

<u>Investment Adviser</u>. "Investment Adviser" means any person or persons, organization, partnership or corporation appointed as provided in Section 10.1. The Investment Adviser shall either be registered as an investment adviser under the Investment Advisers Act of 1940; or it shall be a bank as defined in said Act; or it shall be an insurance company qualified under the laws of one or more states (one of which shall be Minnesota) to perform services consisting of the management, acquisition or disposition of any assets of the Plan.

<u>Investment Fund</u>. The Trust Fund may be divided into one or more "Investment Funds" as the Chief Executive Officer of Hahn may determine pursuant to Section 10.1.

<u>Investment Option Date</u>. "Investment Option Date" means each Valuation Date during a Plan Year designated by the Administrator as of which Participants may make the election provided for in Section 9.5.

<u>Investment Option Period</u>. "Investment Option Period" means a period of time beginning on the day immediately following an Investment Option Date and ending upon the next subsequent Investment Option Date as of which the Participant elects to make an election provided for in Section 9.5.

<u>Matching Contributions</u>. "Matching Contributions" are contributions made by a Participating Employer pursuant to Section 4.4.

<u>Matching Contributions Account</u>. "Matching Contributions Account" means an Account described in Section 6.1(a)(3).

Non-Contributing Participant. A "Non-Contributing Participant" is a Covered Employee who is not a Contributing Participant.

Normal Retirement Date. The "Normal Retirement Date" of a Participant is the date the Participant attains sixty-five years of age.

One-Year Break in Service. "One-Year Break in Service" means a Plan Year during which an Employee completes no Hours of Service for a Participating Employer or Related Employer of that Participating Employer.

Participant. A "Participant" is a person who is a Contributing or Non-Contributing Participant or any other person who is entitled to an immediate or deferred benefit under the Plan by reason of having been a Contributing or Non-Contributing Participant.

Participating Employer. "Participating Employer" means each of Hahn and any other Employer that has adopted the Plan pursuant to the provisions of Article II and is maintaining it in effect.

Plan. "Plan" means the "Hahn Equipment Co. Savings Plan for Union Employees" as stated in this instrument and as it may hereafter be amended from time to time.

Plan Year. "Plan Year" means the calendar year. The records of the Plan shall be kept upon the Plan Year.

Predecessor Employer. A "Predecessor Employer" is an Employer which formerly employed Employees of a Participating Employer and service with which is credited for purposes of eligibility to become a Covered Employee as provided in Section 3.1. Hahn, Inc. shall be considered to be a Predecessor Employer. Effective on and after January 1, 2001, "Predecessor Employer" shall also include any Employer from which a Participating Employer or Related Employer purchases assets if Employees of the Employer whose assets are purchased become Employees of a Participating Employer or Related Employer on account of that purchase. The Administrator shall determine whether or not an Employer is a Predecessor Employer.

Pre-Tax Contribution Agreement. "Pre-Tax Contribution Agreement" means an agreement on a form provided by the Administrator or information provided by another method made available by the Administrator pursuant to which a Covered Employee may elect to have the compensation payable to the Covered Employee by the Covered Employee's Participating Employer reduced and paid as Pre-Tax Contributions to the Plan by such Participating Employer.

Pre-Tax Contributions. A Contributing Participant's "Pre-Tax Contributions" are contributions described in Section 4.2.

Pre-Tax Contributions Account. "Pre-Tax Contributions Account" means an Account described in Section 6.1(a)(1).

Prior Plan. If this Plan is adopted by a Participating Employer as an amendment or continuation of another plan, as indicated in a resolution of an Employer adopting the Plan pursuant to Section 2.2, then the amended or continued plan as it existed immediately before the amendment or continuation shall be a "Prior Plan."

Qualified Domestic Relations Order.

(1) General Rule. The term "Qualified Domestic Relations Order" means a Domestic Relations Order:

(A) which creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under the Plan, and

(B) with respect to which the requirements described in the remainder of this definition are met.

(2) Specification of Facts. A Domestic Relations Order shall be a Qualified Domestic Relations Order only if the order clearly specifies:

(A) the name and last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order,

(B) the amount or percentage of the Participant's benefits to be paid by the Plan to each such Alternate Payee, or the manner in which such amount or percentage is to be determined,

(C) the number of payments or period to which such order applies, and

(D) each plan to which such order applies.

(3) Further Requirements. A Domestic Relations Order shall be considered a Qualified Domestic Relations Order only if such order:

(A) does not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan,

(B) does not require the Plan to provide increased benefits, and

(C) does not require payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

(4) Exception for Payments After Order. A Domestic Relations Order shall not be treated as failing to meet the requirements of subparagraph (3)(A) above solely because such order requires that payment of benefits be made to an Alternate Payee:

(A) before the Participant has incurred a Termination of Service,

(B) as if the Participant had incurred a Termination of Service on the date on which such payment is to begin under such order, and

(C) in any form in which such benefits may be paid under the Plan to the Participant (other than in the Qualified Joint and Survivor Annuity Form with respect to the Alternate Payee and Alternate Payee's subsequent spouse).

(5) Orders Prior to January l, 1985. Generally, a Domestic Relations Order cannot be a Qualified Domestic Relations Order until January l, 1985. However, in the case of a Domestic Relations Order entered before such date, the Administrator:

(A) shall treat such order as a Qualified Domestic Relations Order if such Administrator is paying benefits pursuant to such order on such date, and

(B) may treat any other such order entered before such date as a Qualified Domestic Relations Order even if such order does not meet the requirements set forth above.

Related Employer. A "Related Employer" is an Employer, other than a Participating Employer, which is part of a group of corporations or other business organizations with a Participating Employer that is treated as one Employer for purposes of antidiscrimination tests described in Section 414 of the Code as determined by applying tests established under Section 414 of the Code, modified for purposes of Section 415 of the Code only by Section 415(h) of the Code. In addition, Foreign Subsidiaries shall be considered to be Related Employers.

Rollover Contributions. "Rollover Contributions" are contributions made by an Employee pursuant to Section 4.5.

Rollover Contributions Account. "Rollover Contributions Account" means an Account described in Section 6.1(a)(4).

Termination of Employment. A "Termination of Employment" of an Employee of an Employer shall occur whenever the Employee's status as an Employee of such Employer ceases for any reason other than the Employee's death. An Employee who does not return to work for such Employer on or before the expiration of an authorized leave of absence from such Employer shall be deemed to have incurred a Termination of Employment when such leave ends. An Employee who has been on temporary lay-off for lack of work for more than two years shall also be deemed to have incurred a Termination of Employment.

Termination of Service. A "Termination of Service" of an individual shall occur whenever the individual has ceased to be an Employee of all Participating Employers or Related Employers.

Toro. "Toro" means The Toro Company, a Delaware corporation, or any successor thereof.

Toro Common Stock. "Toro Common Stock" means the common stock of The Toro Company or any successor company thereto which is readily tradable on an established securities exchange.

Trust. On and after January 1, 1998, "Trust" means the "Hahn Equipment Co. Savings Plan for Union Employees Trust", as it may be amended from time to time, the terms of which are stated in the Trust Agreement.

Trust Agreement. "Trust Agreement" means a trust agreement described in Section 9.1 between Hahn and the Trustee.

Trustee. The "Trustee" is the natural or artificial person appointed and acting from time to time as Trustee of the Trust. As of January 1, 1998, Putnam Fiduciary Trust Company is the Trustee. No person shall serve as Trustee in violation of Section 411 of ERISA.

Trust Fund. The “Trust Fund” includes all property, cash and assets of every kind received or receivable and held by the Trustee pursuant to the terms of the Trust Agreement.

Trust Fund Share. The “Trust Fund Share” of a Participant or the Participant’s Beneficiary shall be equal to the total of:

(1) the fair market value of the Participant’s or Beneficiary’s Accounts determined as of the Valuation Date coincident with or last preceding the event which gives rise to the necessity for determining said total; plus

(2) the amount of any contributions to the Plan credited to the Participant’s or Beneficiary’s Accounts after said Valuation Date and up to said event; plus

(3) all contributions which have been remitted to the Trustee and which have not been allocated to the Participant’s Accounts up to such event, but which are fully allocable to the Participant; plus

(4) all contributions held by a Participating Employer under a payroll deduction program with respect to this Plan; plus

(5) All other contributions made subsequent to such event which are allocated to the Participant’s Accounts after such event; less

(6) all distributions from the Plan made to the Participant or on the Participant’s behalf from said Valuation Date up to said event.

Notwithstanding the preceding provisions of this definition, if as of said Valuation Date any portion of any of a Participant’s Accounts have been invested in an Investment Fund and if the change in value of such portion is readily determinable at any time without a valuation of said Investment Fund, such portion shall be excluded when determining the fair market value of the applicable Account as of said Valuation Date. However, the amount receivable by the Participant from said Investment Fund with respect to that portion, as of the date the Participant’s Trust Fund Share is computed, shall be added to the Participant’s Trust Fund Share.

Valuation Date. A “Valuation Date” is any date as of which the value of the assets held in the Trust Fund is to be determined. A Valuation Date shall occur upon any date designated by the Administrator and communicated to the Trustee and other appropriate parties which date must be selected in a uniform manner and must not result in any discrimination in favor of Highly Compensated Employees of a Participating Employer. If business is not normally transacted on the pertinent day, then the Valuation Date shall be the most recent day upon which business was normally transacted. Until modified by the Administrator (by direction to the record keeper for the Plan and communications to Participants), Valuation Date shall include each business day on which the New York Stock Exchange is open for business.

Valuation Period. A “Valuation Period” is a period of time beginning either on January 1, 1998, or on the day immediately following a Valuation Date and ending upon the next subsequent Valuation Date.

Vested. “Vested” means nonforfeitable, that is, a claim which is unconditional and legally enforceable against the Plan obtained by a Participant or the Participant’s Beneficiary to that part of an immediate or deferred benefit under the Plan.

Vested Share. “Vested Share” means the Vested portion of a Participant’s Trust Fund Share as determined under Article VI.

Vesting and Withdrawal Limitations. “Vesting and Withdrawal Limitations” means with respect to assets allocated to a Participant’s Account that those assets are fully Vested and may not be withdrawn prior to the Participant’s Termination of Service.

Vesting Service. “Vesting Service” means an Employee’s period of service with Hahn. a Predecessor Employer, or a Related Employer measured in full years. An Employee shall receive credit for one full year of Vesting Service for each Plan Year in which the Employee had at least one Hour of Service for Hahn or a Related Employer. Effective on and after January 1, 2001, “Vesting Service” shall also include an Employee’s period of service with a Predecessor Employer determined in the same manner as under the prior provisions of this definition.

Section 1.2. Gender and Number. Wherever appropriate, the masculine gender, as used herein, may be read as the feminine gender or as the neuter gender, and the neuter gender may be read as the masculine gender or as the feminine gender. The singular may be read as the plural, and the plural may be read as the singular.

Section 1.3. Applicable Law, Statute of Limitations. The Plan and Trust are intended to be construed, and all rights and duties are to be governed, in accordance with the laws of the State of Minnesota, except as preempted by ERISA. Unless ERISA specifically provides otherwise, no civil action arising out of, or relating to, this Plan or Trust, including a civil action authorized by Section 502(a) of ERISA, may be commenced by a Participant or Beneficiary after the earlier of:

(a) three years after the occurrence of the facts or circumstances that give rise to, or form the basis for such action; or

(b) one year from the date the plaintiff had actual knowledge of the facts or circumstances that give rise to, or form the basis for, such action,

except that in the case of fraud or concealment, such action may be commenced not later than three years after the date of discovery of the facts or circumstances that give rise to, or form the basis for, such action.

Section 1.4. Merger and Consolidation. In the event of any merger or consolidation of the Plan or Trust with any other plan or trust or the transfer of assets or liabilities of the Trust to any other plan or trust, each Participant shall (if such plan or trust should then be terminated) receive a benefit immediately after the merger, consolidation, or transfer which is not less than the benefit the Participant would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan or Trust had terminated on the day immediately preceding the effective date of such merger, consolidation, or transfer) based on the Participant’s employment and remuneration on such preceding day.

Section 1.5. Rule of Construction. Hahn intends the Plan and Trust to qualify under the provisions of ERISA, including Section 401(a) of the Code as amended by ERISA, or of any comparable section of any future legislation that amends, supplements, or supersedes such section and/or ERISA, and all provisions of the Plan are to be construed and applied in a manner that is consistent therewith.

ARTICLE II.
Participating Employers

Section 2.1. Eligibility. In order to be eligible to adopt the Plan, an Employer must be designated as eligible by the Chief Executive Officer of Hahn or such officer's delegate in writing which designation must be delivered to such Employer. The designation may specify the date as of which such Employer's participation may become effective, the terms and conditions, if any, under which and the extent to which employment with and remuneration from such Employer, its predecessors and/or affiliates shall be taken into account under the Plan, and may also specify the divisions, plants or other units of Employees of such Employer whose members are eligible to become Covered Employees. This revised Section 2.1 is effective on and after January 1, 1997.

Section 2.2. Commencement of Participation. An eligible Employer may adopt the Plan by resolution duly adopted by its Board of Directors, as evidenced by a copy thereof certified by its secretary or assistant secretary (or other authorized person) and delivered to Hahn. Upon such delivery of the certified copy of that resolution, the Employer shall become a Participating Employer effective upon the later of the date specified in that resolution or the designation referred to in the prior section. If no date is specified in such resolution or designation, the eligible Employer shall become a Participating Employer as of the first day of the first Plan Year subsequent to the date on which such resolution has been duly adopted and such designation has been adopted.

Section 2.3. Recordkeeping and Reporting. Each Participating Employer shall furnish to the Administrator the information with respect to each of its Employees necessary to enable the Administrator to maintain records sufficient to determine the benefits due to or which may become due to such Employees and to give those Employees the reports required by law.

ARTICLE III.
Eligibility and Participation

Section 3.1. Eligibility Requirements

(a) Except as otherwise provided in Section 3.1(b), each Employee of a Participating Employer who simultaneously meets all of the following requirements may become a Covered Employee:

(1) The Employee has completed ninety (90) consecutive days of employment with a Participating Employer, Related Employer, or Predecessor Employer (limitations on crediting service with a predecessor Employer described in Paragraph (3) of the definitions of Eligibility Service shall apply) or one year of Eligibility Service.

(2) The Employee is employed is a division, plant or other classification of Employees with respect to which the Employee's Participating Employer has adopted the Plan.

(3) The Employee is a member of a unit of Employees of that Employer which is covered by Local 1633 of the International Union, United Automobile Aerospace and Agricultural Implement Workers of America at the Employer's Evansville, Indiana plant.

(b) The following provisions are exceptions to the eligibility provisions of Section 3.1(a):

(1) If an Employee is employed in a job by the Employee's Participating Employer which is classified as executive, administrative, supervisory, professional, selling, or clerical, or if an Employee is classified as an hourly paid Employee by the Employee's Participating Employer

and is not a member of a unit of Employees of that Employer which is covered by Local 1633 of the International Union, United Automobile Aerospace and Agricultural Implement Workers of America at the Employer's Evansville, Indiana, the Employee shall not be eligible to become a Covered Employee.

(2) If an Employee is in a unit of Employees of a Participating Employer covered by a collective bargaining agreement which does not provide that Employees in the unit shall be covered by the Plan and if there is evidence that retirement benefits were the subject of good faith bargaining between the representatives of such unit and such Employer, the Employee shall not be eligible to become a Covered Employee.

(3) A leased employee described in Section 14.4 of the Plan shall not be eligible to become a Covered Employee.

Section 3.2. Admittance as Covered Employee and Participant.

(a) Each Employee of a Participating Employer who immediately before January 1, 2000, was a Participant in the Plan shall be a Participant as of that date. In addition, each such Employee who on said date is not excluded from eligibility under Section 3.1(b) shall be a Covered Employee on said date. Also, if an Employee meets such requirements, except that the Employee is excluded from eligibility under Section 3.1(b), the Employee shall become a Covered Employee as of the first day on which the Employee performs an Hour of Service for a Participating Employer and is not excluded from eligibility under Section 3.1(b) (this shall not be earlier than the Entry Date on which the Employee would have become a Covered Employee but for such exclusion).

(b) On and after January 1, 2000, each Employee who first meets the requirements of Section 3.1 shall automatically become a Covered Employee and a Participant on the payday for the first full payroll period after the Employee meets those requirements. However, if an Employee meets such requirements, except that the Employee incurs a Termination of Service (without returning to employment) before such day, the Employee shall become a Covered Employee as of the first day after that payday on which the Employee first performs an Hour of Service for a Participating Employer and is not excluded from eligibility under Section 3.l(b). Also, if an Employee meets such requirements on account of satisfying the one year of Eligibility Service requirement, the date for such entry into the Plan shall not be later than the first day of the Plan Year following the date such requirements are satisfied.

Section 3.3. Requirements to Become a Contributing Participant.

(a) Each Employee who becomes a Covered Employee may become a Contributing Participant. However, except as provided in Section 3.3(b), to become a Contributing Participant, each Covered Employee must apply to participate in the Plan in writing or by another method required or made available by the Administrator. The application shall include an acceptance of the terms of the Plan, a Pre-Tax Contribution Agreement, an agreement to make After-Tax Contributions, a designation of the percentage of the Employee's Compensation which the Employee wishes to have contributed to the Plan on the Employee's behalf, an authorization of payroll deductions of such contributions and such other information as the Administrator may reasonably require for the proper administration of the Plan. A Covered Employee shall become a Contributing Participant as of the beginning of the Covered Employee's first payroll period which follows the 30th day after the date of such application (or such earlier payroll period as the Administrator shall permit in a uniform and nondiscriminatory manner) or for such later payroll period as shall be provided in the application.

(b) Each Employee who becomes an Employee of a Participating Employer on or after January 1, 1999 and who first becomes a Covered Employee on or after that date shall automatically become a Contributing Participant, unless the Employee elects not to participate in the Plan by completing the forms required by the Administrator or by another method made available by the Administrator. Upon explanation of the terms of the Plan by the Administrator, unless an affirmative action is taken by the Covered Employee, the Employee will be deemed to have agreed with the terms of the Plan, agreed to make Pre-Tax Contributions, designated the percentage of the Employee's Compensation as provided in Section 4.2(a)(2) of the Plan, and authorized the payroll deductions of such contributions. If the Employee desires to change the percentage of the Employee's Compensation designated as Pre-Tax Contributions, agrees to make After-Tax Contributions, or elects not to participate in the Plan, the Employee shall complete the forms or take such other action as is reasonably required by the Administrator. A Covered Employee shall become a Contributing Participant as of the date such Employee becomes a Covered Employee, unless the Employee elects not to participate in the Plan.

Section 3.4. Withdrawal as Contributing Participant. A Participant may withdraw as a Contributing Participant for a payroll period by revoking the Participant's authorization of payroll deductions to make Pre-Tax Contributions and After-Tax Contributions on the Participant's behalf. A Participant who desires to withdraw as a Contributing Participant shall provide a notice of withdrawal by a method required or made available by the Administrator, at least thirty days (or such shorter period of days as the Administrator shall permit in a uniform and nondiscriminatory manner) before such payroll period.

Section 3.5. Return as Contributing Participant After Withdrawal. A Participant who has withdrawn as a Contributing Participant as described in Section 3.4 may not again become a Contributing Participant until the first payday of the Covered Employee's Participating Employer which follows the payday for which the withdrawal was effective (or such earlier date as the Administrator shall permit in a uniform and nondiscriminatory manner).

Section 3.6. Termination as Covered Employee. An Employee shall cease to be a Covered Employee upon the Employee's Termination of Employment by all Participating Employers or the Employee's death, or by reason of ceasing to meet the requirements to be a Covered Employee under Section 3.1.

Section 3.7. Termination as Contributing Participant. An Employee shall cease to be a Contributing Participant upon the Employee's withdrawal as a Contributing Participant as described in Section 3.4 or the Employee's termination as a Covered Employee under Section 3.6, or on account of termination of the Plan.

Section 3.8. Return as Covered Employee and Contributing Participant after Termination as Covered Employee. An Employee who has ceased to be a Covered Employee shall again become a Covered Employee as of the first day after that occurrence on which such Employee first performs an Hour of Service for a Participating Employer and is not excluded from eligibility under Section 3.1(b). Such Employee shall again become a Contributing Participant as provided in Section 3.3 or, if such Employee had withdrawn as a Contributing Participant prior to Termination of Service, at such later date as is provided under Section 3.5. For purposes of determining that date, an Employee who has ceased to be a Covered Employee shall be deemed to have withdrawn as a Contributing Participant.

Section 3.9. Limitation Respecting Employment. Neither the fact of the establishment of the Plan and Trust nor the fact that an Employee has become a Covered Employee or Contributing Participant shall give to any person any right to continued employment; neither shall either fact limit the right of a

Participating Employer to discharge or to deal otherwise with an Employee without regard to the effect such treatment may have upon the Employee's rights under the Plan.

Section 3.10. Termination as Participant. After there shall have been distributed to or for the benefit of a Participant or such Participant's Beneficiary the entire portion of such Participant's Vested Share to which the Participant is entitled, such person shall cease to be a Participant.

ARTICLE IV.
Contributions

Section 4.1. Contributions By Employer. The Participating Employers shall be limited to making contributions described in Sections 4.2, 4.3, 4.4, 4.6, and 4.10 of the Plan.

Section 4.2. Pre-Tax Contributions.

(a) Pre-Tax Contributions are contributions to the Plan which are made out of a Contributing Participant's Compensation and are treated for federal income tax purposes as a contribution made by the Participant's Participating Employer.

(1) Prior to January 1, 1999, a Contributing Participant who decides to cause Pre-Tax Contributions to be made to the Plan on the Participant's behalf for a Plan Year must enter into a Pre-Tax Contribution Agreement as provided in Section 3.3 in which the Employee shall designate the percentage of the Employee's Compensation from the Employee's Participating Employer which is to be contributed by the Employee's Participating Employer to the Plan for that part of the Plan Year during which the Employee is a Contributing Participant

(2) On and after January 1, 1999, an Employee who becomes a Contributing Participant under Section 3.3(b), shall be deemed to have elected to have Pre-Tax Contributions made on the Covered Employee's behalf in the amount of two percent (2%) of the Covered Employee's Compensation. In the event the Covered Employee makes an affirmative election to make Pre-Tax Contributions before the date such Employee becomes a Contributing Participant, the affirmative election shall supercede the deemed election. In the event the Covered Employee makes an election not to have Pre-Tax Contributions made on the Covered Employee's behalf before the date such Employee becomes a Contributing Participant, such election shall supercede the deemed election.

(3) On and after January 1, 1999, at least annually, before each Plan Year, the Administrator must notify the Employee who was deemed to become a Contributing Participant under Section 3.3(b) of the Pre-Tax Contribution percentage as designated in Section 4.2(a)(2) and the Employee's right to change the percentage.

(b) A Contributing Participant's Participating Employer shall contribute on behalf of the Contributing Participant the amount specified by the Contributing Participant to be made to the Plan as Pre-Tax Contributions.

(c) An Employee may cause the Employee's Participating Employer to cease to make Pre-Tax Contributions on the Employee's behalf for a Plan Year by withdrawing from the Employee's status as a Contributing Participant as provided in Section 3.4. Such status withdrawal shall be effective as of such date as may be provided under rules established by the Administrator; however, unless the Administrator determines otherwise, such withdrawal will be effective as of the first payday after the status withdrawal on which it is administratively feasible to make the changes.

(d) Effective July 1, 1998, Pre-Tax Contributions may be made in one percent (1%) increments of from a minimum of one percent (1%) to a maximum of sixteen percent (16%) of Compensation per payroll period; provided, however, that the sum of the Participant's Pre-Tax Contributions and After-Tax Contributions for any payroll period may not exceed sixteen percent (16%) of the Participant's Compensation for such period and shall be limited to the maximum contribution permitted by Section 5.2 of the Plan.

(e) A Contributing Participant may modify the rate of Pre-Tax Contributions at any time by fulfilling the requirements of this section. The rate change shall be effective as of the first payday after the Administrator has processed the request. Any modification in the rate of Pre-Tax Contributions shall be elected by providing to the Administrator a new Pre-Tax Contribution Agreement by a method required or made available by the Administrator. Such agreement shall be provided to the Administrator at least 30 days (or such shorter period of days as the Administrator may permit in a uniform and nondiscriminatory manner) before the payday as of which it is to be effective.

(f) A Participant's Pre-Tax Contributions for any calendar year, when aggregated with any other elective deferrals as defined under Section 402(g) of the Code which are made to any other plan maintained by a Participating or Related Employer on behalf of the Participant, may not exceed $7,000, as adjusted by the Secretary of Treasury to reflect increases in the cost of living. If that limit is exceeded, the portion of the excess amount attributable to this Plan, adjusted for earnings or losses as provided in Section 4.2(h), shall be distributed to the Participant not later than April 15 of the calendar year immediately following the calendar year in which the contributions were made.

(g) If a Participant's elective deferrals, within the meaning of Section 402(g)(3) of the Code, for any calendar year exceed $7,000 as adjusted by the Secretary of the Treasury to reflect increases in the cost of living, and this limit is exceeded as a result of aggregation with any such elective deferrals made to plans other than plans maintained by a Participating or Related Employer, the Participant may notify the Administrator and request a distribution from this Plan. In calculating the amount to be distributed pursuant to the Participant's request, the Participant's excess pre-tax contributions shall be reduced by any contributions previously distributed or recharacterized pursuant to Section 4.6 hereof with respect to the Participant for the Plan Year beginning with or within such calendar year. If the Administrator receives proper notice from the Participant that the limit in this subsection (g) has been exceeded for a calendar year, the Administrator shall direct the Trustee to distribute the appropriate pre-tax contributions, adjusted for any net earnings or losses, in accordance with paragraph (1) or (2) below:

(1) If Pre-Tax Contributions are distributed to a Participant during the calendar year in which such contributions were made, the following conditions must be satisfied:

(A) The Participant and the Plan must designate the distribution as excess pre-tax contributions, and

(B) The distribution must be made after the date on which the excess pre-tax contributions were made to the Plan.

(2) If excess Pre-Tax Contributions are distributed following the calendar year in which the contributions were made, the following conditions must be satisfied:

(A) the Participant must notify the Administrator, not later than the March 1st of the calendar year following the calendar year in which the contributions were made, that the limit in this Section 4.2 has been exceeded, and

(B) the Administrator, upon receipt of the notice from the Participant, shall direct the Trustees to make the appropriate distributions no later than the April 15th immediately following receipt of the notice.

(h) (1) The net earnings or losses allocable to the Participant's excess Pre-Tax Contributions for the calendar year pursuant to this Section 4.2 shall be determined in accordance with any reasonable method for computing the income or losses allocable to such excess deferrals provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all corrective distributions under the Plan for the applicable Plan Year and is used for allocating income to Participant Accounts. However, the net earnings or losses allocable to such excess deferrals for the calendar year may be determined by multiplying the earnings or losses for the calendar year allocable to the Participant's Pre-Tax Contributions by a fraction with respect to which:

(A) the numerator is the amount of such excess contributions made by the Participant for the calendar year, and

(B) the denominator is the sum of (i) the portions of the account balance of the Participant attributable to Pre-Tax Contributions as of the beginning of the calendar and (ii) the Participant's Pre-Tax Contributions for the calendar year.

(2) If the distribution of the Participant's excess Pre-Tax Contributions is made after the end of the calendar year, the net earnings or losses allocable to the Participant's excess Pre-Tax Contributions for the period between the end of the year and the distribution date will be disregarded.

(3) Notwithstanding the prior provisions of this subsection (h), the net earnings or losses of, or value of, the Participant's Pre-Tax Contributions Account attributable to Pre-Tax Contributions that have not been made for a calendar year shall not be taken into account in making the determination described in this subsection (h).

(i) Matching Contributions made on behalf of a Participant (and earnings or losses attributable to those contributions determined by the Administrator in a manner consistent with the prior provisions of subsection (h)) shall be forfeited if the contributions to which they relate are Pre-Tax Contributions distributed under the prior provisions of this section and shall be used as soon as administratively feasible to reduce subsequent Matching Contributions by the Participant's Participating Employer.

(j) Pre-Tax Contributions made on behalf of a Participant must be paid to a Trustee and credited to the Participant's Pre-Tax Contributions Account as soon as reasonably practicable, but not after the fifteenth business day of the calendar month following the month the contributions would have otherwise been payable to the Participant in cash.

(k) The rate of Pre-Tax Contributions may be limited by the Administrator in order to comply with the applicable deductibility limits, limits under Section 415 of the Code, and the nondiscrimination tests in Section 4.6.

Section 4.3. After-Tax Contributions. Any Participant may elect to contribute to the Plan as an After-Tax Contribution an amount designated by the Participant equal to any whole percentage of the Participant's Compensation per payroll period, from one percent (1%) to four percent (4%) of such Compensation, but not exceeding the maximum amount which may be contributed pursuant to Sections

5.2 and 4.6 of the Plan; provided, however, that the sum of the Participant's After-Tax Contributions and Pre-Tax Contributions for any payroll period may not exceed sixteen percent (16%) of the Participant's Compensation for such period. Such contributions do not reduce the Participant's income subject to income tax withholding. A Contributing Participant who decides to make After-Tax Contributions must make an application as described in Section 3.3. An Employee may cease, resume or modify the rate or amount of After-Tax Contributions at the same times and in accordance with the same rules as provided for Pre-Tax Contributions.

Section 4.4. Matching Contributions. Subject to any limitation in this Section, each Participating Employer shall make a Matching Contribution for each Plan Year on behalf of each Participant who makes Pre-Tax Contributions or After-Tax Contributions on or after the first day of the month following one year of Eligibility Service. The Matching Contributions from such Employer for such a Contributing Participant shall equal twenty five percent (25%) of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year (excluding any such contributions which have been withdrawn during that Plan Year), but shall not exceed one percent (1%) of the Participant's Compensation for any payday with respect to which such contributions are made.

Section 4.5. Rollovers From Qualified Plans. If allowed by the Administrator and subject to such terms and conditions as may be established from time to time by the Administrator, a Participant may contribute assets distributed from the Participant's interest in a plan qualified under Section 40l(a) or 403(a) to the Trust Fund by delivery of such contribution to a Trustee and such contribution shall be considered to be a Rollover Contribution; provided that such Employee submits a written certification, satisfactory to the Administrator and Trustee, that the contribution of the assets will satisfy applicable Code and regulatory requirements which prevent taxation of those assets in the event such a contribution is made.

Such rollover may also be made through an individual retirement plan qualified under Section 408 of the Code where the individual retirement plan was used as a conduit from the prior plan if the transfer is made in accordance with the statutory and regulatory rules referred to in the prior paragraph and if such individual retirement plan did not include any personal contributions or earnings thereon the Participant may have made to the Individual Retirement Account.

If allowed by the Administrator and subject to such terms and conditions as may be established from time to time by the Administrator, an Employee of a Participating Employer may cause a direct rollover of the type described in Section 7.11 to be made from a qualified trust described in Section 401(a) of the Code to the Plan and such transfer shall be treated as a Rollover Contribution.

Any Rollover Contributions Account is subject to the Plan provisions governing distributions.

Section 4.6. Non-discrimination Tests.

(a) For purposes of this Section 4.6:

(1) "Actual contribution percentage" means for a Plan Year the average of all actual contribution ratios calculated separately for each Covered Employee in a designated group of Covered Employees. Subject to the rules in Section 4.6(d) hereof, for purposes of determining the actual contribution percentage, a Covered Employee's actual contribution ratio for a Plan Year is a fraction with a denominator equal to the Covered Employee's compensation for the Plan Year and a numerator equal to the Covered Employee's After-Tax Contributions and Matching Contributions for the Plan Year and those qualified nonelective contributions and elective contributions utilized for purposes of satisfying the rules in Section 4.6(c) hereof for the Plan

Year. When determining an actual contribution percentage, contributions under this Plan and any other plan holding after-tax voluntary contributions, elective contributions, or matching contributions, which is maintained by a Participating or Related Employer, will be aggregated if such plans must be combined for purposes of satisfying Section 410(b) of the Code. The actual contribution ratio of any Highly Compensated Employee who is a Covered Employee shall be determined by aggregating voluntary and matching contributions under all qualified retirement plans of the Participating and Related Employers. A Covered Employee's actual contribution ratio shall be calculated to the nearest one-hundredth of one percent.

Effective for Plan Years beginning on or after January 1, 1997, the contribution percentage for non-Highly Compensated Employees which is to be used under the test in Section 4.6(c) and 4.6(e) for a Plan Year shall be determined using the "current year testing method" (that term shall have the meaning given to it under Internal Revenue Notice 98-1 and subsequent guidance which is referred to hereafter in this definition as the "IRS Notice"). Consistent with the IRS Notice, in the event of a permitted change from the current year testing method to the "prior year testing method" (as defined in the IRS Notice) by amendment to the Plan, double counting of certain contributions must not occur.

(2) "Actual deferral percentage" means for a Plan Year the average of all actual deferral ratios calculated separately for each Covered Employee in a designated group of Covered Employees. Subject to the rules in Section 4.6(d), for purposes of determining the actual deferral percentage, a Covered Employee's actual deferral ratio for a Plan Year is the fraction with a numerator equal to the Covered Employee's elective contributions to this Plan for the Plan Year and a denominator equal to the Covered Employee's compensation for the Plan Year. When calculating a Covered Employee's actual deferral ratio, the Covered Employee's elective contributions refer to Pre-Tax Contributions (including such contributions returned to a Participant pursuant to Section 4.2 hereof) made on the Covered Employees behalf, and those qualified nonelective contributions and qualified matching contributions utilized for purposes of satisfying the rules in Section 4.6(b) hereof. When determining an actual deferral percentage, elective contributions under this Plan and any other cash or deferred plan maintained by a Participating or Related Employer will be aggregated if such plans must be combined for purposes of satisfying Sections 401(a)(4) and 410(b) of the Code. The actual deferral ratio of any Highly Compensated Employee who is a Covered Employee shall be determined by aggregating elective contributions under all qualified retirement plans that are maintained by a Participating or Related Employer. A Covered Employee's actual deferral ratio shall be calculated to the nearest one-hundredth of one percent.

Effective for Plan Years beginning on or after January 1, 1997, the deferral percentage for non-Highly Compensated Employees which is to be used under the tests in Section 4.6(b) and 4.6(e) for a Plan Year shall be determined using the "current year testing method" (as defined in Internal Revenue Notice 98-1 and subsequent guidance). Consistent with the IRS Notice, in the event of a permitted change from the current year testing method to the "prior year testing method" (as defined in the IRS Notice) by amendment to the Plan, double counting of certain contributions must not occur.

(3) "Aggregate Contributions" means those contributions included in the numerator of the actual contribution ratio under the definition of actual contribution percentage.

(4) "Compensation" means, for purposes of determining a Covered Employee's actual deferral and actual contribution ratios, the Covered Employee's compensation as defined in Section 414(s) of the Code (alternatively, the Administrator may elect to use another definition of

compensation described in regulations under Section 414(s) of Code) for the entire Plan Year for which the determination is being made; provided, however, that at the election of the Administrator, compensation as defined herein for a Plan Year shall be computed on the basis of the portion of the Plan Year during which the Employee was a Covered Employee.

(5) "Elective contributions" mean Pre-Tax Contributions made on behalf of Covered Employees under this Article IV, and any other contributions made by a Participating or Related Employer to a different plan pursuant to the Covered Employee's cash or deferred election in accordance with Section 402(e)(3) of the Code. In order for elective contributions to be taken into account under this Section 4.6 for a Plan Year, they must be made for the Plan Year, allocated as of a date within that Plan Year and paid to the applicable trust within 12 months after the end of the Plan Year. Further, in order for elective contributions to be taken into account under this Section 4.6 for a Plan Year, the elective contributions must relate to Compensation that either would have been received by the Covered Employee in the Plan Year but for the Covered employee's election to defer or is attributable to services performed by the Covered Employee in the Plan Year and, but for the Covered Employee's election to defer, would have been received by the Covered Employee within two and one-half months after the close of the Plan Year. Elective contributions may be used to satisfy the rules in Section 4.6(c) hereof, subject to the conditions contained in Section 4.6(d) hereof. For Plan Years beginning after December 31, 1988, elective contributions to another qualified plan of a Participating or Related Employer may be taken into account for the purpose of the prior sentence only if that qualified plan utilizes a plan year that is identical to the Plan Year.

(6) "Qualified matching contributions" mean immediately nonforfeitable matching contributions made to this Plan or to another qualified plan maintained by a Participating Employer or Related Employer on behalf of a Covered Employee hereunder which are subject to the Vesting and Withdrawal Limitations that apply to elective contributions. For Plan Years beginning after December 31, 1988, any contributions made by a Participating Employer to another qualified plan of a Participating or Related Employer may not be considered qualified matching contributions hereunder unless said qualified plan utilizes a plan year that is identical to the Plan Year. In order to be considered qualifying matching contributions under this Article IV for a Plan Year, the contributions must be made for the Plan Year, allocated as of a date within that Plan Year and paid to the applicable trust within 12 months after the end of the Plan Year.

(7) "Qualified nonelective contributions" mean immediately nonforfeitable contributions made by a Participating Employer on behalf of a Covered Employee to this Plan or to any other qualified plan maintained by a Participating or Related Employer, other than elective and matching contributions, which are subject to the Vesting and Withdrawal Limitations that apply to elective contributions. For Plan Years beginning after 1988, any contributions by a Participating Employer made to another qualified plan of a Participating or Related Employer may not be considered qualified nonelective contributions unless said qualified plan utilizes a plan year that is identical to the Plan Year. In order to be considered qualifying nonelective contributions under this Section 4.6 for a Plan Year, the contributions must be made for the Plan Year, allocated as of a date within that Plan Year and paid to the applicable trust within 12 months after the end of the Plan Year.

(b) Subject to the rules described in subsection (e) hereof, the actual deferral percentages described in Section 4.6(a)(2) of this Plan must satisfy one of the following standards for each Plan Year:

(1) the actual deferral percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual deferral percentage of all other Employees who are Covered Employees during that year multiplied by 1.25; or

(2) the actual deferral percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual deferral percentage of all other Employees who are Covered Employees during that year multiplied by 2, provided that the actual deferral percentage for the group of Highly Compensated Employees who are Covered Employees during that year is not more than 2 percentage points higher than the actual deferral percentage for all other Employees who are Covered Employees during that year.

(c) Subject to the rules described in subsection (e) hereof, the actual contribution percentages described in Section 4.6(a)(1) of this Plan must satisfy one of the following standards for each Plan Year:

(1) the actual contribution percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual contribution percentage of all other Employees who are Covered Employees during that year multiplied by 1.25; or

(2) the actual contribution percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual contribution percentage of all other Employees who are Covered Employees during that year multiplied by 2, provided that the actual contribution percentage for the group of Highly Compensated Employees who are Covered Employees during that year is not more than 2 percentage points higher than the actual contribution percentage for all other Employees who are Covered Employees during that year.

(d) Subject to the rules described in this subsection (d), qualified nonelective contributions and qualified matching contributions may be taken into account when applying the rules in subsection (b) of this Plan. Also, subject to the rules of this subsection (d), qualified nonelective contributions and elective contributions may be utilized for purposes of satisfying the rules in subsection (c) hereof. The following rules apply to qualified nonelective contributions and qualified matching contributions:

(1) If only a portion of the qualified nonelective contributions made on behalf of Participants hereunder are taken into account under subsections (b) or (c) hereof, all of the remaining qualified nonelective contributions must be allocated in a manner that does not discriminate in favor of Highly Compensated Employees;

(2) If qualified matching contributions are used to satisfy the rules in subsection (b) hereof, the rules in subsection (c) hereof must be satisfied without regard to those qualified matching contributions;

(3) Elective contributions may be used to satisfy the rules in subsection (c) hereof only if the standards described in subsection (b) hereof are met both when including and excluding those elective contributions taken into account pursuant to said subsection (c);

(4) Any qualified nonelective contributions or qualified matching contributions taken into account under subsection (b) hereof and any qualified nonelective contributions or elective contributions taken into account under subsection (c) hereof may not also be used to satisfy the same nondiscrimination rules under another qualified plan; and

(5) The Administrator shall designate which contributions are qualified nonelective contributions and qualified matching contributions and must maintain records demonstrating which contributions were used to satisfy the rules in subsections (b) and (c) hereof.

(e) Effective for Plan Years beginning after December 31, 1988, the rules in this Section 4.6(e) apply if the actual deferral percentage limitation in Section 4.6(b)(2) and the actual contribution percentage limitation in Section 4.6(c)(2) are both utilized for the same Plan Year. In the event this subsection (e) applies, the aggregate limit is the greater of (1) or (2):

(1) the sum of:

(A) 125 percent of the greater of the actual deferral percentage or the actual contribution percentage of the non-Highly Compensated Employees; and

(B) The lesser of the actual deferral percentage or the actual contribution percentage of the non-Highly Compensated Employees, increased by 2 percent, provided that the percentage utilized under this subsection (B) does not exceed the lesser of said actual deferral percentage or actual contribution percentage multiplied by 2.

(2) the sum of:

(A) 125 percent of the lesser of (i) the actual deferral percentage of the group of non-Highly Compensated Employees eligible under the 401(k) arrangement for the Plan Year, or (ii) the actual contribution percentage of the group of non-Highly Compensated Employees eligible under the Plan subject to Section 401(m) for the Plan Year beginning with or within the Plan Year of the Section 401(k) arrangement; and

(B) two plus the greater of (i) or (ii) above. In no event, however, shall this amount exceed 200% of the greater of (i) or (ii) above.

(3) For purposes of this subsection (e), the actual deferral percentage and the actual contribution percentage of these Highly Compensated Employees shall be determined after any corrective distribution or recharacterization has been made in accordance with Section 4.6(f) hereof and after any other contributions utilized in accordance with Section 4.6(d) hereof.

(4) If the aggregate limit in this Section 4.6(e) has been exceeded, the Administrator shall reduce the actual contribution percentage of the Highly Compensated Employees in accordance with Section 4.6(f) hereof.

(5) If a corrective distribution or recharacterization has been made pursuant to Section 4.8(f), then for purposes of this Subsection (e), the actual deferral percentage or actual contribution percentage shall be deemed to be the largest amount permitted under Section 4.8(b) or Section 4.8(c) respectively.

(f) (1) The Committee shall determine the actual deferral percentages and the actual contribution percentages for each Plan Year. If the actual deferral percentage or the actual contribution percentage of the Highly Compensated Employees who are Covered Employees exceeds the maximum percentage that would comply with the standards described in Subsections (b), (c), or (e) hereof, whichever is applicable, the correction procedures of this Subsection (f) shall be followed.

(2) Corrections may be made by making contributions described in Subsection (f)(3) or by doing re-characterizations or distributions described after that subsection. For purposes of doing re-characterizations or distributions, excess elective contributions and excess aggregate contributions must be determined.

"Excess elective contributions" mean the aggregate amount of all elective contributions, qualified nonelective contributions, and qualified matching contributions used in determining the actual deferral percentages of the Highly Compensated Employees for the Plan Year which are in excess of the maximum amount of such contributions permitted by the actual deferral percentage test under Section 4.8(b).

"Excess aggregate contributions" mean the aggregate amount of all aggregate contributions, qualified non-elective contributions, and elective contributions used in computing the actual contribution percentages of the Highly Compensated Employees for the Plan Year which are in excess of the maximum amount of such contributions permitted by the actual contribution percentage test under
Section 4.8(c).

The excess elective contributions and excess aggregate contributions shall be determined by reducing the individual deferral ratios or individual contribution ratios of the Highly Compensated Employees, beginning with the actual deferral ratio or the actual contribution ratio of the Highly Compensated Employee with the highest actual deferral ratio or highest actual contribution ratio, as the case may be, and reducing such ratio to the extent required to (i) enable the arrangement or plan to satisfy the actual deferral percentage test under Section 4.8(b), or the actual contribution percentage test under Section 4.8(c); or (ii) cause such Highly Compensated Employee's actual deferral ratio or actual contribution ratio to equal the ratio of the Highly Compensated Employee with the next highest actual deferral ratio or actual contribution ratio. This process must be repeated until the arrangement or plan satisfies the actual deferral percentage test under Section 4.8(b) or the actual contribution percentage test under Section 4.8(c), whichever is applicable.

If a Participating Employer makes additional contributions as described in Section 4.8(f)(3), the calculation described in Section 4.8(f)(1) shall be redone, and the excess elective contributions and excess aggregate contributions re-determined, before any re-characterizations or distributions are made pursuant to this subsection.

(3) In the event that contributions for a Plan Year exceed the permissible contribution limitations of subsections (b), (c), or (e) hereof, a Participating Employer may make additional contributions on behalf of Covered Employees of the Participating Employer for that year who are not Highly Compensated Employees for that year until the actual deferral percentage or the actual contribution percentage of the Highly Compensated Employees for that year complies with subsections (b), (c), or (e) hereof. Contributions by the Participating Employer pursuant to this paragraph (3) shall be allocated equally among those Covered Employees. Contributions by the Participating Employer pursuant to this paragraph (3) shall be subject to the Vesting and Withdrawal Limitations that apply to elective contributions, except that amounts attributable to such contributions are not distributable merely on account of an individual's Hardship.

(4) In the event that contributions for a Plan Year exceed the permissible contribution limitations of subsection (b), the Administrator may, in its discretion, recharacterize the excess elective contributions, adjusted for any earnings or losses, as voluntary contributions made by Participants in accordance with this Article IV. Excess contributions may not be

recharacterized after 2 1/2 months following the end of the Plan Year to which the recharacterization relates. Recharacterized contributions are includible in a Participant's gross income on the earliest dates any elective contributions made on behalf of the Participant for the Plan Year would have been received by the Participant had the Participant originally elected to receive the amounts in cash. These recharacterized amounts are subject to the contribution limitations in subsection (c) hereof for that Plan Year. If a Participating Employer re-characterizes any excess elective contributions, the amount of re-characterizations shall reduce the total of excess elective contributions that would otherwise have to be distributed as described in Subsection (f)(5). Such re-characterizations shall be made on the same basis as the amounts would be distributed if they were not re-characterized.

(5) If the contributions for a Plan Year exceed the permissible contribution limitations contained in subsections (b), (c), or (e) hereof after any steps taken pursuant to paragraphs (3) and (4) of this subsection (f), the Administrator shall direct the Trustees to distribute to the appropriate Highly Compensated Employee the excess contributions, from such accounts as it shall determine, adjusted for any earnings or losses attributable to the Plan Year and the period from the end of the Plan Year to the date of the distribution. These distributions must be made after the end of the Plan Year for which the excess contributions were made and within 12 months after the end of such Plan Year. The earnings or losses allocable to such excess contributions shall be determined in accordance with any reasonable method for computing the income or losses allocable to excess contributions, provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year and is used for allocating income to Participants' Accounts. However, income or losses may be allocated in accordance with the following rules:

(A) The net earnings or losses allocable to the excess contributions for the Plan Year are determined by multiplying the earnings or losses for the Plan Year and the gap period described in subparagraph (A)(ii) allocable to Before Tax Contributions, Cash or Deferred Contributions and contributions treated as elective contributions under subsection (b) hereof, or to voluntary contributions, matching contributions, and contributions treated as matching contributions under subsection (c) hereof, as the case may be, by a fraction. The numerator and denominator of the fraction are as follows:

(i) The numerator is the amount of excess contributions made by or on behalf of a Participant for the Plan Year; and

(ii) The denominator is the sum of (a) the total account balance of the Participant attributable to Before Tax Contributions, Cash or Deferred Contributions and other contributions treated as elective contributions under subsection (b) hereof, or voluntary contributions, matching contributions, and other contributions treated as matching contributions under subsection (c) hereof, as the case may be, as of the beginning of the Plan Year; and (b) the Participant's elective contributions and amounts treated as elective contributions, or employee and matching contributions, and amounts treated as matching contributions for the Plan Year and for the period between the end of the Plan Year and the distribution date ("gap period").

(B) As an alternative, the calculation in subsection (f)(5)(A) may be altered so that the net earnings or losses for the gap period described in subsection (f)(5)(A)(ii) may be determined to be equal to 10 percent of the net earnings or losses calculated under subsection (f)(5)(A) for the Plan Year multiplied by the number of calendar months that

have elapsed since the end of that Plan Year. If a distribution is made after the 15th day of a month, that month will be treated as having elapsed for purposes of making this calculation. Otherwise, the month in which a distribution is made will be disregarded.

The excess elective contributions and excess aggregated contributions shall be distributed by reducing the elective contributions or aggregate contributions of the Highly Compensated Employees, beginning with the elective contributions or aggregate contributions of the Highly Compensated Employee with the highest amount of elective contributions or highest amount of aggregate contributions, as the case may be, to the extent required to (i) enable the arrangement or plan to distribute all excess elective contributions or excess aggregate contributions, or (ii) cause such Highly Compensated Employee's amount of elective contributions or aggregate contributions to equal the amount of such contributions of the Highly Compensated Employee with the next highest amount of elective contributions or aggregate contributions. This process must be repeated until the arrangement or plan has distributed all excess contributions or excess aggregate contributions as the case may be.

If excess Participating Employer contributions are forfeitable, these contributions may be used to reduce Participating Employer contributions made on behalf of the remaining Participants. A distribution or forfeiture of excess contributions must be made after the end of the Plan Year in which the excess occurred and before the end of the following Plan Year.

(6) The amount of the excess Pre-Tax Contributions that are either recharacterized or distributed with respect to a Participant for a Plan Year will be determined without regard to any excess pre-tax contributions previously distributed to the Participant in accordance with Section 4.2 hereof, for the calendar year ending with or within such Plan Year.

(7) If the Administrator fails to correct the excess contributions made by a Participating Employer, as determined under subsections (b), (c), or (e) hereof within 2 1/2 months after the end of the Plan Year for which the excess contributions were made, the Participating Employer may be subject to a 10 percent excise tax with respect to the amount of the excess.

(8) Excess Aggregate Contributions which are Matching Contributions made on behalf of a Participant (and earnings or losses attributable to those contributions determined by the Administrator in a manner consistent with the prior provisions of paragraph (5) of this subsection) which are not Vested shall be forfeited and such contributions (and such earnings) which are Vested shall be distributed. The Participant's Participating Employer shall use amounts forfeited pursuant to this paragraph as soon as administratively feasible to reduce subsequent Matching Contributions. Amounts that are to be distributed pursuant to this paragraph shall be distributed as provided for excess aggregate contributions.

(9) A distribution or forfeiture of excess contributions must be made after the end of the Plan Year in which the excess occurred and before the end of the following Plan Year.

(g) The determination of the amount of excess contributions with respect to this Plan shall be made by:

(1) first determining excess deferrals as provided under Section 402(g) of the Code;

(2) then determining excess contributions as provided under Section 401(k) of the Code; and

(3) then determining excess contributions as provided under Section 401(m) of the Code.

(h) The changes made by this section shall be effective for Plan Years beginning on or after January 1, 1997, except as otherwise provided in this section. The Administrator shall maintain records demonstrating compliance with this section.

(i) Consistent with Section 410(b)(4)(B) of the Code, the Administrator may elect to separately satisfy the requirement of Section 410(b) of the Code for Employees of a Participating Employer who have not met the minimum age and service requirements described in Section 410(a) of the Code. For Plan Years beginning after December 31, 1998, if such election is made, the Plan Administrator may in applying the tests described in this section exclude from consideration all Covered Employees of the Participating Employer (other than Highly Compensated Employees of the Participating Employer) who have not met such minimum age and service requirements.

(j) Notwithstanding the prior provisions of this section, Section 4.6 (c) shall not apply to Employees under a collectively bargained portion of this Plan (as described in Section 1.401(m)-1(a)(3) of Treasury Regulations). Further, Section 4.6(b) and the subsequent subsections of this section prior to this subsection shall apply separately to Employees under such a collectively bargained portion of this Plan.

Section 4.7. Payroll Deduction of Contributions. Pre-Tax Contributions and After-Tax Contributions shall be made in the form of payroll deductions. The Administrator shall establish uniform and nondiscriminatory rules regarding such payroll deductions.

Section 4.8. Time for Payment of Contributions.

(a) All Pre-Tax Contributions or After-Tax Contributions withheld during a month pursuant to Section 4.7 shall be transmitted by the applicable Employer to the Administrator or, pursuant to the direction of the Administrator, directly to the Trustee in time to reach the Trustee within any time limit required by applicable Code or Regulations.

(b) Matching Contributions made for a Plan Year by a Participating Employer shall be paid to the Trustee no later than the date, including any extension thereof, provided by law for the filing of the Participating Employer’s federal income tax return for its fiscal year in which that Plan Year ends. Matching Contributions may be made monthly based on Pre-Tax Contributions and After-Tax Contributions made throughout the Plan Year.

Section 4.9. Advance Contributions. In the event that a contribution is made during a Valuation Period prior to the Valuation Date which ends that period, the Administrator may direct the Trustee to hold such advance contributions as part of a separate Investment Fund or Funds until said Valuation Date. The changes in value of such separate funds shall not be allocated against the Trust Fund as a whole but shall be attributable to the amount of the contribution which is to be allocated as of said Valuation Date or a previous Valuation Date. If any such contribution is not to be allocated until a later Valuation Date, then such contribution shall continue to be held as a separate Investment Fund until the Valuation Date as of which it is to be allocated and the change in value of such separate fund shall not be allocated against the Trust Fund as a whole but shall be attributed to the contribution which is to be allocated as of said Valuation Date.

Section 4.10. Correcting Contribution. If an erroneous failure to allocate amounts to or an erroneous forfeiture of a Participant's Account has occurred in a prior Plan Year, the Participant's Participating Employer may, at its election, and in lieu of reallocating the earlier contribution or forfeiture, make a correcting contribution for the Account of such Participant. The correcting contribution may include an amount attributable to actual investment gains attributable to amounts to which the contribution relates. Such a contribution shall be allocated to the Participant's Account as of the first Valuation Date that is coincident with or immediately follows the date of the contribution.

Section 4.11. Contributions Conditioned Upon Deductibility. A Participating Employer's contributions made under this Plan shall be conditioned upon deductibility under the provisions of the Code for each fiscal year of the Participating Employer. In the event an Employer makes a contribution to the Plan which is not deductible, such contribution will be returned to such Employer pursuant to Section 14.2(b)(1).

ARTICLE V.
Allocation of Contributions

Section 5.1. Allocation of Contributions.

(a) As of each Valuation Date, all Pre-Tax Contributions, After-Tax Contributions, and Rollover Contributions made on behalf of a Participant, which have been remitted to the Trustee since the immediately preceding Valuation Date, shall be allocated to the appropriate Account of the Participant described in Section 6.1.

(b) As of the last day of each Plan Year, Matching Contributions of a Participating Employer for such Plan Year which have been made on behalf of a Contributing Participant shall be allocated by the Administrator (or the Trustee upon the direction of the Administrator) to the appropriate Account of such Contributing Participant. Alternatively, in the discretion of the Administrator, if Matching Contributions are made throughout such Plan Year, allocations of those contributions may be made as of Valuation Dates during the Plan Year.

(c) Any contribution by a Participating Employer for a Plan Year which has not been allocated under the preceding provisions of this section and has been made on behalf of a Covered Employee shall be allocated by the Administrator (or the Trustee upon the direction of the Administrator) to the appropriate Account of such Covered Employee.

Section 5.2. Limitations on Annual Additions.

(a) For purposes of this Section 5.2:

(1) "Annual additions" means, for each limitation year, the sum of:

(A) contributions by a Participating or Related Employer to this Plan or any other qualified defined contribution retirement plan;

(B) any forfeitures allocated to a Participant under such plan;

(C) any contribution to such a plan by the Participant; and

(D) for purposes of the dollar limitation under subsection (b) of this Section 5.2, any contributions by a Participating or Related Employer allocated in years

beginning after March 31, 1984, to an individual medical benefit account as defined in Section 415(l)(2) of the Code for a Participant under any pension or annuity plan, or in the case of a key employee (as defined in Section 416 of the Code), any contribution by a Participating Employer and a Related Employer allocated in limitation years beginning after 1985 on the Participant's behalf to a separate account established for the purpose of providing post-retirement medical benefits as described in Section 419(A)(d)(2) of the Code.

"Annual Additions" shall include excess deferrals, excess contributions or excess aggregate contributions (as those terms are used in Section 1.415-6(b)(1)(ii) of the Treasury Regulations), unless an exception applies. The term "annual additions" shall not include any investment earnings allocable to a Participant, any rollover contributions of the type described in Section 4.5 hereof (including any amounts transferred directly to the Trustee from another qualified plan), Pre-Tax Contributions distributed under 5.2(f), or payments of principal and interest on any loan made to a Participant under the terms of the Plan (should loans be permitted). Also, contributions made pursuant to Section 4.10 shall be considered "annual additions" only as provided under Section 1.415-6(b)(2)(ii) of the Treasury Regulations.

(2) "Earnings" means amounts paid to or accrued for a Participant by the Participating and Related Employers for a limitation year, including salary and wages, overtime pay, bonuses, commissions, and taxable fringe benefits, but shall not include amounts contributed by a Participating Employer (including elected amounts deferred under an arrangement described in Section 401(k) of the Code) under the Plan or any other plan of the Participating Employer or any Related Employer or any nonqualified fringe benefits which are nontaxable to employees. Effective for limitation years beginning after December 31, 1997, earnings will include any elective deferral (as defined in Section 402(g)(3) of the Code) and any amount which is contributed or deferred by the Participant's Employer at the election of the Participant by reason of Section 125 or Section 457 of the Code. The determination of Earnings shall be made in accordance with Section 415(c)(3) of the Code and Section 1.415-2(d)(1) of the Regulations. It is understood that those sections include remuneration of an Employee received from a Participating Employer while the Employee is a non-resident alien even if that remuneration is not considered earned income (within the meaning of Section 911(d)(2) of the Code) which constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code). For limitation years beginning on and after January 1, 2001, earnings shall include elective amounts that are not includible in the gross income of the employee by reason of Section 132(f)(4) of the Code.

(3) "Excess amount" means the amount credited or allocated to a Participant in excess of the limits allowable under Section 5.2(b) or 5.2(c).

(4) "Limitation year" means the Plan Year.

(5) "Minimum accrued benefit" means a Participant's accrued benefit under a defined benefit retirement plan maintained by a Participating or Related Employer in which the individual is a participant determined as of the end of the last limitation year of such plan beginning before 1987, computed without regard to any changes in the provisions of such plan after May 5, 1986, and without regard to any subsequent cost of living adjustments under the plan.

(6) “Projected annual retirement benefit” means the annual benefit to which a Participant would be entitled under the provisions of a defined benefit retirement plan maintained by a Participating or Related Employer in which the individual is a participant, based on the assumptions that the Participant continues employment until the Participant’s normal retirement age, that the Participant’s earnings continue at the same rate as in effect in the plan’s limitation year under consideration until the Participant’s normal retirement age, and that all other relevant factors used to determine benefits under the plan as of the current limitation year of such plan remain constant for all such future limitation years.

(7) “Social security retirement age” means a Participant’s retirement age under Section 216(l) of the Social Security Act determined without regard to the age increase factor under that Section as if the early retirement age under paragraph (2) thereof were 62.

(b) Annual additions credited to any Participant for any limitation year beginning after 1986, under this Plan and any other qualified defined contribution retirement plan maintained by any Participating Employer or Related Employer, shall not exceed an amount equal to the lesser of:

(1) 25 percent of the Participant’s earnings for the limitation year, or

(2) $30,000 (this amount shall be adjusted as provided in Section 415(d) of the Code), except that such dollar limitation shall be reduced for a short limitation year which occurs on account of a short Plan Year (the dollar limitation for the short limitation year will equal the otherwise applicable dollar limitation multiplied by the ratio of the number of months in the short limitation year over twelve (12)).

(c) (1) Effective for all limitation years beginning after 1986, if any Participant is covered at any time under a qualified defined benefit retirement plan maintained by a Participating or Related Employer, the sum of the defined contribution fraction as described in subparagraph (A) below, as modified by subparagraph (C) below, and the defined benefit fraction as described in subparagraph (B) below shall not exceed l.0:

(A) Except as otherwise provided in Section 5.2(c)(2) hereof, the numerator of the defined contribution fraction shall be the sum of the annual additions credited to the Participant for all limitation years (determined with respect to each year under rules which governed the crediting of annual additions for such year) determined as of the end of the limitation year, and the denominator shall be the sum of the lesser of the following amounts computed for each limitation year of the Participant’s service with a Participating or Related Employer as of the end of the limitation year including limitation years when the individual was not a Participant either because the individual was not eligible to participate or because a Participating Employer did not maintain a defined contribution plan:

(i) 125 percent of the defined contribution dollar limitation in effect for such limitation year; or

(ii) 35 percent of the Participant’s earnings for the limitation year.

(B) The numerator of the defined benefit fraction shall be the Participant’s projected annual retirement benefit under any qualified defined benefit retirement plan of the Participating and Related Employers, determined as of the end of the limitation year, and the denominator shall be the greater of:

(i) the Participant's minimum accrued benefit; or

(ii) the lesser of:

(a) 125 percent of $90,000 (or, for purposes of benefits commencing before or after the social security retirement age, the actuarial equivalent of such amount), as adjusted under Section 5.2(d) hereof; or

(b) subject to Section 5.2(d) hereof, 140 percent of the Participant's projected average earnings for the Participant's three consecutive highest paid limitation years.

(C) At the election of the Administrator, with respect to any limitation year ending after 1982, the denominator of the defined contribution fraction of each Participant for all limitation years ending before 1983 shall be an amount equal to the product of:

(i) the denominator of the defined contribution fraction for the limitation year ending in 1982 (computed under the provisions of Section 415(e)(3)(B) of the Code as in effect for such limitation year), multiplied by

(ii) a fraction, the numerator of which is the lesser of $51,875 or 35 percent of the earnings paid to the Participant for the limitation year ending in 1981, and the denominator of which is the lesser of $41,500 or 25 percent of the earnings paid to the Participant for the limitation year ending in 1981.

(2) The numerator of the defined contribution fraction as computed under Section 5.2(c)(1)(A) hereof as determined on the first day of the limitation year beginning in 1987, shall be reduced by an amount specified under applicable regulations under Section 415 of the Code so that the sum of the defined benefit fraction and the defined contribution fraction that is calculated on that date does not exceed l.0. This paragraph (2) shall apply only if the defined contribution and defined benefit plans maintained by the Participating Employer and any Related Employer satisfied the requirements of Section 415 of the Code for the last limitation year beginning before 1987.

(3) The preceding provisions of this Section 5.2(c) shall cease to be effective for limitation years beginning after December 31, 1999, with respect to Participants who incur at least one Hour of Service for a Participating Employer or Related Employer in such a limitation year.

(d) (1) The dollar limitation referred to in Section 5.2(c)(1)(B)(ii) hereof shall be adjusted after 1987 in accordance with applicable regulations under Section 415 of the Code for increases in the cost of living.

(2) In the case of a Participant who has terminated the Participant's employment with the Participating Employer, the amount of the Participant's average earnings described in Section 5.2(c)(1)(B)(ii) hereof shall be annually adjusted by multiplying that amount by a fraction with a numerator equal to the adjusted dollar limitation set forth in Section 5.2(b) hereof for the limitation year in which this adjustment is being made and the denominator equal to the adjusted dollar limitation stipulated under that Section 5.2(b) hereof for the limitation year in which the

Participant terminated employment. When an adjustment is made hereunder in the case of a Participant who terminated employment prior to 1974, the denominator utilized in the applicable fraction shall be determined in accordance with rates prescribed by the Commissioner of Internal Revenue.

(3) If a Participating or Related Employer maintains a qualified defined benefit retirement plan which provides for any post-retirement ancillary benefits (other than a qualified joint and survivor annuity with the Participant's spouse), the denominator referred to in Section 5.2(c)(1)(B) hereof shall be adjusted in accordance with applicable regulations under Section 415 of the Code.

(4) The preceding provisions of this Section 5.2(d) shall cease to be effective for Plan Years beginning after December 31, 1999, with respect to Participants who incur at least one Hour of Service for a Participating Employer or Related Employer in such a Plan Year.

(e) If an excess amount is determined for any limitation year by the Administrator, such excess amount shall be treated as follows:

(1) First, any non-deductible voluntary contributions made to this Plan or any other qualified retirement plan maintained by a Participating or Related Employer, to the extent that the return thereof would reduce such excess amount, shall be returned to the Participant.

(2) Any remaining excess amount shall be attributed to, and treated in accordance with the provisions of, the qualified retirement plan or plans maintained by a Participating or Related Employer in the following order:

(A) any qualified defined benefit retirement plans;

(B) any qualified 401(k) retirement plans and profit sharing plans;

(C) any qualified stock bonus retirement plans;

(D) any qualified target benefit retirement plans;

(E) any qualified money purchase retirement plans.

(3) Any excess amount which is attributed to this Plan shall be treated as follows:

(A) If the Participating Employer's contribution for the limitation year has not been made, the amount that would otherwise be contributed to the Plan shall be reduced by such excess amount;

(B) If the Participating Employer's contribution for the limitation year has been made, any remaining excess amount which is contributed under conditions described in Section 14.2 hereof shall be returned to the Participating Employer in accordance with said Section 14.2. Any excess amount that remains attributed to this Plan after the return of contributions to the Participating Employer shall be set aside in a suspense account. The amount placed in the suspense account shall be allocated to the Plan Participants during the next limitation year (and for each succeeding limitation year, as necessary) by reducing future contributions by the Participating Employer (including

allocations of any forfeitures) which would otherwise be allocated to the accounts of such Participants.

(f) Notwithstanding any distribution limitations or requirements contained in the Plan (including Section 5.2(e)(3)(B)), if for any limitation year described in Section 5.2 the limitation described in Section 5.2(b) would otherwise be exceeded with respect to any Participant, the Participant's Annual Additions shall be reduced under this paragraph after making adjustments under Section 5.2(e)(3)(A), but before making adjustments under Section 5.2(e)(3)(B), to the extent necessary to reduce the Participant's Annual Additions to the level permitted in Section 5.2(b). The reduction shall occur by distributing to the Participant elective deferrals (as defined in Treasury Regulation Section 1.415-6(b)(6)(iv)) made for that limitation year by the Participant to the extent that the distribution of such elective deferrals reduces such excess Annual Additions. Such distribution shall be made as soon as administratively possible after that limitation year and within any time period required by regulations under Section 415 of the Code.

(g) If elective deferrals are distributed to any Participant under the prior subsection for a Plan Year, earnings or losses allocable to such distributed elective deferrals for such Plan Year shall also be distributed to the Participant at the same time. Such earnings and losses shall be determined in accordance with any reasonable method for computing the income or losses allocable to such distributed elective deferrals provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all such corrective distributions under the Plan for the Plan Year and is used for allocating income to Participant Accounts. However, the net earnings or losses allocable to such distributed elective deferrals for the Plan Year may be determined by multiplying the earnings or losses for the Plan Year allocable to Pre-Tax Contributions and contributions treated as elective contributions under Section 4.6(b) by a fraction with respect to which:

(1) The numerator is the amount of such distributed elective deferrals; and

(2) The denominator is the sum of (i) the portions of the account balance of the Participant attributable to Pre-Tax Contributions and other contributions treated as elective contributions under Section 4.6(b), as of the beginning of the Plan Year and (ii) the Participant's Pre-Tax Contributions and amounts treated as the Participant's elective contributions under Section 4.6(b), for the Plan Year.

(h) If non-deductible voluntary contributions are distributed to any Participant under Section 5.2(e)(1) for a Plan Year, earnings or losses allocable to such distributed voluntary contributions for such Plan Year shall also be distributed to the Participant at the same time. Such earnings and losses shall be determined in accordance with any reasonable method for computing the income or losses allocable to such distributed voluntary contributions provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all such corrective distributions under the Plan for the Plan Year and is used for allocating income to Participant Accounts.

(i) Notwithstanding the prior provisions of this section, the methods of reduction described in Subsections (e)(3), (f), or (g) above may only be used if the reductions are due to forfeitures, a reasonable error in estimating Compensation, a reasonable error in determining the amount of elective deferrals (within the meaning of Section 402(g)(3)) which may be made without causing the limits of this section to be exceeded, or other causes permitted by applicable Regulations.

Section 5.3. Data for Administration. Each Participating Employer shall prepare and send to the Administrator (or the Trustee at the direction of the Administrator) any data required by the Administrator in connection with determination of any allocations to be made under the Plan.

ARTICLE VI.
Interest in Fund

Section 6.1. Individual Accounts.

(a) The Administrator (or the Trustee upon the direction of the Administrator) shall maintain an individual account for each Participant that shall show the amount of the Participant's beneficial interest in the Trust Fund. Each Participant's individual account shall be divided into the following Accounts (each such Account may have further subaccounts as provided in this Plan or as needed):

(1) Pre-Tax Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Pre-Tax Contributions:

(2) After-Tax Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from After-Tax contributions;

(3) Matching Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Matching Contributions;

(4) Rollover Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Rollover Contributions; and

(5) Such further Accounts as may be established by the Administrator.

(b) Contributions or transfers to the Plan on behalf of a Participant shall be credited to the appropriate Account described in Section 6.1(a) on the date provided in Section 5.1. Such Accounts shall also be adjusted as provided in Section 6.2 and shall be reduced by any disbursements made pursuant to Article VII.

(c) A separate subaccount shall be established as part of such Accounts as the Administrator may determine in order to account for the contributions made to those Accounts. Subaccounts may be necessary to account for assets described in Section 7.2(a).

Section 6.2. Determination and Allocation of Changes in Value. For purposes of determining the change in the value of each Investment Fund and allocating that change in value among the Accounts of which some portion is invested in such Investment Fund, the following steps shall be taken:

(a) The Administrator (or the Trustee upon the direction of the Administrator) shall determine the fair market value of each Investment Fund as of each Valuation Date, and the value so determined shall be deemed to be the value of said Investment Fund on said Valuation Date. The difference between the value of said Investment Fund on said Valuation Date and the sum of:

(1) all contributions which have been made to the Trust during the Valuation Period ending upon said Valuation Date and which have been invested in said Investment Fund; and

(2) any portion of any Account transferred to said Investment Fund during said Valuation Period; and

(3) the value of said Investment Fund on the next preceding Valuation Date (not including Employer contributions made subsequent to that date but allocated as of such date or a previous Valuation Date and invested in said Investment Fund); minus

(4) all disbursements and distributions from said Investment Fund during the Valuation Period (either to Participants or their Beneficiaries or to another Investment Fund),

shall be the net increase or decrease in the value of said Investment Fund for the Valuation Period.

(b) The net increase or decrease in the value of said Investment Fund for said Valuation Period shall be allocated to each Account of which a portion is invested in said Investment Fund in the proportion that the "Adjusted Portion" of such Account as of the Valuation Date ending said Valuation Period bears to the total of the Adjusted Portions of each such Account as of said Valuation Date. In addition, there shall be a pro rata division of each such allocation amongst the subaccounts (if any) of each such Account.

(c) The "Adjusted Portion" of a Participant's Account as of any Valuation Date shall be the difference between the value of the portion of the Participant's Account invested in said Investment Fund as of the next preceding Valuation Date and the sum of all disbursements made to the Participant or any of the Participant's Beneficiaries or to another Investment Fund during the Valuation Period ending upon the Valuation Date as of which said Adjusted Portion is being determined.

(d) In the event that Section 4.9 is applicable in any Plan Year, adjustments shall be made to the calculation described in the preceding provisions of this section so as to take account of the provisions of Section 4.9.

(e) Notwithstanding the preceding provisions of this section, the Administrator may determine to allocate the portion of the net increase or decrease in value of an Investment Fund allocable to a Participant's Account based on a modified definition of Adjusted Portion. Under that modified definition, as of the applicable Valuation Date, contributions (of a type selected by the Administrator) made during the relevant Valuation Period on behalf of the Participant may be added to the Participant's Adjusted Portion determined before application of this subsection (e).

(f) Notwithstanding the preceding provisions of this section, if any Investment Fund is invested solely in a stable income option such as a guaranteed investment contract, the increase or decrease in value of the contract describing that option over said Valuation Period shall not be computed and allocated as provided in said provisions but shall be computed and then allocated to the portion of each Participant's individual account which was invested in such Investment Fund pursuant to the terms of the contract describing that option. In addition, if necessary, the Administrator shall establish appropriate additional procedures beyond those expressed in said contract for making such computation and allocation. Also, if the Administrator determines that the method of allocating changes in value with respect to any Investment Fund or Funds as provided in the preceding provisions of this Section 6.2 is inappropriate, such method shall not be followed and the Administrator shall select an appropriate method (which shall be uniform and nondiscriminatory) for allocating changes in value of the said Investment Fund over the applicable Valuation Period.

(g) Suspense accounts described in Section 5.2 shall share in any change in value of an Investment Fund, unless the record-keeping system used for Plan administration requires otherwise.

Section 6.3. Vesting.

(a) Amounts contributed to a Participant's account under Sections 4.2, 4.3, 4.5, 4.6 and 4.10 together with income attributable thereto shall be 100 percent Vested (nonforfeitable) at all times.

(b) Amounts contributed under Section 4.4 together with income attributable thereto shall be vested in accordance with the following schedule:

On completion of one year of Vesting Service, twenty percent (20%)

On completion of two years of Vesting Service, forty percent (40%)

On completion of three years of Vesting Service, sixty percent (60%)

On completion of four years of Vesting Service, eighty percent (80%)

On completion of five years of Vesting Service, one hundred percent (100%) provided, however, that the Trust Fund Share of a Participant shall be 100 percent (100%) Vested no later than when the Participant reaches age 65 or, if earlier, the date such Participant dies prior to incurring a Termination of Service or incurs a Termination of Service on account of a Disability.

(c) If a Participant incurs a Termination of Service, any portion of the Participant's Trust Fund Share to which a Participant is not entitled shall be held in a suspense account (such suspense account shall be broken into subaccounts which shall correspond with and equal in number the Participant's Accounts and subaccounts of those Accounts which contain forfeitable amounts) by the Trustee pending the Participant's return as an Employee of a Participating Employer or Related Employer of that Participating Employer, or the Participant's experiencing a Forfeiture Event. The disposition of such suspense account shall be as follows:

(1) If the Participant returns as an Employee of a Participating Employer or Related Employer of a Participating Employer before the Participant experiences a Forfeiture Event, there shall be no forfeiture and such suspense account shall cease to exist unless a distribution has been made and Section 6.3(d) is applicable.

(2) If such Participant experiences a Forfeiture Event before the Participant is rehired by a Participating Employer or Related Employer of a Participating Employer, all amounts held in the suspense account shall be forfeited and any balance remaining in any subaccount of the suspense account which are attributable to a contribution made by a Participating Employer shall be applied as soon as administratively possible to pay expenses incurred by the Plan or to reduce future contributions of such Participating Employer and the Administrator shall select the type of contribution which shall be reduced (unless those balances are used to restore amounts forfeited by others as provided in paragraph (4) below). Whether forfeited amounts are used to pay Plan expenses or to reduce future contributions is to be decided by the Plan Administrator in the Plan Administrator's sole discretion. A Participant's forfeited amounts may be restored as specified in paragraph (4) below.

(3) If a Participant has a Vested Share, and the entire Vested Share has not been distributed to the Participant, a forfeiture shall not take place until the Participant has incurred five consecutive One-Year Breaks in Service. If the value of a Participant's Vested benefit is zero, the Participant shall be deemed to have received a distribution of such Vested benefit.

(4) If a Participant has incurred a Termination of Service and is later re-employed by a Participating Employer, and if the Participant had received a distribution of the Participant's entire Vested Share prior to such re-employment, any portion of the Participant's Trust Fund Share which was forfeited shall be restored if and when the Participant repays to the Trust the full amount distributed to the Participant provided that the Participant makes that repayment before

the earlier of (A) five years after the date of the Participant’s re-employment, or (B) the close of the first period of five consecutive One-Year Breaks in Service commencing after the distribution. In the event a Participant did not have a Vested Share and is re-employed by a Participating Employer before the Participant has five consecutive One-Year Breaks in Service, the Participant’s Trust Fund Share which was forfeited shall be restored in full upon such re-employment. In each case, the restored amounts shall be unadjusted by any gains or losses which may have occurred subsequent to the Participant’s Termination of Service. Restoration shall be made using assets forfeited by other Participants under this Plan or contributions made for that purpose by the Participant’s Participating Employer which generated the contributions which were forfeited.

(5) If any forfeited amounts are attributable to contributions made by an Employer that is no longer a Participating Employer, such amounts shall be applied in an equitable manner determined by the Administrator as if they were attributable to other Participating Employers.

(d) Matching Contributions which relate to excess deferrals, excess contributions, or excess aggregate contributions (those terms are intended to have the meanings given them in Regulations under Section 401(k) of the Code which are distributed under Section 4.2 or Section 4.6 of the Plan and are not excess aggregate contributions (and earnings or losses attributable to those contributions determined by the Plan Administrator) will be forfeited. Forfeitures of excess aggregate contributions are described in Section 4.6 of the Plan. Forfeitures from a Participant’s Matching Contributions Account will be used to reduce Matching Contributions in the Plan Year in which forfeitures are deemed to occur.

(e) If a distribution is made pursuant to Article VII of less than all of the portion of a Participant’s Account to a Participant who is not then fully Vested in such Account (as provided in this section), or amounts are restored under Section 6.3(c)(4), then a separate subaccount shall be established for the portion of the Participant’s Account which contains forfeitable amounts. Until the Participant forfeits amounts in the subaccount or becomes fully Vested under this section, whichever occurs first, the Participant’s Vested portion (X) of such subaccount at any relevant time shall be determined by the formula “X = P(B + (R x D)) — (R x D)” where “P” is the Vested percentage at such relevant time, “B” is the subaccount balance at the relevant time, “D” is the amount of the Participant’s subaccount which was previously distributed, and “R” is the ratio of the subaccount balance at the relevant time to the subaccount balance immediately after the distribution.

Section 6.4. Inalienability of Interest. Neither the interest of a Participant or of any Beneficiary in the Trust Fund or the Participant’s Trust Fund Share nor any right to the disbursement of all or any part thereof shall be subject to voluntary or involuntary alienation or encumbrance of any kind in any manner. Any attempted alienation or encumbrance shall be wholly void. In case of any such attempt, the Trustee shall have the power upon the direction of the Administrator to terminate the interest or right to disbursement of the Trust Fund Share and to hold or apply it for the benefit of the Participant or (if the Participant be deceased) the Participant’s Beneficiary in accordance with the terms of the Plan. Nothing in this section shall be deemed to prevent the transfer of the Trust Fund to a successor Trustee. Further, this Section shall not apply to a Qualified Domestic Relations Order or to any offset permitted under Section 401(a)(13)(C) of the Code.

Section 6.5. Termination of Interest. After there shall have been distributed to or for the benefit of a Participant or the Participant’s Beneficiary the entire portion of the Participant’s Trust Fund Share to which the Participant or Beneficiary is entitled, the Participant’s interest therein shall terminate.

ARTICLE VII.

Distribution to Participants

Section 7.1. Right to Disbursements. A Participant who incurs a Termination of Service or, in the event of the Participant's death, the Participant's Beneficiary shall be entitled to a disbursement of the Participant's Vested Share at such time and such manner as is provided in this Article VII.

Section 7.2. Method of Disbursement.

(a) A Participant's Vested Share may be disbursed by any of the following methods as the person who is entitled to the distribution shall designate in writing or by another method permitted by the Administrator:

(1) a single sum of cash; or

(2) a series of installments (including installments of different amounts).

In the event that assets of another plan are transferred to this Plan on behalf of a Participant, any additional optional forms of distribution applicable to the transferred assets under the former plan shall be available with respect to the portion of the Participant's Vested Share attributable to those transferred assets, but only to the extent they may not be eliminated or modified under applicable regulations to one of the above listed options. Also, any additional optional forms of distribution applicable to any assets of the Prior Plan held in a Participant's Accounts shall continue to be available with respect to the portion of the Participant's Vested Share attributable to such assets of the Prior Plan, but only to the extent they may not be eliminated or modified under applicable regulations to one of the above listed options.

(b) If a Participant's Vested Share exceeds $5,000 and the Participant hasn't reached the latest date that distribution must commence to the Participant under Section 7.3 of the Plan, then the Participant must consent to any distribution of such Vested Share. However, such consent shall not be required in the event that the Participant's Vested Share does not exceed such amount, and an Annuity Starting Date, if applicable, has not occurred.

(c) If:

(1) a Participant's consent is required under subsection (b); and

(2) if the Participant is married on the Participant's Annuity Starting Date and the requirements of Section 7.4 of the Plan are applicable to the Participant;

then both the Participant and the Participant's spouse (or where either the Participant or the Participant's spouse has died, the survivor) must consent to any distribution of the Participant's Vested Share (spousal consent shall be comparable to the spousal consent described in Section 7.4).

(d) The following requirements apply with respect to distributions made on or after January 1, 1994:

(1) The Administrator shall notify the Participant, and the Participant's spouse if a spouse's consent is required under subsection (c), of the right to defer any distribution until the latest date permitted under Section 7.3 of the Plan. Such notification shall include a general description of the material features and an explanation of the relative values of, the optional forms of benefit available under the Plan in a manner that would satisfy the notice requirements of

Section 417(a)(3) of the Code. Notwithstanding the foregoing, only the Participant need consent to the commencement of a distribution in the qualified joint and survivor annuity form described in Section 7.4 of the Plan prior to reaching such date. Furthermore, if payment in the qualified joint and survivor annuity form is not required with respect to the Participant pursuant to Section 7.4 of the Plan, only the Participant needs to consent to distribution of the Participant's Vested Share prior to reaching such date. Neither the consent of the Participant nor the Participant's spouse shall be required to the extent that a distribution is required to satisfy Section 401(a)(9) or Section 415 of the Code.

(2) The Administrator shall also provide a written explanation to the Participant consistent with Section 402(f) of the Code that explains the right to make the election described under Section 7.11 of the Plan.

(3) The Administrator shall provide each Participant with notice of the Participant's rights specified in subsections (d)(1) and (d)(2) hereof no less than 30 days and no more than 90 days before the distribution date for the Participant. Consent of the Participant to the distribution in writing or by another method permitted by applicable rules or regulations and made available by the Administrator must not be made before the Participant receives the notice and must not be made more than 90 days before such distribution date.

(4) If a distribution is one to which Sections 401(a)(11) and 417 of the Code do not apply, or if any notice requirement under such sections which is applicable to the Participant has been satisfied, such distribution may commence less than 30 days after the notice required under Section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

(A) the Administrator clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(B) the Participant, after receiving the notice, affirmatively elects a distribution.

(e) Notwithstanding any provision of the Plan to the contrary, to the extent that any optional form of benefit under this Plan permits a distribution to a Participant prior to the Participant's death, disability, or Termination of Service, and prior to termination of the Plan, the optional form of benefit is not available with respect to benefits attributable to assets (including the post transfer earnings thereon) and liabilities that are transferred, within the meaning of Section 414(l) of the Code, to the Plan from a money purchase pension plan or target benefit plan qualified under Section 401(a) of the Code (other than any portion of those assets and liabilities attributable to voluntary employee contributions).

Section 7.3. Distribution Requirements.

(a) Any person entitled to the disbursement of a Participant's interest in the Trust Fund shall make application for such disbursement with the Administrator in writing or by another method required or made available by the Administrator, and shall furnish such data in support of the application as the Administrator may reasonably require for the proper administration of the Plan. The disbursement shall be made or shall begin as soon as administratively feasible after such application with all such supporting data has been provided to the Administrator. The amount to be distributed shall be determined as of a Valuation Date that follows such application and is on or as close to but before the date of distribution as is administratively feasible under the circumstances applicable to the distribution. Notwithstanding the

prior provisions of this subsection (a), distribution shall not be made later than a date required by subsection (b) or subsection (c) and if distribution must be made by such a date, the amount to be distributed shall be determined as of a Valuation Date on or as close to but before the date of distribution as is administratively feasible under the circumstances applicable to the distribution. Notwithstanding the prior provisions of this subsection (a), in order to ease administration of distributions, the Administrator may specify that the amounts to be distributed shall be determined as of a limited number of valuation dates selected by it in a nondiscriminatory manner. If any application for disbursement is denied, the Participant or the Participant's spouse or Beneficiary may take advantage of the claims procedures provided in Article VIII.

(b) (1) Subject to Section 7.3(c) and unless the Participant elects otherwise under subsection (b)(2), the payment of the Participant's Vested Share, other than a death benefit, shall begin no later than the 60th day following the close of the Plan Year in which the latest of the following events occurs:

(A) The Participant's Normal Retirement Date; and

(B) The date the Participant incurs a Termination of Service.

(2) Subject to Section 7.3(c), a Participant may elect to have payment of the Participant's Vested Share begin after the date prescribed under subsection (b)(1) above by:

(A) submitting to the Administrator a written statement, signed by the Participant, or

(B) by another method permitted by applicable rules or regulations and provided by the Administrator,

specifying the date to which the Participant wishes the commencement of the payment of the Participant's Vested Share to be deferred and furnishing such other information as the Administrator may reasonably require. Such Participant shall be deemed to have made such election if the Participant fails to consent to a distribution by the day described in Subsection (b)(1).

(c) Effective in 1997, distributions to any Participant, other than a five percent owner (as defined in Section 13.5(e)), under the Plan shall commence no later than the later of the April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2 or the date the Participant incurs a Termination of Service. A Participant who is not a five percent owner may elect to have the benefit distribution commence on or after the April 1 of the calendar year following the year in which the Participant attains age 70 1/2. Benefit distributions to a Participant who is a five percent owner must commence by the April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2.

(d) After the first distribution in accordance with any periodic payment method, additional payments must be made no later than each subsequent December 31 during the distribution period if distributions are required to be made annually pursuant to Section 401(a)(9) of the Code; provided, however, if the method of distribution selected by the Participant is an annuity for one or more lives (or a life annuity with a period certain not exceeding 20 years), additional payments need not be made until the next scheduled annuity payment.

(e) The method of distribution elected under Section 7.2(a) is subject to the following rules at the time distributions are required to begin pursuant to Section 7.3(c) or, if earlier, at the time the Participant irrevocably elects to receive payments in the form of an annuity:

(1) The entire interest of the Participant shall be distributed, in accordance with applicable Regulations, over the life of the Participant, or over the joint and last survivor lives of the Participant and any Beneficiary, or over a period not extending beyond either the life expectancy of the Participant or the joint and last survivor life expectancy of the Participant and any Beneficiary.

(2) If the payments are to be measured by the joint and last survivor life expectancy of the Participant and the spouse of the Participant, each periodic payment to be made to the Beneficiary shall not be greater than each periodic payment to be made to the Participant. For calendar years beginning after December 31, 1988, the amount to be distributed each year, beginning with distributions for the first distribution calendar year shall not be less than the quotient obtained by dividing the Participant's benefit by the lesser of (A) the applicable life expectancy or (B) if the Participant's spouse is not the designated Beneficiary, the applicable divisor determined from tables set forth in applicable Regulations (which are Section 1.401(a)(9)-2 of the proposed Treasury Regulations at the time of the preparation of this document). Distributions after the death of the Participant shall be distributed using the applicable life expectancy as the relevant divisor without regard to such Regulations.

(3) The Beneficiary shall receive benefit payments under a method of distribution that is at least as rapid as the method under which the Participant was receiving benefit payments.

(4) The life expectancy of a Participant or a Beneficiary shall be based on the individual's attained age in the calendar year for which distributions are required to begin. Life expectancies shall be determined by using Tables V and VI contained in Section 1.72-9 of the Treasury Regulations. If the form of payment selected by the Participant is not an annuity, the life expectancy of the Participant or the Participant's spouse or the joint and last survivor life expectancy of the Participant and the Participant's spouse may be recalculated annually. Any election to recalculate life expectancy must be made no later than the date on which distributions begin in accordance with rules established by the Administrator. Once payments begin, the election becomes irrevocable. If the Participant has elected to have a recalculation of life expectancy, life expectancy will be based upon the attained age of the applicable individual in each succeeding year in which a distribution occurs. In the event the Participant fails to make an election, life expectancy will not be recalculated. If life expectancy is not to be recalculated and the form of payment selected by the Participant is not an annuity, life expectancy will be determined as of the time when distributions commence, and the amount required to be paid for any calendar year will be based on the number of years so determined reduced by the number of entire years that have elapsed since distributions commenced.

(5) If the method of distribution selected by the Participant is an annuity, payments must be made on an annual or more frequent basis. Annuity payments for a period certain may not be extended after payments have begun. Except as provided in applicable Regulations (which are Sections 1.401(a)(9)-1 and 2 of the proposed Treasury Regulations at the time of the preparation of this document), annuity payments must be nonincreasing.

(6) The provisions of Section 7.5 apply when determining a Beneficiary for purposes of applying the rules contained in this Section 7.3(e). The provisions of Section 7.5 also apply when determining distributions to a Beneficiary.

(f) Anything herein to the contrary notwithstanding, but subject to the consent requirement referred to in Section 7.2(b), effective January 1, 1998, if the amount to which the Participant is entitled does not exceed $5,000, the Administrator shall direct the Trustees to distribute the entire amount to which the Participant is entitled in a lump sum payment; provided, however, that such payment is made no later than the Participant's Annuity Starting Date.

(g) No distribution may be made from a Participant's Pre-Tax Contribution Account or any Account comprised of Matching Contributions or non-elective contributions which are treated as elective contributions in accordance with the provisions of Section 4.8 except under one of the following circumstances:

(1) Such Participant's separation from service, death, or disability;

(2) Such Participant's attainment of age 59 1/2;

(3) The avoidance or alleviation of financial hardship (in the case of contributions to which Section 402(e)(3) of the Code applies);

(4) The termination of this Plan without the establishment of a successor plan within the meaning of Treasury Regulation Section 1.401(k)-1(d)(3);

(5) The sale or disposition by such Participant's Employer of at least 85% of the assets used by such Employer in a trade or business to an unrelated corporation which does not maintain the Plan, but only if such Participant continues employment with the corporation acquiring the assets and only if such Employer continues to maintain this Plan; or

(6) The sale or disposition of such Participant's Employer by the Adopting Employer of its interest in the Participant's Employer to an unrelated entity which does not maintain the Plan, but only if such Participant continues employment with such Employer and only if the Adopting Employer continues to maintain this Plan.

This Section 7.3(g) does not apply to distributions of excess deferrals or excess contributions (those terms are intended to have the meaning given them in Regulations under Section 401(b) of the Code), or excess Annual Additions described in Section 5.2(f) of the Plan. To be treated as an event described in Sections 7.3(h)(4), (5), and (6), the Participant must receive a lump sum distribution (as defined in Section 401(k)(10)(B)(ii) of the Code) and, in the case of the latter two sections, the distribution must be made in connection with the disposition.

The prior provisions of this Section 7.3(h) do not establish any right to a distribution. However, distribution may be made to a Participant under the terms of this article if either Section 7.3(h)(5) or Section 7.3(h)(6) would permit distribution to be made to the Participant under this Plan.

(h) If a Participant made a written election within the time permitted by law to receive retirement benefits in a manner consistent with the terms of this Plan in effect on December 31, 1983, such election, unless subsequently revoked, shall determine the manner in which the Participant's distributions are made. If an amount is transferred from one plan to this Plan, the amount transferred may be distributed in accordance with a Section 242(b) election made under the transferor plan if the Employee did not elect to have the amount transferred and if the amount transferred is separately accounted for under this Plan. However, only the benefit attributable to the amount transferred, plus earnings thereon, may be distributed in accordance with the Section 242(b) election made under the transferor plan.

(i) Notwithstanding anything herein to the contrary (other than subsection (g)), distributions shall be made in accordance with Section 401(a)(9) of the Code and the regulations thereunder. Further, such regulations shall supersede any distribution option in the Plan that is inconsistent with Section 401(a)(9) of the Code.

(j) With respect to distributions under the Plan made in calendar years beginning on or after January 1, 2002, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the regulations under Section 401(a)(9) of the Code that were proposed in January 2001, notwithstanding any provision of the Plan to the contrary. This Subsection (j) shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under Section 401(a)(9) of the Code or such other date specified in guidance published by the Internal Revenue Service.

Section 7.4. Qualified Joint and Survivor Annuity.

(a) (1) Notwithstanding the prior provisions of this Article VII, benefits payable to or on behalf of a Participant shall be paid in the form of a qualified joint and survivor annuity described in Paragraph (2) hereof in the case of a Participant who has an annuity option available under Section 7.2(a) of the Plan on account of a transfer of assets to the Plan, and either (A) elects to receive distribution in the form of an annuity or (B) has been credited with such a transfer from a money purchase pension plan or target benefit plan qualified under Section 401(a) of the Code. The requirements of this Paragraph (1) shall not apply if the Participant and, if the Participant is married, the Participant's spouse waive the qualified joint and survivor annuity pursuant to the requirements of Subsection (b) hereof.

(2) A qualified joint and survivor annuity is an annuity payable to a Participant for the Participant's life with annuity payments equal to 50% of the Participant's annuity payments continuing to the Participant's spouse upon the death of the Participant. However, in the case of an unmarried Participant, a qualified joint and survivor annuity is an annuity payable to a Participant for the Participant's life.

(b) (1) An election to waive the qualified joint and survivor annuity, or life annuity in the case of an unmarried Participant, must be made by the Participant in writing or by another method permitted by applicable rules or regulations and made available by the Administrator during the 90 day period ending on the Annuity Starting Date and, if the Participant is married, the Participant's spouse must consent to the election in writing or by another method permitted by applicable rules or regulations and made available by the Administrator. The spouse's consent must specifically acknowledge the effect of such election, any other designated Beneficiary and the form of payment elected. The spouse's consent must be witnessed by a Plan representative or a notary public or by another method permitted by applicable rules or regulations and made available by the Administrator. The consent shall not be binding on a subsequent spouse. Spousal consent shall not be required if it is established to the satisfaction of the Administrator that it cannot be obtained because there isn't a spouse, the spouse cannot be located, or under such other circumstances as may be prescribed by applicable rules or regulations. The Participant may revoke in writing or by another method permitted by applicable rules or regulations and made available by the Administrator any election made hereunder without the consent of the spouse, at any time during the election period. A change in designated Beneficiary made subsequent to a spousal consent shall be deemed to be a revocation of the waiver. Any subsequent election to waive the survivor annuities must comply with the requirements of this paragraph. Notwithstanding the prior provisions of this subsection (b)(1), the consent of the

spouse may expressly permit designation by the Participant without any requirement of further consent by the spouse.

(2) Not less than 30 days and not more than 90 days before the Annuity Starting Date, the Administrator shall provide the Participant with a written explanation of:

(A) the terms and conditions of the qualified joint and survivor annuity;

(B) the Participant's right to waive the qualified joint and survivor annuity and the effect thereof;

(C) the requirement that the Participant's spouse consent to any waiver of the qualified joint and survivor annuity and that the spouse's consent specifically acknowledge the effect of such waiver, any designated Beneficiary, and the form of payment elected; and

(D) the right of the Participant to revoke such election, and the effect of such revocation.

(3) Notwithstanding the above, with respect to distributions made on or after January 1, 1996, to which Sections 401(a)(11) and 417 of the Code apply, if the Participant, after having received the written explanation described in Section 7.4(b)(2), affirmatively elects a form of distribution and the spouse consents to that form of distribution (if necessary), the Annuity Starting Date may be less than 30 days after the date on which a written explanation was provided to the Participant, provided the following requirements are met:

(A) The Administrator provides information to the Participant clearly indicating that the Participant has a right to at least 30 days to consider whether to waive the qualified joint and survivor annuity and consent to a form of distribution other than a qualified joint and survivor annuity.

(B) The Participant is permitted to revoke an affirmative distribution election at least until the Annuity Starting Date, or, if later, at any time prior to the expiration of the seven-day period that begins the day after the explanation of the qualified joint and survivor annuity is provided to the Participant.

(C) The Annuity Starting Date is after the date that the explanation of the qualified joint and survivor annuity is provided to the Participant. However, the Annuity Starting Date may be before the date that any affirmative distribution election is made by the Participant if the actual distribution in accordance with the affirmative election does not commence before the expiration of the seven-day period that begins the day after the explanation of the qualified joint and survivor annuity is provided to the Participant.

Section 7.5. Death Benefit.

(a) If a Participant dies, the Participant's Beneficiary shall be entitled to the Participant's Vested Share. Any amount to which a Beneficiary is entitled under this paragraph shall be distributed in such manner as may be determined under Section 7.2 (other that a qualified joint and survivor annuity form described in Section 7.4). If a Beneficiary becomes entitled to a benefit under this section and thereafter dies before payment of that benefit is completed, the remaining portion of that benefit shall be

paid to the Beneficiary's estate or to a beneficiary selected on a form provided by the Administrator, unless the Participant provides otherwise in the Participant's designation of Beneficiary.

(b) (1) If Section 7.4(a)(1) does not apply to a Vested Participant and the Participant is married at the time of death, the death benefit shall be paid to or applied for the Participant's surviving spouse, or the Participant's designated Beneficiary if the spouse consents to the designation of such Beneficiary in a manner consistent with subsection (c), in accordance with the options under Section 7.2, as selected by the surviving spouse or Beneficiary on an application for benefits. However, if the provisions in Section 7.4(a)(1) apply to a Vested Participant, then, notwithstanding anything herein to the contrary, if the Vested Participant dies prior to the Vested Participant's Annuity Starting Date and is married as of the date of the Participant's death, the Participant's spouse shall be entitled to a pre-retirement survivor annuity contract. However, the requirements of the prior sentence shall not apply if the Participant and the Participant's spouse waive the pre-retirement survivor annuity pursuant to the requirements of subsection (c). The benefit shall commence on the first day of the month following the date of the Participant's death or as soon thereafter as administratively feasible, unless the spouse elects a later commencement date, subject to the requirements contained in Section 7.5(f).

(2) A pre-retirement survivor annuity is an annuity for the life of the surviving spouse, the actuarial equivalent of which shall be:

(A) in the case of a Participant who incurs a Termination of Service before the Participant's Normal Retirement Date and dies before the Participant's Annuity Starting Date, the Participant's Vested Share; and

(B) in the case of any other Participant who dies before the Participant's Annuity Starting Date, the Participant's Trust Fund Share.

(c) An election to waive the pre-retirement survivor annuity must be made by the Participant in writing or by another method permitted by rules or regulations and made available by the Administrator during the election period described in subsection (d) and the Participant's spouse must consent to the election in writing or by another method permitted by applicable rules or regulations and made available by the Administrator. However, a waiver of the pre-retirement survivor annuity may be made earlier than that election period, with spousal consent, if a written explanation of the pre-retirement survivor annuity containing information similar to the information described in Section 7.4(b)(2) is provided to the Participant and the waiver becomes invalid upon the beginning of the Plan Year in which the Participant reaches age 35. The election must be made on a form furnished or by another method permitted by applicable rules or regulations and made available by the Administrator that shall clearly indicate the Participant's election. The spouse's consent must acknowledge the effect of such election and any other designated Beneficiary. The spouse's consent must be witnessed by a Plan representative or notary public or made by another method permitted by applicable rules or regulations and made available by the Administrator. The consent shall not be binding on a subsequent spouse. The spousal consent shall not be required if it is established to the satisfaction of the Administrator that it cannot be obtained because there is no spouse, the spouse cannot be located, or because of such other circumstances as may be prescribed by applicable rules or regulations. A Participant may revoke the Participant's waiver of the pre-retirement survivor annuity at any time during the election period without the Participant's spouse's consent. Any subsequent waiver must contain the spouse's consent. Any change in Beneficiary occurring after the spousal consent shall be deemed to be a revocation of the Participant's waiver of the pre-retirement survivor annuity. Notwithstanding the prior provisions, the consent of the spouse may expressly permit designations by the Participant without any requirement of further consent by the spouse.

(d) The election period with respect to the pre-retirement survivor annuity contract shall begin on the first day of the Plan Year in which the Participant attains age 35 or if later, the date the Participant enters the Plan, and shall end on the earlier of the date benefits commence or the date of the Participant's death. If a Participant incurs a Termination of Service prior to the beginning of this election period, the election period shall begin on the date of the Termination of Service. The Administrator shall provide each such Participant with a written explanation of the pre-retirement survivor annuity containing information comparable to that required in Section 7.4(b)(2). The written explanation shall be provided during whichever of the following five periods ends last:

(1) the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the last day of the Plan Year immediately preceding the Plan Year in which the Participant reaches age 35;

(2) the 12 month period after becoming a Participant;

(3) the 12 month period immediately following the date the pre-retirement survivor annuity is no longer subsidized within the meaning of Section 1.401(a)-(20) of the Regulations;

(4) the 12 month period immediately following the date on which the pre-retirement survivor annuity first became effective with respect to the Participant;

(5) the period that begins 12 months before the Participant incurred a Termination of Service prior to attaining age 35 and ends 12 months after that Termination of Service.

(e) If a Participant dies after the Participant's Annuity Starting Date, the death benefit, if any, payable to the Participant's Beneficiary, shall depend upon the terms of the benefit payment option in effect at the time of such death.

(f) (1) Death benefits payable under Section 7.5(a) shall be distributed by the end of the calendar year that includes the fifth anniversary of the date of the Participant's death; provided, however, that:

(A) Subject to the requirements of Section 7.5(g)(2), death benefits may be distributed over the life of the Beneficiary or over a period not extending beyond the life expectancy of the Beneficiary.

(B) Death benefits payable over the life of the Beneficiary or over a period not exceeding the life expectancy of the Beneficiary shall begin no later than the end of the calendar year immediately following the year of the Participant's death. Alternatively, if the Beneficiary is the Participant's surviving spouse, distributions may begin by the end of the calendar year in which the Participant would have reached age 70 1/2.

(C) If the Beneficiary is the Participant's surviving spouse and the surviving spouse dies prior to the date that death benefit payments are required to commence, death benefit payments shall be made in accordance with the following rules:

(i) Distributions shall be completed by the end of the calendar year that includes the fifth anniversary of the date of the spouse's death, or

(ii) Distributions shall commence no later than the end of the calendar year immediately following the year of the spouse's death and shall be completed over the life of the spouse's beneficiary or over a period not exceeding the life expectancy of the spouse's beneficiary.

(2) The life expectancy of the Participant's Beneficiary shall be based on the Beneficiary's attained age in the calendar year in which distributions are required to begin or, if earlier, the date on which distributions begin pursuant to the Beneficiary's irrevocable election to have benefits paid in the form of an annuity. Life expectancies shall be determined by using Tables V and VI contained in Section 1.72-9 of the Treasury Regulations. If the Beneficiary is the Participant's spouse and the form of payment is other than an annuity, the spouse's life expectancy may be redetermined on an annual basis. Any election to recalculate life expectancy must be made prior to the benefit commencement date in accordance with the rules of the Administrator. Once payments begin, this election becomes irrevocable. In the event no such election is made with respect to the Participant's spouse, the spouse's life expectancy will not be recalculated. If life expectancy is not to be recalculated and the method of distribution is other than an annuity, the life expectancy will be determined at the time when distributions first begin, and payments required for any calendar year will be based on that determination reduced by the number of entire years that have elapsed since distributions commenced.

(3) If the death benefit is payable in the form of an annuity, payments must satisfy the requirements of Section 7.3(e)(5) hereof.

(g) (1) Subject to the requirements of Sections 7.5(b) and 7.5(c), each Participant shall have the unrestricted right to designate the Beneficiary to receive the death benefits which are payable hereunder and the manner in which such death benefits shall be paid, and to change any such designations on a form furnished by and filed with the Administrator or by another method required or made available by the Administrator.

(2) Death benefit payments may not be based on the life or life expectancy of the Beneficiary unless the Beneficiary is either an individual or is a trust that meets the following standards:

(A) the trust is a valid trust under the applicable state law;

(B) the trust is irrevocable;

(C) a beneficiary of the trust who is a Beneficiary with respect to the trust's interest under this Plan is identifiable from the trust instrument; and

(D) a copy of the trust instrument is provided to the Administrator.

(3) If more than one individual is designated as a Participant's Beneficiary, the individual with the shortest life expectancy will be considered the Beneficiary for purposes of determining the applicable life expectancy.

(h) Anything herein to the contrary notwithstanding, but subject to the consent requirement referred to in Section 7.2(b), if the value of the death benefit payable under this Section 7.5 does not exceed $5,000, the Administrator shall direct the Trustees to distribute the entire value of the deceased Participant's Accounts in a lump sum payment; provided, however, that such payment is made prior to the commencement of death benefit payments. In addition, if the Participant's Accounts exceed $5,000

and the Beneficiary is the surviving spouse, the Administrator shall pay the death benefits in accordance with any of the options available under Section 7.2 as selected by the spouse on a form or pursuant to another method permitted by applicable rules or regulations and provided by the Administrator, reduced by any benefits paid to the spouse in the form of a pre-retirement survivor annuity.

(i) Subject to the spousal death benefit requirements of Sections 7.5(b) and 7.5(c), this Section 7.5 shall not apply when inconsistent with a Participant's election, made within the time permitted by law, for the distribution of death benefits in a manner that complies with the terms of this Plan in effect on December 31, 1983, unless such election is subsequently revoked.

(j) With respect to distributions under this section made in calendar years beginning on or after January 1, 2001, the Plan will apply the provisions of Section 7.3(j) of the Plan.

Section 7.6. Withdrawal of Contributions. A Participant who has not incurred a Termination of Service and has completed 5 years of Vesting Service may, upon the Participant's request by a method required or made available by the Administrator, withdraw After-Tax Contributions which have been allocated to the Participant's After-Tax Contributions Account. If such contributions are withdrawn, a Participant shall cease to be able to make such contributions for a period of at least six months subsequent to the effective date of such withdrawal and may not make any additional such withdrawals for a period of three years. A Participant's withdrawal under this paragraph may include a portion or all of the Participant's After-Tax Contributions Account.

Section 7.7. Disability Leave of Absence.

(a) A Participant who is on leave of absence on account of Disability may make a written election to receive a distribution from the Participant's Trust Fund Share in either a lump sum or installments which shall not exceed thirty percent (30%) of the Participant's Compensation for the Plan Year preceding the Plan Year in which the Participant commenced such leave.

(b) Distributions described in subsection (a) shall terminate upon the earliest to occur of the following events:

(1) the Participant's death or other termination of the Participant's Disability,

(2) the Participant reaches the Participant's Normal Retirement Date, or

(3) the Participant incurs a Termination of Service.

Section 7.8. Delayed Benefit Determinations; Lost Participant; Escheat.

(a) If the amount of a Participant's Vested Share cannot be ascertained by the date provided in the preceding Sections, a payment retroactive to such date may be made, provided that such payment must be made no later than sixty days after the earliest date on which such amount can be ascertained under the Plan.

(b) If a Participant cannot be located (after reasonable effort), the Participant's Vested Share shall be forfeited and used as soon as administratively feasible to reduce future contributions by the Participant's Participating Employer. However, if the Participant is located, the amount forfeited shall be restored to the Participant in full unadjusted by any gains or losses. The Participant's Participating Employer shall make restoration where contributions were reduced under this subsection (b).

(c) If all or a portion of a Participant's Vested Share has been lost by reason of escheat under state law, the Participant shall cease to be entitled to the portion so lost.

Section 7.9. Qualified Domestic Relations Order. Notwithstanding the preceding provisions of this article, benefits and payments of benefits under the plan shall be altered to conform to a Qualified Domestic Relations Order.

Section 7.10. Withholding of Taxes.

(a) In the case of a disbursement, the Administrator shall direct the Trustee to withhold such tax as is required by law. Also, the Administrator or the Trustee upon the direction of the Administrator shall give to each person entitled to any such disbursement such notices regarding distributions or rollovers as are required by law.

(b) In the case of a disbursement to be made by means of an annuity contract purchased from a life insurance company, the Administrator shall direct the insurance company to withhold from each annuity payment such tax as is required by law, and the Administrator shall provide the insurance company with such information as may be required by law to enable the insurance company properly to withhold such tax.

Section 7.11. Direct Rollovers. Effective January 1, 1993, the following requirements apply to distributions:

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this provision, a "distributee" may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an "eligible rollover distribution" paid directly to an "eligible retirement plan" specified by the distributee in a "direct rollover."

(b) For purposes of implementing the requirements of this provision, certain terms contained in subsection (a) above shall be defined as follows:

(1) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); any hardship distribution described in Section 401(k)(2)(B)(i)(IV) of the Code; and any other exception permitted by law or the Internal Revenue Service. Effective for distributions occurring after December 31, 1998, an eligible rollover distribution shall not include any hardship distribution described in Section 401(k)(2)(B)(i)(IV) of the Code.

(2) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving

spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(3) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(4) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

ARTICLE VIII.
Administration of the Plan

Section 8.1. Trustee. Except to the extent otherwise provided in Articles IX and X, the Trustee shall have the exclusive authority to manage and control the assets of the Trust Fund.

Section 8.2. Administrator. Hahn shall be the Administrator unless the Chief Executive Officer of Hahn (said Chief Executive Officer shall be a named fiduciary for purposes of ERISA and this Plan) designates a person or persons other than Hahn as the Administrator. If said Chief Executive Officer designates a person or persons other than Hahn as Administrator, such person or persons shall serve as Administrator pursuant to such procedures as said Chief Executive Officer may provide. Each such person shall be bonded as may be required by law. Said Chief Executive Officer or his or her delegate shall act for Hahn in its capacity as Administrator.

Section 8.3. Administrative Duties and Powers. In addition to the duties and powers elsewhere in this Plan imposed and conferred upon the Administrator, the Administrator has the duty and power:

(a) To interpret and construe the provisions of the Plan;

(b) To determine the eligibility of Employees to participate in the Plan and to give eligible Employees timely notice thereof;

(c) To maintain records with respect to each Participant, upon the basis of any information furnished by the Participant's Employer, by the Participant or by the Trustee, sufficient to determine the benefits due, or which may become due, to the Participant;

(d) To prepare and file with the appropriate agencies of the United States Government such reports as are required by law from time to time;

(e) To prepare and furnish to each Participant such reports and individual statements or other disclosures as are required by law from time to time;

(f) To maintain records containing the necessary basic information from which the foregoing instruments and reports may be prepared in sufficient detail so that their accuracy may be verified;

(g) To make available in its office, for examination during business hours by any Participant or Beneficiary, copies of all of the instruments under which the Plan has been established and is being

operated and copies of all reports or other documents which are required by law to be made available to them;

(h) To furnish to any Participant or Beneficiary, upon receipt of a request thereof in writing or by another method required or made available by the Administrator and in return for payment of the reasonable cost thereof, a copy of any document required to be made available to them;

(i) To determine the right of any person to a benefit under the Plan, the amount thereof and the method and time or times of payment;

(j) To furnish to each Participant whose employment with a Participating or Related Employer is terminated in any manner, or who has a Break in Service, or who so requests, but no more frequently than once a Plan Year, a report sufficient to inform the Participant of the Participant’s accrued benefits under the Plan and the percentage of those benefits that is Vested;

(k) To engage an independent qualified public accountant, as may be required by law, and such other advisors, counsel (including, at the discretion of the Administrator, counsel also consulted or employed by a Participating Employer), agents and employees as may be reasonably necessary to the administration of the Plan;

(l) To instruct the Trustee with respect to the disbursements from the Trust Fund;

(m) To serve as agent for the service of legal process upon the Plan along with the Trustee and any other person designated by the Chief Executive Officer of Hahn or such officer’s delegate; and

(n) To perform such other duties as the Chief Executive Officer of Hahn or such officer’s delegate may specify from time to time with regard to the administration of the Plan.

Section 8.4. Rule Against Discrimination. In the administration of the Plan, the Administrator shall never discriminate in any way in favor of Employees who are Highly Compensated Employees of a Participating Employer.

Section 8.5. Claims Procedure. A Participant or the Participant’s spouse or Beneficiary shall have the right to submit a claim for benefits in writing or by another method permitted by applicable rules or regulations to the Claims Reviewer. The claim must specify the basis of it and the amount of the benefit claimed. The Claims Reviewer shall act to deny or accept said claim within ninety days of the receipt of the claim by notifying the Participant or the Beneficiary of the Claims Reviewer’s action, unless special circumstances require the extension of such ninety-day period. If such extension is necessary, the Claims Reviewer shall provide the Participant or the spouse or Beneficiary with notification in writing or by another method permitted by applicable rules or regulations of such extension before the expiration of the initial ninety-day period. Such notice shall specify the reason or reasons for such extension and the date by which a final decision can be expected. In no event shall such extension exceed a period of ninety days from the end of the initial ninety-day period. In the event the Claims Reviewer denies the claim of a Participant or the spouse or Beneficiary in whole or in part, the Claims Reviewer’s notification in writing or by another method permitted by applicable rules or regulations shall specify, in a manner calculated to be understood by the claimant, the reason for denial, the specific section or sections of the Plan upon which the denial is based, and an explanation of the claim review procedure specified in the Plan. If any additional material or information is required to process the claim, the denial shall describe and indicate why it is necessary. Should the claim be denied in whole or in part and should the claimant be dissatisfied with the Claims Reviewer’s disposition of the claimant’s claim, the claimant may have a full and fair review of the claim by the Administrator upon request in writing or

by another method permitted by applicable rules or regulations therefor submitted by the claimant or the claimant's duly authorized representative and received by the Administrator within sixty days after the claimant receives notification in writing or by another method permitted by applicable rules or regulations that the claimant's claim has been denied. In connection with such review, the claimant or the claimant's duly authorized representative shall be entitled to review pertinent documents and submit the claimant's views as to the issues, in writing or by another method permitted by applicable rules or regulations. The Administrator shall act to deny or accept the claim within sixty days after receipt of the claimant's written request for review unless special circumstances require the extension of such sixty-day period. If such extension is necessary, the Administrator shall provide the claimant with written notification in writing or by another method permitted by applicable rules or regulations of such extension before the expiration of such initial sixty-day period. In all events, the Administrator shall act to deny or accept the claim within one hundred twenty days of the receipt of the claimant's request for review in writing or by another method permitted by applicable rules or regulations. The action of Administrator shall be in the form of a notice in writing or by another method permitted by applicable rules or regulations to the claimant and its contents shall include all of the requirements for action on the original claim. In no event may a claimant commence legal action for benefits the claimant believes are due the claimant until the claimant has exhausted all of the remedies and procedures afforded the claimant by this section.

ARTICLE IX.
The Trust Fund

Section 9.1. Trust Fund. The Trustee appointed by the Chief Executive Officer of Hahn under a Trust Agreement shall hold all assets of the Plan in a Trust. Such Trust Agreement shall contain provisions that are consistent with the terms of this article and Article X. The assets of the Trust shall constitute the Trust Fund.

Section 9.2. Source of Trust Fund. The Trustee shall hold in a Trust maintained pursuant to a Trust Agreement which it has entered into with Hahn any contributions and other property received by it from or at the direction of a Participating Employer or the Administrator pursuant to the Trust Agreement.

Section 9.3. Payments from Trust Fund. The Trustee shall, within a reasonable length of time after receipt of written notice from the Administrator make such distributions from the Trust Fund as the Administrator shall from time to time direct. Such payments may be made directly to such person or persons, natural or otherwise, at such time and in such amounts as the Administrator directs, and the Trustee shall have no duty, except as otherwise required by ERISA, to question the propriety of any such direction.

Section 9.4. Division of Trust Fund.

(a) The Chief Executive Officer of Hahn may direct the Trustee from time to time to divide and redivide the Trust Fund into one, two or more Investment Funds with names that such officer shall designate. Upon each division or redivision, the Chief Executive Officer of Hahn may specify the part of the Trust Fund to be allocated to each such Investment Fund and the terms and conditions, if any, under which the assets in such Investment Fund shall be invested. If an Investment Account is established pursuant to Section 10.3, the Chief Executive Officer of Hahn shall direct that the Trust Fund be divided in such manner as to have the Investment Account constitute an Investment Fund pursuant to this section or a portion of such an Investment Fund.

(b) The Chief Executive Officer of Hahn may specify that contributions from Participants that are attributable to Rollover Contributions or Pre-Tax Contributions shall not be invested in a fund that invests in securities of a Participating Employer. This may require setting up a separate Investment

Fund for such contributions. In such case, or if the Participant otherwise desires to do so, the Chief Executive Officer of Hahn shall provide that such contributions shall be invested in such a separate Investment Fund.

(c) The Chief Executive Officer of Hahn may direct the Trustee to invest an Investment Fund in any contract or contracts issued by a life insurance company which shall be selected by the Chief Executive Officer of Hahn. Such contract shall contain such terms and conditions as may be agreed upon by the Chief Executive Officer of Hahn and said life insurance company. Such contract may provide for a guaranty by the life insurance company (for such period or periods of time as may be agreed upon) against loss of amounts which are invested under it and may also provide (for such period or periods of time as may be agreed upon) for one or more agreed rates of interest upon said amounts.

(d) The Chief Executive Officer of Hahn may direct the Trustee to cause any part or all of the Trust Fund, without limitation as to amount, to be commingled with the money of trusts which are created by others (including trusts for qualified employee benefit plans), by it or them or by it or them in participation with others, by causing such money to be invested as a part of any or all of the pooled or collective investment funds heretofore or hereafter created by Declarations of Trust listed in the Appendix, which is attached hereto, and the portion of the Trust Fund so added to any such fund at any time shall be subject to all provisions of the applicable Declarations of Trust as it may be amended from time to time. The Declarations of Trust listed in the Appendix are specifically incorporated by this reference into this Plan. Such Appendix may be altered by the Chief Executive Officer of Hahn or the Chief Executive Officer's delegate to properly list the pooled or collective investment funds which such person determines should be on the list.

(e) The Chief Executive Officer of Hahn shall direct the Trustee to invest the assets of the Trust Fund attributable to Matching Contributions exclusively in Toro Common Stock. Such direction shall be subject to any exceptions described in this Article IX. While it is intended that such assets of the Trust Fund be invested exclusively in Toro Common Stock, the Chief Executive Officer of Hahn shall authorize the Trustee to invest any cash received under the Plan for a reasonable period of time prior to acquiring Toro Common Stock, invest such cash as may be necessary to distribute cash in lieu of fractional shares, or invest such cash as may be necessary too anticipate distributions to a Participants in cash. The Chief Executive Officer of Hahn shall also direct the Trustee to establish an Investment Fund which invests in Toro Common Stock and to permit each Participant to direct that up to 100% of the Participant's Trust Fund Share be invested in that fund.

Section 9.5. Participant Investment Options.

(a) As of each Investment Option Date, each Participant or Beneficiary may elect to have the Participant's or Beneficiary's Accounts in the Trust Fund invested in one or more Investment Funds; provided, however, that the Administrator shall establish uniform rules as to the portion of an Account which may be invested in any one Investment Fund; and provided further, if any of the limitations of Section 9.4(b) are applicable, the Participant or Beneficiary may only elect to have amounts attributable to contributions described in that subsection invested as provided in such subsection. The Administrator may limit a class of Participants to selected Investment Funds. The Administrator may establish rules concerning elections made under this section, including but not limited to the number of elections which may be made by a Participant or Beneficiary during any period of time and the time or period on or for which an election will be effective. Until modified by the Administrator, a Participant or Beneficiary may make under this section at any time; provided, however, that the Administration may establish additional limitations on such elections made by any Participant who is subject to Section 16 of the Securities Exchange Act and the rules thereunder.

(b) Each election by the Participant or Beneficiary under subsection (a) shall be made by a method required or made available by the Administrator in time to permit transmittal of the election to the Trustee before the date as of which it is to become effective. Any such election shall continue in effect until a subsequent such election becomes effective. In the absence of a valid election, a Participant's or Beneficiary's Accounts in the Trust Fund shall be allocated to the Investment Funds in such percentages as shall be determined pursuant to rules established by the Administrator until a valid election becomes effective.

(c) A Participant's election under this section shall be applicable to the amounts that are included in the Participant's Accounts on the Investment Option Date as of which such election is effective. Any contributions to the Plan which are added to the Trust Fund following such Investment Option Date shall be subject to the same election unless a separate election is made by the Participant with respect to those contributions pursuant to rules established by the Administrator. Such elections shall remain effective until the Participant makes a new election or elections as of an Investment Option Date.

(d) The Administrator shall direct the Trustee to divide the Trust Fund in a manner which will allow the elections which are effective as of a date to be put into effect as of that date. The Administrator shall give its directions to the Trustee within such time and in such manner as will give the Trustee time to carry out the directions on such Investment Option Date or during the period immediately following said Investment Option Period.

(e) Notwithstanding the previous provisions of this section, any Participant or Beneficiary who directs the investment of all or a portion of the Participant's or Beneficiary's Accounts in the Trust Fund in a contract as described in Section 9.4(c) may change, amend or suspend or cancel such direction and again direct such investment only under the terms and conditions provided for, from time to time, in such contract, and may withdraw such part of the Participant's or Beneficiary's Accounts which are invested in such contract only to the extent such withdrawal is permitted under the terms and conditions of such contract and this Plan.

Section 9.6. Investment in and Retention of Life Insurance Contracts.

(a) The Trust Fund may not be used to purchase life insurance on the life of a Participant, the proceeds of which insurance upon the death of such Participant are or become payable directly or indirectly to such Participant's Beneficiary. However, the Trustee may hold such insurance in the Trust Fund if such insurance was an asset of a Prior Plan. In such case, such insurance shall be subject to the remaining provisions of this section.

(b) If the Trust Fund is used to purchase life insurance on the life of a Participant, the proceeds of which insurance upon the death of such Participant are or become payable directly or indirectly to such Participant's Beneficiary, then the assets in the Trust Fund shall be subject to the following conditions and limitations:

(1) The Administrator may direct the Trustee first to apply all or any part of the Rollover Contributions, which have previously been made allocable to one of the Participant's Accounts toward the premium cost of such insurance. If such a direction is made, no Trust Fund earnings, Employer contributions to the Trust Fund or forfeitures arising pursuant to Section 6.3 shall be applied toward the premium cost of such insurance unless such premium cost exceeds such Rollover Contributions.

(2) If any contributions made by a Participating Employer to the Trust Fund or forfeitures (attributable thereto) arising pursuant to Section 6.3 are used to pay the premium cost of such insurance, the following further conditions shall be applied:

(A) Upon the direction of the Administrator, the Trustee, at or before the date of said Participant's "retirement" (as such term is used in Revenue Ruling 54-51), shall either:

(i) convert the entire value of such insurance contract or contracts into cash and add the same to such Participant's Vested Share, or

(ii) convert such insurance contract or contracts into a form which will provide periodic income to the Participant in conformance with the provisions of Article VIII such that no portion of such value may be used to continue life insurance beyond such date, or

(iii) distribute the insurance contract or contracts to the Participant, or

(iv) do any combination of the foregoing.

(B) At no time shall the premium paid with such contributions and forfeitures to purchase ordinary life insurance on the life of such Participant equal or exceed fifty percent (50%) of the total contributions of the Participating Employer and forfeitures (attributable thereto) then credited to the Accounts of the Participant. In the case of premiums paid for term and other life insurance contracts that are not ordinary life insurance, that percentage shall not exceed twenty-five percent (25%) of that total. Further, the sum of one-half of such ordinary life insurance premiums and the premiums on such term and other life insurance contracts shall not exceed twenty-five percent (25%) of that total. However, notwithstanding the previous provisions of this subparagraph (B), premiums for such insurance may always be paid from amounts in the Participant's Accounts which have been held since the last accounting date at least two years preceding the date of the premium payment.

(3) Any dividends or credits earned on such insurance contracts and received by the Trustee will be allocated to the appropriate Accounts of the Participant.

(4) Amounts attributable to a Participant's deductible voluntary employee contributions may not be used to purchase such insurance. The Administrator's instructions to the Trustee shall not be inconsistent with the foregoing restrictions.

(c) The Administrator shall direct the Trustee to select options and otherwise deal with such contracts in a manner that will assure that such contracts are disbursed in a manner consistent with Article VII of the Plan. In the event of any conflict between the terms of this Plan and the terms of any insurance contract acquired hereunder, the Plan provisions shall control.

(d) Individual life insurance or annuity contracts may be sold by the Trustee to a Participant, a relative of the Participant, a Participating Employer or an employee benefit plan, or may be sold or transferred to or exchanged with the Trustee by a Participant or a Participating Employer; provided, however, that any such sale, transfer or exchange must comply with any prohibited transaction exemptions issued by the Department of Labor or Department of the Treasury.

Section 9.7. Diversification of Investments.

(a) Each Participant, during the Participant's "qualified election period," will be permitted to direct the Plan as to the investment of 25 percent of the value of the Vested portion of the Participant's Matching Contribution Account (to the extent such portion exceeds the amount to which a prior election under this Section 9.7 applies). The term "qualified election period" means the period beginning with the date on which the Participant has completed at least ten years of Vesting Service and attained age 55 and ending on the date of the Participant's Termination of Service. In the case of a Participant who attains age 56, this provision shall be applied by substituting "50 percent" for "25 percent." In the case of a Participant who attains age 57, this provision shall be applied by substituting "75 percent" for "25 percent." In the case of a Participant who attains age 58, this provision shall be applied by substituting "100 percent" for "25 percent." Notwithstanding the preceding provisions of this section, if the Participant's "qualified election period" has not begun when the Participant reaches age 62, the Participant's "qualified election period" shall begin on the date such individual attains age 62. Also, after a Participant reaches age 62, the Participant will be permitted to direct the Plan as to the investment of 100 percent of the value of the Vested portion of the Participant's Matching Contribution Account (to the extent such portion exceeds the amount to which a prior election under this Section 9.7 applies). Subject to the requirements of this Section 9.7, a Participant may, subsequent to the Participant's initial election during the qualified election period, revise the Participant's election to reach the maximum applicable percentage under this Section 9.7.

(b) The Participant's election under subsection (a) shall be provided to the Administrator by a method required or made available by the Administrator; shall be effective as of the first day of the Plan Year quarter immediately following such election; and shall specify which, if any, of the options set forth in subsection (c) the Participant selects; provided, however, that an election made by a Participant who is subject to the requirements of Section 16 of the Securities Exchange Act of 1934 and the rules thereunder shall be made and shall become effective in accordance with such rules. However, if the Participant's election is made within 15 days before the first day of a Plan Year quarter, the election shall not be effective until the first day of the Plan Year quarter subsequent to the Plan Year quarter which immediately follows such election.

(c) The requirements in this section shall be satisfied by offering the investment options made available under Section 9.5 of the Plan to each Participant making an election under subsection (a).

(d) The amounts subject to a Participant's election under subsection (a) shall be allocated to an appropriate Account of the Participant specified by the Administrator.

(e) All valuations of employer securities which are not readily tradable on an established securities market with respect to activities carried on by the Plan must be by an independent appraiser. For purposes of the preceding sentence, the term "independent appraiser" means any appraiser meeting requirements similar to the requirements of the regulations under Section 170(a)(1) of the Code.

(f) Any right that a Participant may have to demand that the Participant's benefits be distributed in the form of Toro Common Stock shall not apply with respect to the portion of the Participant's account which the Participant elected to have reinvested under the diversification rules under Section 401(a)(28)(B) of the Code and this Section 9.7.

(g) Notwithstanding anything herein to the contrary, the Trustee may sell sufficient shares of Toro Common Stock from a Participant's Account without such direction as may be necessary to raise cash sufficient to meet the expenses of the Trust.

(h) Any Participant who has incurred a Termination of Service will be permitted to direct the Plan as to the investment of the value of the Participant's Vested Share in a manner consistent with the requirements of this Section 9.7 as if the Participant had not incurred a Termination of Service.

(i) If an election is made by a Participant under subsection (a), the Trustee shall sell a sufficient portion of Toro Common Stock allocated to the Participant's Toro Common Stock Account as is necessary to implement such election and shall accomplish such sale within an administratively feasible time after such election. The proceeds of such sale shall be added to the Participant's Account referred to in Section 9.7(d) and invested under the terms of Section 9.5 of the Plan.

(j) Each election made under subsection (a) shall be made by a method required or made available by the Administrator. A Participant's election shall remain effective until the Participant makes a new election. The Administrator shall direct the Trustee to divide the Trust Fund in a manner that will allow the elections made pursuant to this Section 9.7 to be put into effect. The Administrator shall give its directions to the Trustee within such time and in such manner as will give the Trustee time to carry out the directions as of such date.

Section 9.8. Voting of Shares and Tender Offers.

(a) Each Participant or Beneficiary in the Plan is entitled to direct (in accordance with procedures established by the Administrator) the Plan as to the exercise of voting rights with respect to the shares of Toro Common Stock (including fractional shares) allocated to the Account of such Participant or Beneficiary. Hahn shall provide to each Participant or Beneficiary, who shall be considered named fiduciaries solely for the purpose of pass through voting and tender offer rights described in subsection (c) with respect to Toro Common Stock held by the Plan, necessary and accurate information pertaining to the exercise of such rights containing all the information distributed to Toro's shareholders as part of an information distribution to the shareholders (this information may include proxy materials and copies of tender offer materials furnished to security holders generally). A Participant or Beneficiary shall have the opportunity to exercise any such rights within the same time period as Toro's shareholders.

(b) In the exercise of voting rights, votes representing shares of Toro Common Stock either (1) held in a suspense account for Toro Common Stock, or (2) on account of which Participant's may direct the exercise of voting rights, but do not, shall be voted by the Trustee in the same ratio for the election of directors and for and against each other issue as the applicable vote directed by Participants with respect to shares of Toro Common Stock allocated to their Accounts to the extent permitted by Section 404(a)(1)(D) of ERISA.

(c) In the event of any tender offer or exchange offer regarding Toro Common Stock, the Trustee's response to those offers with respect to any such stock which has been allocated to the Accounts of Participants shall be made in accordance with directions made by Participants under the terms of the Plan; provided that the Trustee's positive and negative responses to those offers with respect to shares of Toro Common Stock held in a suspense account, or shares of Toro Common Stock allocated to the Accounts of Participants for which the Trustee does not receive direction under the terms of the Plan shall be proportionate to the positive and negative responses to those offers (tabulated in terms of shares) received from Participants regarding shares of such stock allocated to their Accounts in a manner consistent with this Section 9.8 and Section 404(a)(1)(D) of ERISA.

(d) A Participant shall be entitled to direct the Trustee regarding whether or not to tender or exchange any shares of Toro Common Stock allocated to the Participant's Account in the event of a tender offer or exchange offer presented to the Trustee. The procedure for obtaining that direction from a Participant shall be as follows:

(1) Necessary and accurate information for the Participant to make a decision shall be provided by the Trustee to the Participant.

(2) Steps shall be taken to assure that the Participant's decision is confidential within the meaning of Section 203 of Delaware's General Corporation Law (the information is to be made available only to the Trustee).

(3) The Administrator shall establish any additional procedural steps as may be appropriate to obtain directions from the Participant to the Trustee.

(e) All dividends paid to the Trustee on Toro Common Stock that have been allocated to a Participant's Account shall be distributed to such Participant. The distribution shall be made before 90 days after the end of the Plan Year in which the dividends are paid to the Trustee.

ARTICLE X.
Investment Advisers

Section 10.1. Appointment of Investment Advisers. The Chief Executive Officer of Hahn shall have the right to appoint one or more Investment Advisers. All appointments of Investment Advisers shall be by written agreement between Hahn and the Investment Adviser. The Trustee shall receive a copy of each such agreement and all amendments, modifications and terminations thereof and shall give written acknowledgment of receipt of same. Until receipt of a copy of each such amendment, modification or termination, the Trustee shall be fully protected in assuming the continuing authority of such Investment Adviser under the terms of its original agreement with Hahn as theretofore amended or modified.

Section 10.2. Investment Adviser Agreements. Among other matters, each agreement between Hahn and an Investment Adviser or an agreement between the Investment Adviser and the Trustee shall provide that:

(a) All directions given by the Investment Adviser to the Trustee shall be in writing, signed by an officer or partner of the Investment Adviser or by such other person as may be designated in writing by the Investment Adviser; provided that the Trustee shall accept oral directions for the purchase or sale of securities which shall be confirmed by such authorized personnel of the Investment Adviser in writing.

(b) Should the Investment Adviser find it desirable, it shall receive a power of attorney from the Trustee, in such form and substance as may be approved by the Trustee and the Chief Executive Officer of Hahn, authorizing the Investment Adviser to effect transactions directly for its Investment Account.

(c) All settlements of purchases and sales are to be in such place as the Trustee and Investment Adviser may agree.

(d) In all events the Trustee is to retain physical custody of all assets comprising an Investment Account, or control of all such assets at central depositories including the Federal Reserve banks (unless that custody is not required by ERISA).

(e) Payment of the cost of the acquisition, sale or exchange of any security or other property for an Investment Account shall be charged to that Investment Account.

(f) The responsibility of the Investment Adviser to vote proxies shall be recognized unless the agreement expressly precludes the Investment Adviser from voting proxies.

(g) The Investment Adviser acknowledges that it is a "fiduciary" of the Plan and that for the term of the agreement it will qualify as an "investment manager" (as both of said terms are used in ERISA).

Section 10.3. Notification of Appointment of Investment Advisers. Written notice of each appointment of an Investment Adviser shall be given to the Trustee at least ten days in advance of the effective date of the appointment. Such notice shall state the part of the Trust Fund which is to become the Investment Account of the Investment Adviser and shall either include or be accompanied by a direction to the Trustee to establish the Investment Account as an Investment Fund pursuant to Section 10.1. Upon receipt of said notice, the Trustee shall allocate the designated part of the Trust Fund to the Investment Account of such Investment Adviser. The Chief Executive Officer of Hahn may by similar notice modify such designation from time to time.

Section 10.4. Investment Adviser's Authority. So long as the appointment of an Investment Adviser is in effect, the Trustee shall be directed to follow the directions of the Investment Adviser with respect to its Investment Account in exercising the powers granted to the Trustee in the Trust Agreement regarding investment of the Trust Fund. One of those powers is voting proxies; however, the Investment Adviser won't have that power if the agreement described in Section 10.2 expressly precludes the Investment Adviser from voting proxies (and the Trustee shall have the power).

Section 10.5. Trustee's Responsibility for Investment Adviser's Account. The Trustee shall monitor all instructions from the Investment Adviser and shall notify the Administrator in the event that it considers any instruction to involve an improper investment of the Trust Fund. However, the Trustee shall have no further duty to question such instructions and, except as may be otherwise provided by ERISA, the Trustee shall not be liable for any loss which may result by reason of any action taken by it in accordance with a direction of an Investment Adviser acting within the powers granted to it under this Article X, or by reason of any lack of action by the Trustee upon the failure of an Investment Adviser to exercise its said powers.

Section 10.6. Investment Adviser's Access to Records. The Trustee shall make available to an Investment Adviser copies of or extracts from such portions of its accounts, books or records relating to the Investment Account of such Investment Adviser as the Trustee may deem necessary or appropriate in connection with the exercise of the Investment Adviser's functions, or as the Administrator may direct.

Section 10.7. Allocation of Charges to Investment Adviser Account. All charges (other than those covered in Section 10.2(e)) against each Investment Account shall be made in such proportions as the Administrator may direct from time to time.

ARTICLE XI.
Amendment

Section 11.1. Power.

(a) Hahn reserves the power to amend, alter or wholly revise this instrument, prospectively or retrospectively, at any time by the action of its Chief Executive Officer or such officer's delegate, and the interest of each Participant is subject to the power so reserved. No amendment may be made, however, that would reduce the interest in the Trust Fund Vested in any Participant or the Participant's Beneficiary at the time of the amendment (elimination of an optional form of benefit available to a

Participant with respect to the Participant's benefits accrued before the amendment is considered to be such a reduction), or that would divert any part of the Trust Fund to any use or purpose other than for the exclusive benefit of the Participants and Beneficiaries; provided, however, that any amendment may be made which may be or become necessary in order that the Plan and Trust will conform to the requirements of ERISA and qualify under the provisions of Sections 401(a) and 501(a) of the Code (as it may be amended from time to time), or in order that all of the provisions of the Plan and Trust will conform to all valid requirements of applicable federal and state laws.

(b) An amendment of this Plan by whatever means must not reduce or eliminate a benefit under the Plan, protected under Section 411(d)(6) of the Code, unless permitted to do so under applicable regulations. To the extent that such an amendment would cause such a reduction or elimination, the Administrator shall disregard the amendment and maintain an appropriate schedule of optional forms of benefit which shall continue to be available to the affected Participants.

Section 11.2. Method. An amendment shall be stated in an instrument in writing signed in the name of Hahn by its Chief Executive Officer or such officer's delegate.

Section 11.3. Amendment of Vesting Schedule.

(a) If a Participating Employer when it adopts this Plan modifies the vesting schedule or the method of computing service for vesting purposes under a Prior Plan, a Participant who was a participant in such Prior Plan and who has not less than three (3) years of service for vesting purposes by the end of the period described in subsection (c) shall be provided the opportunity to make the election described in subsection (b) within said period. In addition, if Hahn modifies the vesting schedule or the method of computing service for vesting purposes by amending the Plan, a Participant having not less than three (3) years of such service by the end of the period described in subsection (c) shall be given the opportunity to make the election described in subsection (b) within said period. For Participants who do not have at least one hour of service in any Plan Year beginning after December 31, 1988, this provision shall be applied by substituting "5 years of Vesting Service" for "3 years of Vesting Service" where such language appears.

(b) A Participant described in subsection (a) may elect to have the Participant's Vested percentage of the portion of the Participant's Trust Fund Share attributable to the Participant's Accounts which are not fully Vested computed under the Prior plan or under this Plan as it existed prior to the amendment of the Plan, whichever is applicable. An election made under this subsection (b) shall be irrevocable when it is made.

(c) In order for the election described in subsection (b) to be effective, it must be executed in writing upon forms to be provided by the Administrator or made by another method required or made available by the Administrator and must be delivered to the Administrator on or after the effective date of adoption of the Plan by the Participating Employer or the date the Plan is amended (whichever is applicable) and before the latest of:

(1) the date which is sixty (60) days after said effective date or the day the Plan is so amended,

(2) the date which is sixty (60) days after said effective date or the day the new amendment becomes effective; or

(3) the date that is sixty (60) days after the day the Participant is issued written notice by the Administrator of said adoption of the Plan or amendment of the Plan.

(d) The preceding provisions of this section shall not be applicable if after the modification described in Section 11.3(a) each Participant will always be at least as Vested at any point in time on or after the modification as the Participant would have been without the modification.

ARTICLE XII.
Termination, Withdrawals and Acquisitions

Section 12.1. Termination of Plan, Withdrawals and Discontinuance of Contributions.

(a) Hahn now intends the Plan to be permanent; nevertheless, it reserves to its Chief Executive Officer or such officer's delegate the power to terminate the Plan as to itself and any or all other Participating Employers and as to any designated group of Employees, former Employees or Beneficiaries. If there are any Participating Employers other than Hahn, Hahn shall deliver to each other Participating Employer a written notice of termination specifying the effective date thereof (which shall not be less than thirty days after the notice date) and executed in the manner provided for the execution of an amendment by Hahn.

(b) Any Participating Employer (other than Hahn) may withdraw from participation in the Plan at the end of any Plan Year by giving the Administrator thirty days' written notice. The Administrator may terminate the participation in the Plan of any Participating Employer (other than Hahn) by giving the Participating Employer thirty days' written notice. Such withdrawal or termination may be a termination of the Participating Employer's plan as maintained under this Plan (this could occur if the Participating Employer is not (has ceased to be) a Related Employer of Hahn) unless such plan is continued under documents other than this Plan by the Participating Employer or by an acquiring Employer described in Section 12.4.

(c) A complete discontinuance of contributions under the Plan by all Participating Employers shall be deemed a termination of the Plan as to such Participating Employers unless the Plan is continued under documents other than this Plan by the Participating Employers or by an acquiring Employer described in Section 12.4. If a Participating Employer maintains its own plan under this Plan because it is not (has ceased to be) a Related Employer of Hahn, a complete discontinuance of contributions under such plan by such Participating Employer shall be deemed a termination of such plan as to such Participating Employer unless such plan is continued under documents other than this Plan by the Participating Employer or by an acquiring Employer described in Section 12.4.

(d) In the event that all of the Participating Employers should be dissolved and liquidated, or should be adjudged as voluntarily or involuntarily bankrupt, or should participate in a consolidation, merger or other corporate reorganization as a result of which the new, surviving or reorganized corporation or corporations does not or do not assume or continue the obligations of the Plan, or should have its or their corporate existence terminated in any other way, then the Plan shall terminate. If a Participating Employer maintains its own plan under this Plan because it is not (has ceased to be) a Related Employer of Hahn, and if the prior sentence would apply to it if it was the only Participating Employer, then such plan shall be deemed to have terminated. In either case described in the prior two sentences, any new, surviving or reorganized corporation shall have the power to continue such plan or the Plan, whichever is applicable, as its own (and thus prevent termination) as provided in Section 12.4.

Section 12.2. Allocation Upon Termination. Upon the termination of the Plan as to a Participating Employer, any previously unallocated funds which are part of the Trust Fund and are allocable to Active Participants who are Employees of the Participating Employer shall be allocated to such Active Participants as provided in Articles V and VI as of the date of termination of the Plan as to that Participating Employer. If a Participating Employer maintains its own plan under this Plan because it

is not (has ceased to be) a Related Employer of Hahn, and such plan is terminated as described in Section 12.1, then the prior sentence shall apply to such plan.

Section 12.3. Distribution Upon Termination or Complete Discontinuance of Contributions.

(a) Upon the complete termination of the Plan or the complete discontinuance of contributions under the Plan, the respective interests of the Participants in the Trust Fund shall fully vest, and the Trustee shall proceed to liquidate the Trust Fund, distributing benefits to the Participants or their Beneficiaries as soon as administratively feasible after the termination of the Plan, unless benefits are transferred to a successor plan. The Trustee shall reserve such amounts as may be required to pay any expenses of termination, liquidation and distribution, and shall then segregate each Participant's Trust Fund Share in a special account. Each such Share shall be distributed to such Participant or the Participant's Beneficiary. The method and commencement date of distribution shall be determined as provided in Section 7.2 and Section 7.3, respectively.

(b) If a Participating Employer maintains its own plan under this Plan because it is not (has ceased to be) a Related Employer of Hahn, and such plan is terminated as described in Section 12.1, then the prior provisions of this section shall apply to such plan and the portions of the Trust Fund and Trust Fund Share's of Participants affected by the termination.

(c) Upon a partial termination of the Plan, the foregoing provisions of this section shall apply, but only as to those Participants and to that portion of the Trust Fund affected by the termination.

Section 12.4. Acquisitions. If all, or substantially all, of the Employees of a Participating Employer or all, or substantially all, of the Employees constituting a separate or separable unit of operation of a Participating Employer, are transferred directly to the employment of another corporation, partnership or individual proprietorship (in this paragraph called "Buyer"), which, as a part of the same transaction, acquires either all, or substantially all, of the operating assets of a Participating Employer or all, or substantially all, of the operating assets that constitute, together with the Employees, a separate or separable unit of operation, such Buyer with the consent of the Administrator may adopt and may amend the Plan with respect to the transferred Employees and continue the Plan as its own. Alternatively, such Buyer may adopt a separate plan of its own for such transferred Employees or provide that such Employees shall be covered by an existing plan of the Buyer's, in which case, notwithstanding the distribution provisions of Article VII, the Administrator may direct that the portion of the Trust Fund allocable to such transferred Employees be segregated and transferred to a medium designated by such Buyer for the funding of its plan.

ARTICLE XIII.
Miscellaneous

Section 13.1. Procedures and Other Matters Regarding Domestic Relations Orders.

(a) To the extent provided in any Qualified Domestic Relations Order, the former spouse of a Participant shall be treated as a surviving spouse of such Participant for purposes of any benefit payable in the Qualified Joint and Survivor Annuity Form or as a death benefit to a spouse under Section 7.5(b) (and any spouse of the Participant shall not be treated as a spouse of the Participant for such purposes).

(b) The Plan shall not be treated as failing to meet the requirements of the Code which prohibit payment of benefits before the Participant's Termination of Employment with all Participating Employers solely by reason of payments to an Alternate Payee pursuant to a Qualified Domestic Relations Order.

(c) In the case of any Domestic Relations Order received by the Plan:

(1) the Administrator shall promptly notify the Participant and each Alternate Payee of the receipt of such order and the Plan’s procedures for determining the qualified status of Domestic Relations Orders, and

(2) within a reasonable period after receipt of such order, the Administrator shall determine whether such order is a Qualified Domestic Relations Order and notify the Participant and each Alternate Payee of such determination.

The Administrator shall establish reasonable procedures to determine the qualified status of Domestic Relations Orders and to administer distributions under such qualified order.

(d) During any period in which the issue of whether a Domestic Relations Order is a Qualified Domestic Relations Order is being determined by the Administrator, by a court of competent jurisdiction, or otherwise, the Administrator shall separately account for the amounts (referred to hereinafter as the “segregated amounts”) which would have been payable to the Alternate Payee during such period if the order had been determined to be a Qualified Domestic Relations Order. If within the eighteen (18) month period beginning with the date on which the first payment would be required to be made under the Domestic Relations Order, the order or modification thereof is determined to be a Qualified Domestic Relations Order, the Administrator shall pay the segregated amounts (including any interest thereon) to the person or persons entitled thereto. If within that eighteen (18) month period either (1) it is determined that the order is not a Qualified Domestic Relations Order or (2) the issue as to whether such order is a Qualified Domestic Relations Order is not resolved, then the Administrator shall pay the segregated amounts (including any interest thereon) to the person or persons who would have been entitled to such amounts if there had been no order. Any determination that an order is a Qualified Domestic Relations Order which is made after the close of that eighteen (18) month period shall be applied prospectively only.

(e) For administrative purposes, an Alternate Payee shall be treated under this Plan in the same manner as a Beneficiary with respect to the portion of a Participant’s interest in the Plan being held and invested for the Alternate Payee’s benefit.

(f) When distribution is to be made to an Alternate Payee, the Administrator shall determine from which Accounts of a Participant it will be made.

Section 13.2. Prohibition Against Diversion.

(a) Except as provided in paragraph (b), no part of the principal or income of the Trust Fund may be used for or diverted to purposes other than for the exclusive benefit of Employees and their Beneficiaries.

(b) The following are exceptions to subsection (a) (and shall be integrated in a manner consistent with IRS Revenue Ruling 91-4 and subsequent guidance):

(1) If an Employer contribution is received by the Trustee and its delivery is conditioned upon its deductibility by the Employer under Section 404 of the Code (as amended from time to time), then to the extent the deduction is disallowed, the Trustee shall, upon written request of the Employer, return the disallowed portion of such contribution to the Employer within one year after the date of the final denial of said deduction (including a final resolution of any such denial through all appeals procedures).

(2) If all or a portion of an Employer contribution is made under a mistake of fact, the Trustee shall, upon written request of the Employer, return the portion which was so made to the Employer within one year of the date the contribution was delivered to the Trustee.

(3) Upon termination of the Plan, any amounts held in a suspense account under Section 5.2(e) of the Plan (pursuant to Section 1.415-6(b)(6) of the Treasury Regulations) shall revert to the Participating Employer to which the amount is attributable.

Section 13.3. Transfer to or from Qualified Plan. Assets held by the Trust Fund or by any other plan or trust which is qualified under Section 401(a) of the Code on behalf of an Employee or groups of Employees may be transferred between the Trust Fund and such other plan or trust (provided that proper notice is given to the Internal Revenue Service as may be required). The Administrator shall determine whether to allow such transfer and then shall inform the Trustee of its decision and direct them accordingly. An Employee on behalf of whom assets are transferred to the Trust Fund shall be a Non-Contributing Participant unless and until the Employee becomes a Contributing Participant. All such assets received by the Trustee shall be maintained in an Account maintained for such Participant (as specified by the Administrator). Such assets shall be allocated to such Account as of the Valuation Date on or subsequent to the date on which the Trustee receives assets. Any such assets transferred to the Trust Fund shall be considered nonforfeitable with respect to the Employee. Any assets transferred out of the Trust Fund on behalf of a Participant shall be in lieu of any distribution otherwise payable under the Plan to the Participant. Before a transfer is made, the Administrator shall take all necessary steps to make sure that optional forms of distribution applicable to the assets to be transferred remain applicable to the transferred assets after the transfer.

Section 13.4. Leased Employees. Any “leased employee” shall be treated as an Employee of the recipient Employer; however, contributions or benefits provided by the “leasing organization” which are attributable to services performed for the recipient Employer shall be treated as provided by the recipient Employer. The preceding sentence shall not apply to any leased employee if

(a) such Employee is covered by a money purchase plan providing:

(1) a nonintegrated Employer contribution rate of at least 10 percent of compensation, as defined in Section 415(c)(3) of the Code, but including amounts contributed pursuant to a salary reduction agreement which are excludable from such Employee’s gross income under Section 125, Section 402(e)(3), Section 402(h), or Section 403(b) of the Code,

(2) immediate participation, and

(3) full and immediate vesting; and

(b) leased employees do not constitute more than 20 percent of the recipient’s non-highly compensable workforce.

For purposes of this paragraph, the term “leased employee” means any person who pursuant to an agreement between the recipient and any other person (“leasing organization”) has performed services for the recipient (or for the recipient and related persons determined in accordance with Section 414(n)(6) of the Code) on a substantially full time basis for a period of at least one year and, prior to 1997, such services were of a type historically performed by the Employees in the business field of the recipient Employer, or, after 1996, such services are performed under the primary direction or control of the recipient Employer. A leased employee shall not be eligible to become a Covered Employee.

Section 13.5. Delegation of Authority.

(a) Whenever Hahn, under the terms of the Plan, is permitted or required to do or perform any act or matter or thing, it shall be done and performed by the Chief Executive Officer of Hahn or such officer's delegate.

(b) The Chief Executive Officer of Hahn has been given certain powers under this Plan. In the discretion of such officer, such officer may delegate a portion or all of any of such powers to an Employee of Hahn. Any person needing evidence of that delegation of authority may request and shall be furnished with a copy of a certificate executed by the Chief Executive Officer of Hahn designating the person who has been delegated such authority.

Section 13.6. Agreement Effective Upon Receipt of Determination Letter.

(a) This agreement shall not become effective as to Hahn unless the Internal Revenue Service issues determinations or rulings (1) which are acceptable to Hahn or (2) which are to the effect that the Plan meets the requirements of Section 401(a) of the Code of 1986 and that the Trust is exempt under Section 501(a) of the Code of 1986; and, if such determinations or rulings are issued, this agreement shall become effective as of the Effective Date of this Restatement. Pending receipt of such determinations or rulings by the Internal Revenue Service, Hahn, its officers and the Trustee are hereby authorized to proceed as if this agreement had become effective on the Effective Date of this Restatement and none of them shall be subject to any liability in doing so if this agreement does not become effective, and no Employee or former Employee or such individual's Beneficiary shall acquire any additional rights because of such action if this agreement does not become effective.

(b) If the Plan does not receive rulings which are acceptable to Hahn, or which are to the effect that the Plan is initially qualified under said sections of said Code, Hahn may, within one year of receiving a final denial of such initial qualification (including a final resolution of such denial through all appeals procedures), rescind this agreement or terminate the Plan or both. Within said period and to the extent permitted under applicable law, Hahn may direct the Trustee to return all contributions received during the period the Plan is not initially qualified to the persons from whom received, together with such adjustments so as to reflect, pro rata, the increases and decreases allocable to all such contributions.

Section 13.7. USERRA and Section 414(u) of the Code.

(a) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Section 414(u) of the Internal Revenue Code. This provision is effective with respect to reemployments initiated 60 days or more after the October 13, 1994, enactment date of the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), that is, reemployments initiated on or after December 12, 1994.

(b) For purposes of this section, and in accordance with Section 414(u) of the Code, if an Employee is reemployed under USERRA, the Employee shall be treated as not having incurred a Break in Service because of the period of military service and the Employee's military service is treated as service with the Employer for vesting and benefit accrual purposes.

(c) In accordance with Section 414(u) of the Code, an Employee is treated as receiving compensation from the Employer during the period of military service equal to the compensation the Employee otherwise would have received from the Employer during the period immediately preceding the period, or, if the compensation the Employee otherwise would have received is not reasonably certain,

the Employee's average compensation from the Employer during the period immediately preceding the period of military service. For purposes of Section 414(u), USERRA is not treated as requiring the crediting of earnings to an Employee with respect to any contribution before the contribution is actually made or requiring any allocation of forfeitures to the Employee for the period of military service.

IN WITNESS WHEREOF, Hahn Equipment Co. has caused its name to be hereto subscribed by its ____ on this ____ day of ____________, 2001.

HAHN EQUIPMENT CO.

By ________________________________

Its ________________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF ____________)

On this _____ day of ________, 2001, before me personally appeared ________, to me personally known, who, being by me first duly sworn, did depose and say that he or she is the ______________ of Hahn Equipment Co., the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he or she acknowledged said instrument to be the free act and deed of said corporation.

____
Notary Public

APPENDIX A
POOLED OR COLLECTIVE INVESTMENT FUNDS
REFERRED TO IN SECTION 9.4(d)

1. The Toro Company Pooled Investment Trust Agreement.

Exhibit (d)(12)(B)

**AMENDMENT NO. 1 TO
HAHN EQUIPMENT CO. SAVINGS PLAN
FOR UNION EMPLOYEES
(2001 and 2002 Restatements)**

Hahn Equipment Co., a Minnesota corporation, pursuant to the power of amendment reserved to it in Section 11.1 of Hahn Equipment Co. Savings Plan for Union Employees (the “Plan”), hereby adopts and publishes this Amendment No. 1 to the 2001 Restatement of the Plan and the 2002 Restatement of the Plan. The modifications made by this amendment are effective as of January 1, 2001.

Article 1. A new sentence is added at the end of the first paragraph of the Plan reading as follows:

This Plan, which Hahn has adopted for the exclusive benefit of its eligible Employees and their Beneficiaries, is a profit sharing plan with features permitted by Section 401(k) of the Code and is intended to qualify under Section 401(a) of the Code.

Article 2. References in Section 7.3(g) to Section 7.3(h), Section 7.3(h)(4), Section 7.3(h)(5) and Section 7.3(h)(6) are amended to read Section 7.3(g), Section 7.3(g)(4), Section 7.3(g)(5) and 7.3(g)(6), respectively.

IN WITNESS WHEREOF, Hahn Equipment Co. has caused its name to be hereto subscribed by its __________ the ____ day of __________, 2002.

HAHN EQUIPMENT CO.

By ____

Its ____

STATE OF MINNESOTA)
) SS.
COUNTY OF __________________________)

On this __________ day of __________, 2002, before me personally appeared _______________, to me personally known, who, being by me first duly sworn, did depose and say that he or she is the _______________ of Hahn Equipment Co., the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he or she acknowledged said instrument to be the free act and deed of said corporation.

____

Notary Public

Exhibit (d)(12)(C)

AMENDMENT NO. 2 TO
THE HAHN EQUIPMENT CO.
SAVINGS PLAN FOR UNION EMPLOYEES
(2002 Restatement)

The Hahn Equipment Co., a Minnesota corporation, pursuant to the power of amendment reserved to it in Section 11.1 of the Hahn Equipment Co. Savings Plan for Union Employees — 2002 Restatement (the "Plan") hereby adopts and publishes this Amendment No. 2 to the Plan to reflect certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") and to incorporate the final regulations regarding minimum required distributions. Articles I – VIII of this amendment are intended as good faith compliance with the requirements of EGTRRA and are to be construed in accordance with EGTRRA and guidance issued thereunder. Except as otherwise provided, this amendment shall be effective as of the first day of the first Plan Year beginning after December 31, 2001. This amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this amendment.

ARTICLE I
LIMITATIONS ON CONTRIBUTIONS

1.1 **Effective date**. This Section shall be effective for limitation years beginning after December 31, 2001.

1.2 **Maximum annual addition**. The annual addition that may be contributed or allocated to a Participant's account under the Plan for any limitation year shall not exceed the lesser of:

a. $40,000, as adjusted for increases in the cost-of-living under Section 415(d) of the Code, or

b. 100 percent of the Participant's compensation, within the meaning of Section 415(c)(3) of the Code, for the limitation year.

The compensation limit referred to in b. shall not apply to any contribution for medical benefits after separation from service (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) which is otherwise treated as an annual addition.

ARTICLE II
INCREASE IN COMPENSATION LIMIT

Increase in Compensation Limit. The annual compensation of each Participant taken into account in determining allocations for any Plan Year beginning after December 31, 2001, shall not exceed $200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. Annual compensation means compensation during the Plan Year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

ARTICLE III
DIRECT ROLLOVERS

3.1 **Effective date**. This Article shall apply to distributions made after December 31, 2001.

3.2 **Modification of definition of eligible retirement plan**. For purposes of the direct rollover provisions of the Plan, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code.

3.3 **Modification of definition of eligible rollover distribution to exclude hardship distributions**. For purposes of the direct rollover provisions of the Plan, any amount that is distributed on account of hardship shall not be an eligible rollover distribution and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan.

3.4 **Modification of definition of eligible rollover distribution to include after-tax employee contributions**. For purposes of the direct rollover provisions in the Plan, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

ARTICLE IV
ROLLOVERS FROM OTHER PLANS

Eligible Rollover Contributions. The Plan will accept Employee Rollover Contributions of eligible rollover distributions made after December 31, 2001, from:

a. a qualified plan described in Section 401(a) or 403(a) of the Code, excluding after-tax employee contributions.

b. an annuity contract described in Section 403(b) of the Code, excluding after-tax employee contributions.

c. an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

The Plan will accept a participant rollover contribution of the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

ARTICLE V
INVOLUNTARY CASH-OUTS

5.1 **Effective date**. This Article shall apply for distributions made after December 31, 2001, and shall apply to all Participants.

5.2 **Consideration of Rollovers for involuntary distributions**. For purposes of the Sections of the Plan that provide for the involuntary distribution of vested accrued benefits of $5,000 or less, the value of a Participant's nonforfeitable account balance shall be determined with consideration of that portion of the account balance that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Code. If the value of the Participant's nonforfeitable account balance as so determined is $5,000 or less, then the Plan shall immediately distribute the Participant's entire nonforfeitable account balance.

ARTICLE VI
REPEAL OF MULTIPLE USE TEST

Repeal of Multiple Use Test. The multiple use test described in Treasury Regulation Section 1.401(m)-2 and the Plan shall not apply for Plan Years beginning after December 31, 2001.

ARTICLE VII
CATCH-UP CONTRIBUTIONS

Catch-up Contributions. No catch-up contributions, as described in Section 414(v) of the Code, will be allowed under the Plan.

ARTICLE VIII
DISTRIBUTION UPON SEVERANCE OF EMPLOYMENT

8.1 **Effective date**. This Article shall apply for distributions and transactions made after December 31, 2001, regardless of when the severance of employment occurred.

8.2 **New distributable event**. A Participant's elective deferrals, qualified nonelective contributions, qualified Matching Contributions, and earnings attributable to these contributions shall be distributed on account of the Participant's severance from employment. However, such a distribution shall be subject to the other provisions of the Plan regarding distributions, other than provisions that require a separation from service before such amounts may be distributed.

ARTICLE IX
MINIMUM REQUIRED DISTRIBUTIONS

9.1. **Minimum Distribution Requirements**.

(a) **General Rules**.

(i) **Effective Date**. The provisions of this Article 9 will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(ii) **Precedence**. The requirements of this section will take precedence over any inconsistent provisions of the Plan.

(iii) **Requirements of Treasury Regulations Incorporated**. All distributions required under this section will be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Internal Revenue Code.

(iv) **TEFRA Section 242(b)(2) Elections**. Notwithstanding the other provisions of this section, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

(b) **Time and Manner of Distribution**.

(i) **Required Beginning Date**. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date within the meaning of section 401(a)(9) of the Code.

(ii) **Death of Participant Before Distributions Begin**. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.

(B) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, except as provided by Section 9.1(e), the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(D) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 9.1(b)(ii), other than paragraph (A) above, will apply as if the surviving spouse were the Participant.

For purposes of this Section 9.1(b)(ii) and Section 9.1(d), unless paragraph (D) above applies, distributions are considered to begin on the Participant's required beginning date. If paragraph (D) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under paragraph (A) above. If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph (A) above), the date distributions are considered to begin is the date distributions actually commence.

(iii) **Forms of Distribution**. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on

or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 9.1(c) and 9.1(d). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury regulations.

(c) **Required Minimum Distributions During Participant's Lifetime**.

(i) **Amount of Required Minimum Distribution For Each Distribution Calendar Year**. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(A) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(B) if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(ii) **Lifetime Required Minimum Distributions Continue Through Year of Participant's Death**. Required minimum distributions will be determined under this Section 9.1(c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(d) **Required Minimum Distributions After Participant's Death**.

(i) **Death On or After Date Distributions Begin**.

(A) **Participant Survived by Designated Beneficiary**. If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:

(1) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving

spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) **No Designated Beneficiary**. If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) **Death Before Date Distributions Begin**.

(A) **Participant Survived by Designated Beneficiary**. If the Participant dies before the date distributions begin and there is a designated beneficiary, except as provided in Section 9.1(b)(ii)(B) and Section 9.1(e), the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in Section 9.1(d)(i).

(B) **No Designated Beneficiary**. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) **Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin**. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 9.1(b)(ii)(A), this Section 9.1(d)(ii) will apply as if the surviving spouse were the Participant.

(e) **Election to Allow Participants or Beneficiaries to Elect 5-Year Rule**.

(i) **General Rule**. Participants or beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in Section 9.1(b)(ii) and Section 9.1(d)(ii) applies to distributions after the death of a Participant who has a designated beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under Section 9.1(b)(ii), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death. If neither the Participant nor beneficiary makes an election under this paragraph, distributions will be made in accordance with Section 9.1(b)(ii) and Section 9.1(d)(ii).

(ii) **Transitional Rule**. A designated beneficiary who is receiving payments under the 5-year rule may make a new election to receive payments under the life expectancy rule until December 31, 2003, provided that all amounts that would have been required to be distributed under the life expectancy rule for all distribution calendar years before 2004 are distributed by the earlier of December 31, 2003 or the end of the 5-year period.

(f) **Definitions**.

(i) **Designated beneficiary**. The individual who is designated as the Beneficiary the Plan and is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.

(ii) **Distribution calendar year**. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 9.1(b)(ii). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(iii) **Life expectancy**. Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury regulations.

(iv) **Participant's account balance**. The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

ARTICLE X
MATCHING CONTRIBUTIONS

Section 4.4 of the Plan is amended to read as follows:

4.4 Matching Contributions. Subject to any limitation in this Section, each Participating Employer shall make a Matching Contribution for each Plan Year on behalf of each Participant who makes Pre-Tax Contributions or After-Tax Contributions on or after the first day of the month following completion of one year of Eligibility Service. The Matching Contribution from such Employer for such a Contributing Participant shall equal twenty-five percent (25%) of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year (excluding any such contributions which have been withdrawn during that Plan Year) which are made on or after that day, but shall not exceed one percent (1%) of the Participant's Compensation for any payday with respect to which such contributions are made. Subject to any limitation in this Section, if, as of the end of the Plan Year, the aggregate amount of Matching Contributions made on behalf of a Participant is less than the specified percentage of the applicable portion of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year, the Participating Employer will make an additional Matching Contribution on behalf of the Participant in an amount equal to the difference.

Effective as of January 1, 2001, the Matching Contributions from such Employer for such a Contributing Participant shall equal thirty percent (30%) of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year (excluding any such contributions which have been withdrawn during that Plan Year) with respect to the first four percent (4%) of the combined Pre-Tax Contributions and After-Tax Contributions made by the Participant, but shall not exceed one and two-tenths percent (1.2%) of the Participant's Compensation for any payday with respect to which such contributions are made. Subject to any limitation in this Section, if, as of the end of the Plan Year, the aggregate amount of Matching Contributions made on behalf of a Participant is less than the specified percentage of the applicable portion of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year, the Participating Employer will make an additional Matching Contribution on behalf of the Participant in an amount equal to the difference.

Effective as of January 1, 2002, the Matching Contributions from such Employer for such a Contributing Participant shall equal fifty percent (50%) of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year (excluding any such contributions which have been withdrawn during that Plan Year) up to the first four percent (4%) of the combined Pre-Tax Contributions and After-Tax Contributions made by the Participant, but shall not exceed two percent (2%) of the Participant's Compensation for any payday with respect to which such contributions are made. Subject to any limitation in this Section, if, as of the end of the Plan Year, the aggregate amount of Matching Contributions made on behalf of a Participant is less than the specified percentage of the applicable portion of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year, the Participating Employer will make an additional Matching Contribution on behalf of the Participant in an amount equal to the difference.

ARTICLE XI

Effective as of January 1, 2002, Section 8.5 of the Plan is amended to read as follows:

Section 8.5 Claims Procedure.

(a) A Participant or the Participant's spouse or Beneficiary shall have the right to submit a claim for benefits in writing or by another method permitted by applicable rules or regulations to the Claims Reviewer. The claim must specify the basis of it and the amount of the benefit claimed.

(b) The Claims Reviewer shall act to deny or accept said claim within ninety (90) days of the receipt of the claim by notifying the Participant or the spouse or the Beneficiary of the Claims Reviewer's action, unless special circumstances require the extension of such ninety (90) day period. If such extension is necessary, the Claims Reviewer shall provide the Participant or the spouse or Beneficiary with notification in writing or by another method permitted by applicable rules or regulations of such extension before the expiration of the initial ninety (90) day period. Such notice shall specify the reason or reasons for such extension and the date by which a final decision can be expected. In no event shall such extension exceed a period of ninety (90) days from the end of the initial ninety (90) day period.

(c) In the event the Claims Reviewer denies the claim of a Participant or the spouse or Beneficiary in whole or in part, the Claims Reviewer's notification in writing or by another method permitted by applicable rules or regulations shall specify, in a manner calculated to be understood by the claimant:

(1) the reason or reasons for denial;

(2) the specific section or sections of the Plan upon which the denial is based;

(3) a description of any additional material or information, if any, necessary for the claimant to perfect his or her claim, and an explanation as to why such information or material is necessary;

(4) a statement that the claimant will be provided, on request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits;

(5) an explanation of the claim review procedure specified in the Plan; and

(6) a statement of the claimant's right to bring a civil action pursuant to Section 502(a) of ERISA following a continued denial of the claimant's claim after appeal review.

(d) Should the claim be denied in whole or in part and should the claimant be dissatisfied with the Claims Reviewer's disposition of the claimant's claim, the claimant may have a full and fair review of the claim by the Administrator upon request therefor in writing or by another method permitted by applicable rules or regulations submitted by the claimant or the claimant's duly authorized representative and received by the Administrator within sixty (60) days after the claimant receives notification in writing or by another method permitted by

applicable rules or regulations that the claimant's claim has been denied.

(e) In connection with such review in Subsection (d), the claimant or the claimant's duly authorized representative shall be entitled to review pertinent documents and submit the claimant's views as to the issues in writing or by another method permitted by applicable rules or regulations. The Administrator shall act to deny or accept the claim within sixty (60) days after receipt of the claimant's request in writing or by another method permitted by applicable rules or regulations for review unless special circumstances require the extension of such sixty (60) day period. If such extension is necessary, the Administrator shall provide the claimant with notification in writing or by another method permitted by applicable rules or regulations of such extension before the expiration of such initial sixty (60) day period.

(f) In all events, the Administrator shall act to deny or accept the claim within one hundred twenty (120) days of the receipt of the claimant's request for review in writing or by another method permitted by applicable rules or regulations. The action of Administrator shall be in the form of a notice in writing or by another method permitted by applicable rules or regulations to the claimant and its contents shall include all of the requirements for action on the original claim.

(g) In no event may a claimant commence legal action for benefits the claimant believes are due the claimant until the claimant has exhausted all of the remedies and procedures afforded the claimant by this section.

IN WITNESS WHEREOF, Hahn Equipment Co. has hereunto subscribed its name on this __________ day of __________ , 2002.

HAHN EQUIPMENT CO.

By ____

Its ____

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this __________ day of ____________________ , 2002, before me personally appeared ____________________ , to me personally known, who, being by me first duly sworn, did depose and say that he [she] is the ____________________ of The Hahn Equipment Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he [she] acknowledged said instrument to be the free act and deed of said corporation.

____
Notary Public

Exhibit (d)(12)(D)

AMENDMENT NO. 3 TO
THE HAHN EQUIPMENT CO.
SAVINGS PLAN FOR UNION EMPLOYEES
(2002 Restatement)

The Hahn Equipment Co., a Minnesota corporation, pursuant to the power of amendment reserved to it in Section 11.1 of the Hahn Equipment Co. Savings Plan for Union Employees — 2002 Restatement (the “Plan”) hereby adopts and publishes this Amendment No. 3, effective as of March 11, 2004.

1. A new Section 9.7(k) is added to the Plan to read as follows effective as of March 15, 2004:

(k) Notwithstanding the provisions above, a Participant or Beneficiary may elect to tender all or a portion of the Toro Common Stock allocated to the Participant’s or Beneficiary’s Matching Contribution Account (including the Vested and non-Vested portions of all such Accounts) other than amounts previously diversified pursuant to this Section 9.7; provided that such tender of Toro Common Stock must be done with respect to the tender offer by Toro that commences on or about March 17, 2004 and ends on or about April 8, 2004. The following provisions shall apply to such tender:

(1) The proceeds of any tender of Toro Common Stock accepted by Toro will be transferred to an appropriate Account of the Participant or Beneficiary, and invested in the default investment fund in of the Plan at the time of such transfer, in accordance with the rules of the Administrator. The Participant or Beneficiary can subsequently direct the investment of such proceeds consistent with Section 9.5.

(2) With respect to any tender of Toro Common Stock that is not accepted by the Company, the other provisions of this Section 9.7 will continue in force on and after the end of the tender period.

2. Section 9.8(c) of the Plan is amended by adding the following language at the end, effective as of March 15, 2004:

For purposes of the tender offer by Toro that commences on or about March 17, 2004 and ends on or about April 8, 2004, Participants who do not return materials tendering all or a portion of the Toro Common Stock held in their Accounts (including the Vested and non-Vested portions of all such Accounts) will be deemed to have provided a response declining to tender any shares of Toro Common Stock to Toro, and the Trustee will act as if it had received direction from those Participants to retain all of the Toro Common Stock in their Accounts (including the Vested and non-Vested portions of all such Accounts).

IN WITNESS WHEREOF, Hahn Equipment Co. has hereunto subscribed its name on this ______ day of ________, 2004.

HAHN EQUIPMENT CO.

By ______________________________________

Its ______________________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this ____ day of ____________, 2004, before me personally appeared ________________, to me personally known, who, being by me first duly sworn, did depose and say that he [she] is the ____ of The Hahn Equipment Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he [she] acknowledged said instrument to be the free act and deed of said corporation.

____

Notary Public

Exhibit (d)(13)(A)

THE TORO COMPANY
PROFIT-SHARING PLAN
FOR
PLYMOUTH UNION EMPLOYEES
(2002 Restatement)

Prepared by Timothy R. Quinn
(612) 607-7581
Oppenheimer Wolff & Donnelly LLP

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THE TORO COMPANY
PROFIT-SHARING PLAN
FOR
PLYMOUTH UNION EMPLOYEES
(2002 Restatement)

The Toro Company, a Delaware corporation, pursuant to the power of amendment reserved to it in Section 11.1 of The Toro Company Profit-Sharing Plan for Plymouth Union Employees, which was last restated effective as of January 1, 2001, and delegated by its Board of Directors to its Chief Executive Officer, hereby amends and restates the Plan effective as of the later of January 1, 2002 or 90 days from the date a summary of the changes made by this amendment is provided to Participants, except that certain provisions may be effective on other dates as specified in the particular provision. The effective dates of the various changes to the Plan that were made pursuant to prior versions of the Plan shall be as specified in those versions. The trust agreement for this Plan is found in a separate document, and was last restated May 1, 1995.

ARTICLE I.
Definitions and Interpretation

Section 1.1. Definitions. The terms defined in this section when used in the Plan with initial capital letters have the following meanings unless the context indicates that other meanings are intended.

Account. "Account" means an account maintained for a Participant pursuant to Section 6.1.

Administrator. The "Administrator" shall be Toro unless the Chief Executive Officer of Toro designates another person or persons to be the Administrator pursuant to the provisions of Section 8.2. Toro shall also be considered the Administrator if the person or persons so designated cease to be the Administrator. The Administrator shall be a named fiduciary for purposes of ERISA and this Plan.

After-Tax Contributions. "After-Tax Contributions" means contributions described in Section 4.3.

After-Tax Contributions Account. "After-Tax Contributions Account" means an Account described in Section 6.1(a)(2).

Alternate Payee. The term "Alternate Payee" means any spouse, former spouse, child, or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such Participant.

Annuity Starting Date. The "Annuity Starting Date" is the first day of the first period for which an amount is paid as an annuity, or any other form.

Beneficiary. The terms "Beneficiary" or "Beneficiaries" mean any person or persons who, upon the death of a Participant, are entitled to receive the distribution of all or a part of such Participant's Vested Share. Under reasonable rules to be developed by the Administrator, a Participant may designate a person or persons, natural or artificial, as a Beneficiary or Beneficiaries. A Beneficiary shall receive only such portion of a Participant's Vested Share as the Participant shall designate. In the event no person is designated as a Beneficiary or in the event all such persons predecease the Participant, then the Participant's Beneficiary shall be the person or persons surviving the Participant in the first of the following classes in which there is a survivor, share and share alike:

(1) The Participant’s spouse.

(2) The Participant’s children, except that if any of the Participant’s children predecease the Participant but leave issue surviving the Participant, such issue shall take, by right of representation, the share their parent would have taken if living.

(3) The Participant’s parents.

(4) The Participant’s brothers and sisters.

(5) The Participant’s estate.

The Participant may change Beneficiaries from time to time in the manner set forth in rules adopted by the Administrator. No Beneficiary shall have any rights under the Plan and Trust until benefits actually become payable under the Plan to such Beneficiary.

Board of Directors. The term “Board of Directors” shall mean the Board of Directors of the corporation referred to but when used with reference to a partnership, it shall mean the managing partner or partners (the persons with authority to make decisions for the partnership).

Break in Service. A “Break in Service” is an Eligibility Computation Period after an Employee’s initial Eligibility Computation Period during which the Employee has completed no more than 500 Hours of Service for a Participating or Related Employer.

Claims Reviewer. The “Claims Reviewer” shall be such person who or organizational unit that customarily handles employee benefit matters relating to the Plan as the Administrator shall designate.

Code. “Code” means the Internal Revenue Code of 1986, as it is amended from time to time.

Common Stock Contributions. “Common Stock Contributions” are contributions described in Section 4.12.

Common Stock Contributions Account. “Common Stock Contributions Account” means an Account described in Section 6.1(a)(5).

Compensation.

(1) “Compensation” means all wages of an Employee received from an Employer that are subject to federal income tax withholding, determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed. Compensation includes remuneration of an Employee received from a Participating Employer while the Employee is a non-resident alien even if that remuneration is not considered earned income (within the meaning of Section 911(d)(2) of the Code) which constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code). However, in no event shall Compensation include any amount subject to federal income tax withholding on account of the grant or exercise of an option to purchase stock of a Participating Employer. Similarly, Compensation will not include any amount of remuneration of such a non-resident alien due to such a grant or exercise of an option. Also, Compensation shall not include amounts paid to an Employee by the Employee’s Participating Employer when the Employee is in a unit of Employees of such Employer which is described in Section 3.1(b). Further, Compensation shall not include any amounts contributed by a

Participating Employer to any plan which meets the requirements of Section 401(a) or 404(a)(2) of the Code and shall not include any distributions under a nonqualified deferred compensation plan or agreement. In addition, Compensation shall not include any amounts received by an Employee prior to the date the Employee becomes a Covered Employee or while the Employee is not otherwise a Covered Employee. However, Compensation shall include any salary reductions made by the Employee's Participating Employer which are not includible in the gross income of the Employee under Sections 125 or 402(e)(3) of the Code.

(2) The annual Compensation of each Participant taken into account under the Plan for any year shall not exceed $150,000, as adjusted by the Commissioner of the Internal Revenue Service pursuant to delegation from the Secretary of Treasury for increases in the cost of living pursuant to Section 401(a)(17) of the Code. This annual compensation limit applies for purposes of applying the nondiscrimination rules under Sections 401(a)(4), 401(a)(5), 401(l), 401(k)(3), 401(m), and 403(b)(12) of the Code, and the nondiscrimination rule in the average benefits percentage test under Section 410(b)(2) of the Code, and in determining whether an alternative method of determining compensation impermissibly discriminates under Section 414(s)(3) of the Code. For Plan Years beginning on and after January 1, 2001, Compensation shall also include elective amounts that are not includible in the gross income of the employee by reason of Section 132(f)(4) of the Code.

(3) Notwithstanding the preceding provisions of this definition, in the case of a short Plan Year, due to a change in the Plan Year, the $150,000 limitation described in paragraph (2) above shall be proportionately reduced by a fraction, the numerator of which shall be the number of days in the short Plan Year and the denominator of which shall be three hundred sixty-five (365).

Contributing Participant. A "Contributing Participant" is a person who has met the requirements of Sections 3.2 and 3.3 and has not ceased to be a Contributing Participant under Sections 3.4 or 3.7 or any other section of the Plan. A person who has ceased to be a Contributing Participant shall again become a Contributing Participant as provided in Section 3.5 or Section 3.8.

Covered Employee. A "Covered Employee" is a person who at one time met the requirements of Sections 3.1 and 3.2 and who has not thereafter died or ceased to be a Covered Employee as provided in Section 3.6. A person who has ceased to be a Covered Employee shall again become a Covered Employee as provided in Section 3.8.

Disability. "Disability" means a medically determinable physical or mental disability which renders an Employee unable to engage in the Participant's usual occupation for the Participant's Participating or Related Employer. The existence or nonexistence of such Disability should be established by the certificate of a medical doctor chosen by or satisfactory to the Administrator.

Domestic Relations Order. The term "Domestic Relations Order" means any judgment, decree or order (including approval of a property settlement agreement) which:

(1) relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent of a Participant, and

(2) is made pursuant to a State domestic relations law (including a community property law).

Effective Date of the Plan. The "Effective Date of the Plan" is January 1,1991.

Effective Date of the Prior Plan. The "Effective Date of the Prior Plan" is the date on which a Prior Plan is effective.

Effective Date of this Restatement. The "Effective Date of this Restatement" is the later of January 1, 2002 or 90 days from the date a summary of the changes made by this document is provided to Participants.

Eligibility Computation Period. An Employee's initial "Eligibility Computation Period" shall be the twelve consecutive month period commencing with the date such Employee first performs an Hour of Service for a Participating or Related Employer. The Employee's subsequent "Eligibility Computation Periods" shall be the twelve consecutive month periods commencing on the anniversaries of such date. However, if such Employee incurs a Break in Service before such Employee completes the one year of Eligibility Service required by Section 3.1, then for purposes of this definition the date the Employee first performs an Hour of Service for a Participating or Related Employer after such break shall be deemed to be the date the Employee first performs an Hour of Service for a Participating or Related Employer.

Eligibility Service.

(1) General Rule. An Employee shall be deemed to have completed a year of "Eligibility Service" for each Eligibility Computation Period during which the Employee is credited with at least 1,000 Hours of Service for a Participating Employer or Related Employer.

(2) Exception: Break in Service. If the Employee incurred a Break in Service during any Eligibility Computation Period after the Employee's initial Eligibility Computation Period prior to being credited with the one year of Eligibility Service required by Section 3.1, the Employee's years of Eligibility Service completed before such Break in Service shall not be taken into account.

(3) Exception: Predecessor Employer. In determining Eligibility Service, service (as an Employee or self-employed person) with a Predecessor Employer shall be treated as employment with a Participating Employer; however, if an Employer has been designated as a Predecessor Employer as provided in Section 3.1(b)(3), then no more service than specified pursuant to Section 3.1(b)(3) shall be treated in that manner.

Employee. An "Employee" is a natural person employed in the service of an Employer as a common law employee, including such a natural person who is an officer or director of that Employer.

Employer. "Employer" means the employer of the Employee with respect to whom the term is used.

ERISA. "ERISA" is the Employee Retirement Income Security Act of 1974, as it now exists or as it may hereafter be amended.

Foreign Subsidiary. "Foreign Subsidiary" means either

(1) a foreign corporation not less than twenty percent (20%) of the voting stock of which is owned by Toro or a U.S. corporation which is an Affiliate, or

(2) a foreign corporation more than fifty percent (50%) of the voting stock of which is owned by a Foreign Subsidiary described in paragraph (1).

Forfeiture Event. A Participant shall experience a "Forfeiture Event" when the Participant experiences the earlier of (1) five consecutive One-Year Breaks in Service or (2) the distribution of the entire Vested Share of the Participant (if a Participant is not Vested when the Participant incurs a Termination of Service, the Participant shall be deemed to have such a distribution upon that Termination of Service).

Highly Compensated Employee.

(1) Effective for years beginning on or after January 1, 1997, a "Highly Compensated Employee" of a Participating Employer for a Plan Year is such individual who:

(A) is a five percent owner (the definition in Section 416 of the Code shall apply) of the Participating Employer or at least one of its Related Employers during that Plan Year or the prior Plan Year; or

(B) received earnings from the Participating Employer and its Related Employers in excess of $80,000 during the prior Plan Year.

The term "earnings" for purposes of this paragraph shall have the meaning given that term in Section 5.2(a)(2).

The $80,000 amount will be adjusted pursuant to Section 414(q)(1) of the Code.

(2) For purposes of making the determinations under this definition, the following rules shall apply:

(A) Employees who are nonresident aliens and who do not receive earned income (within the meaning of Section 911(d)(2) of the Code) from the Participating Employer or any of its Related Employers which constitutes income from services within the United States (within the meaning of Section 861(a)(3) of the Code) shall not be treated as Employees of those Employers.

(B) A former Employee of the Participating Employer or one of its Related Employers shall be treated as a Highly Compensated Employee of the Participating Employer if the former Employee was a Highly Compensated Employee of the Participating Employer when the Employee incurred a Termination of Service or the former Employee was a Highly Compensated Employee of the Participating Employer at any time after attaining age 55.

The determination of who is a former Highly Compensated Employee is based on the rules applicable to determining Highly Compensated Employee status as in effect for that determination year, in accordance with Section 1.414(q)-1T, A-4 for the Temporary Income Tax Regulations and Notice 97-75, or later guidance under the Code.

In determining whether an Employee is a Highly Compensated Employee for years beginning in 1997, the amendments to Section 414(q) of the Code are treated as having been in effect for years beginning in 1996.

Hour of Service.

(1) General Rule.

(A) An "Hour of Service" is each hour for which an Employee is, directly or indirectly, paid (or entitled to payment) by an Employer for any reason including each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by said Employer. A back pay Hour of Service shall be allocated to the period or periods to which the award or agreement pertains unless the Employee has otherwise received credit for an Hour of Service for the same period.

(B) Any hour for which the Employee is being directly or indirectly paid at more than the Employee's regular rate of pay shall be counted as one Hour of Service.

(C) The Hours of Service of an Employee who is paid by the Employer for reasons other than for the performance of duties shall be determined in accordance with Sections 2530.200b-2(b) and (c) of the Department of Labor Regulations. However, no more than 501 Hours of Service shall be credited to an Employee for any single continuous period during which the Employee performs no duties, no Hours of Service shall be credited to an Employee for a payment made or due under a plan maintained solely for the purpose of complying with workmen's compensation, unemployment compensation or disability insurance laws, no Hours of Service shall be credited for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee, and an Hour of Service shall not be credited to an Employee under this subparagraph (C) if it has already been credited to such Employee pursuant to another provision of this definition.

(D) For purposes of determining Hours of Service before the Effective Date of the Plan, or in the case of a Participating Employer (or Related Employer of that Participating Employer) other than Toro, the later of the Effective Date of the Plan, the date ERISA became applicable to a Prior Plan of the Participating Employer, or the date as of which the Employer becomes a Participating Employer, the Employer may use whatever records are reasonably available to the Employer and may make such calculations as are necessary to determine the approximate number of such Hours of Service.

(2) Exception: Federal Law. If a law of the United States (including any law relating to credit for time spent in military service) or any rule or regulation duly issued thereunder so requires, Hours of Service shall be added to the total calculated under the prior provisions of this definition and if such law, rule or regulation so permits, an Hour of Service shall be subtracted from said total.

(3) Exception: Break in Service. For Plan Years beginning on or after January l, 1985, in the case of each individual who is absent from service with an Employer for any period by reason of the pregnancy of the individual, by reason of the birth of a child of the individual, by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or for purposes of caring for such child for a period beginning immediately following birth or placement, the Plan shall treat as Hours of Service, solely for purposes of determining whether a Break in Service has occurred, the following hours:

(A) the Hours of Service which otherwise would normally have been credited to such individual but for such absence, or

(B) in any case in which the Plan is unable to determine the hours described in Subsection (A) above, eight hours of service per normal work day of absence, except that the total number of hours treated as Hours of Service under this clause by reason of any such pregnancy or placement shall not exceed 501 hours. Said hours shall be treated as Hours of Service only in the year in which the absence from work begins, if a Participant would be prevented from incurring such a Break in Service in such year solely because the period of absence is treated as Hours of Service under this subsection (3), or in any other case, in the immediately following year. For purposes of this subsection (3), the term "year" means the period used in determining that Break in Service. No credit will be given under this subsection (3) unless the individual furnishes to the Administrator such timely information as the Administrator may reasonably require to establish that the absence from work is for reasons described in this subsection (3) and the number of days for which there was such an absence.

(4) Exception: Employees who are not Compensated by the Hour. If an Employee is paid on other than an hourly basis, the Employee shall receive credit at the rate of 45 Hours of Service for each week during which the Employee completed an Hour of Service for the Employer.

(5) Clarification: Related Employer. For purpose of determining an individual's Hours of Service with an Employer that is a Related Employer, only Hours of Service credited while that Employer is a Related Employer shall be taken into account.

(6) Clarification: Overlapping Period. In the case of Hours of Service to be credited to an Employee under this definition for a period that overlaps two computation periods used in determining service under the Plan, Hours of Service may be credited to either the first or second computation period, or may be credited pro rata to each such computation period, as determined by the Administrator in a consistent non-discriminatory manner.

Investment Account. "Investment Account" means that portion of the Trust Fund, initially determined under Section 10.3 (and all subsequent increases and decreases thereof), which is to be invested under the direction of an Investment Adviser.

Investment Adviser. "Investment Adviser" means any person or persons, organization, partnership or corporation appointed as provided in Section 10.1. The Investment Adviser shall either be registered as an investment adviser under the Investment Advisers Act of 1940; or it shall be a bank as defined in said Act; or it shall be an insurance company qualified under the laws of one or more states (one of which shall be Minnesota) to perform services consisting of the management, acquisition or disposition of any assets of the Plan.

Investment Fund. The Trust Fund may be divided into one or more "Investment Funds" as the Chief Executive Officer of Toro may determine pursuant to Section 10.1.

Investment Option Date. "Investment Option Date" means each Valuation Date during a Plan Year designated by the Administrator as of which Participants may make the election provided for in Section 9.5.

Investment Option Period. "Investment Option Period" means a period of time beginning on the day immediately following an Investment Option Date and ending upon the next subsequent Investment Option Date as of which the Participant elects to make an election provided for in Section 9.5.

Matching Contributions. "Matching Contributions" are contributions made by a Participating Employer pursuant to Section 4.4.

Matching Contributions Account. "Matching Contributions Account" means an Account described in Section 6.1(a)(3).

Non-Contributing Participant. A "Non-Contributing Participant" is a Covered Employee who is not a Contributing Participant.

Normal Retirement Date. The "Normal Retirement Date" of a Participant is the date the Participant attains sixty-five years of age.

One-Year Break in Service. "One-Year Break in Service" means a Plan Year during which an Employee completes no Hours of Service for a Participating Employer or Related Employer of that Participating Employer.

Participant. A "Participant" is a person who is a Contributing or Non-Contributing Participant or any other person who is entitled to an immediate or deferred benefit under the Plan by reason of having been a Contributing or Non-Contributing Participant.

Participating Employer. "Participating Employer" means each of Toro and any other Employer that has adopted the Plan pursuant to the provisions of Article II and is maintaining it in effect.

Plan. "Plan" means the "The Toro Company Profit-Sharing Plan for Plymouth Union Employees" as stated in this instrument and as it may hereafter be amended from time to time.

Plan Year. "Plan Year" means the calendar year (except that prior to August 1, 1995, it was the one year beginning on August 1 of each year). The records of the Plan shall be maintained on the Plan Year. A short Plan Year occurred from August 1, 1995, through December 31, 1995.

Predecessor Employer. A "Predecessor Employer" is an Employer which formerly employed Employees of a Participating Employer and service with which is credited for purposes of eligibility to become a Covered Employee as provided in Section 3.1. In addition, Outboard Marine Corporation is a Predecessor Employer. Effective on and after January 1, 2001, "Predecessor Employer" shall also include any Employer from which a Participating Employer or Related Employer purchases assets if Employees of the Employer whose assets are purchased become Employees of a Participating Employer or Related Employer on account of that purchase. The Administrator shall determine whether or not an Employer is a Predecessor Employer.

Pre-Tax Contribution Agreement. "Pre-Tax Contribution Agreement" means an agreement on a form provided by the Administrator or information provided by another method made available by the Administrator pursuant to which a Covered Employee may elect to have the compensation payable to the Covered Employee by the Covered Employee's Participating Employer reduced and paid as Pre-Tax Contributions to the Plan by such Participating Employer.

Pre-Tax Contributions. A Contributing Participant's "Pre-Tax Contributions" are contributions described in Section 4.2.

Pre-Tax Contributions Account. “Pre-Tax Contributions Account” means an Account described in Section 6.1(a)(1).

Prior Plan. If this Plan is adopted by a Participating Employer as an amendment or continuation of another plan, as indicated in a resolution of an Employer adopting the Plan pursuant to Section 2.2, then the amended or continued plan as it existed immediately before the amendment or continuation shall be a “Prior Plan.”

Qualified Domestic Relations Order.

(1) General Rule. The term “Qualified Domestic Relations Order” means a Domestic Relations Order:

(A) which creates or recognizes the existence of an Alternate Payee’s right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under the Plan, and

(B) with respect to which the requirements described in the remainder of this definition are met.

(2) Specification of Facts. A Domestic Relations Order shall be a Qualified Domestic Relations Order only if the order clearly specifies:

(A) the name and last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order,

(B) the amount or percentage of the Participant’s benefits to be paid by the Plan to each such Alternate Payee, or the manner in which such amount or percentage is to be determined,

(C) the number of payments or period to which such order applies, and

(D) each plan to which such order applies.

(3) Further Requirements. A Domestic Relations Order shall be considered a Qualified Domestic Relations Order only if such order:

(A) does not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan,

(B) does not require the Plan to provide increased benefits, and

(C) does not require payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

(4) Exception for Payments After Order. A Domestic Relations Order shall not be treated as failing to meet the requirements of subparagraph (3)(A) above solely because such order requires that payment of benefits be made to an Alternate Payee:

(A) before the Participant has incurred a Termination of Service,

(B) as if the Participant had incurred a Termination of Service on the date on which such payment is to begin under such order, and

(C) in any form in which such benefits may be paid under the Plan to the Participant (other than in the Qualified Joint and Survivor Annuity Form with respect to the Alternate Payee and Alternate Payee's subsequent spouse).

(5) Orders Prior to January l, 1985. Generally, a Domestic Relations Order cannot be a Qualified Domestic Relations Order until January l, 1985. However, in the case of a Domestic Relations Order entered before such date, the Administrator:

(A) shall treat such order as a Qualified Domestic Relations Order if such Administrator is paying benefits pursuant to such order on such date, and

(B) may treat any other such order entered before such date as a Qualified Domestic Relations Order even if such order does not meet the requirements set forth above.

Qualified Employee. The determination of who is a "Qualified Employee" of a Participating Employer for a Plan Year shall be made as of the last day of such Plan Year and shall mean an Employee who:

(1) was a Covered Employee on at least one day of said Plan Year;

(2) had at least 1,000 Hours of Service for any combination of Participating Employers during said Plan Year while the Employee was not excluded from eligibility under Section 3.6 or immediately prior to becoming a Covered Employee was covered by another plan qualified under Section 401(a) of the Code which was maintained by Toro or a Related Employer; and

(3) was an Employee of a Participating Employer or Related Employer as of the last day of said Plan Year.

Notwithstanding the preceding provisions of this definition, in the case of a short Plan Year, due to a change in Toro's fiscal year, to be a Qualified Employee for the short fiscal year, an Employee need not have completed said 1,000 Hours of Service, but the Employee must have completed a number of Hours of Service equal to 1,000 multiplied by the ratio of the number of days in the short Plan Year to 365. Also, notwithstanding the preceding provisions of this definition, if a Covered Employee who has previously met the requirements to be a Qualified Employee for a Plan Year dies during the second half of a Plan Year or incurs a Termination of Service during the second half of a Plan Year after having reached age 62, the Employee shall be considered a Qualified Employee of the Employee's Participating Employer as of the last day of such Plan Year.

If the Plan does not meet the minimum coverage requirements under Section 410(b)(1)(B) of the Code (the "70% test") for a Plan Year on account of a requirement that an individual must be an Employee of a Participating Employer or Related Employer as of the last day of that Plan Year, that requirement shall be modified by changing the specific requirement to be that the individual must be an Employee of such an Employer on or after an earlier day in the Plan Year. That earlier day shall be the day nearest the last day of the Plan Year which when used in such specific requirement permits the satisfaction of such minimum coverage requirements. Each Participant who satisfies the requirements of this definition as so modified for a particular Plan Year shall be a Qualified Employee for that Plan Year. Such determination shall be

made for each Plan Year before Common Stock Contributions have been completed. If such an earlier day has been determined for a Plan Year, each Participant who becomes a Qualified Employee for that Plan Year shall be treated like all other Qualified Employees for that Plan Year with respect to allocations of Common Stock Contributions made for that Plan Year.

Notwithstanding the preceding provisions of this definition if, as a result of an organizational restructuring by a Covered Employee's Participating Employer and the elimination of the Covered Employee's position, the Covered Employee incurs a Termination of Service during the last three months of a Plan Year, the requirement that an individual must be an Employee of a Participating Employer or a Related Employer as of the last day of that Plan Year to be a Qualified Employee shall not apply to such Covered Employee for that Plan Year. However, if that exception does not meet the antidiscrimination requirements of Section 410 and Section 401(a)(4) of the Code for a Plan Year, Highly Compensated Employees shall be eliminated from the group of Covered Employees who qualify for that exception in the order of their compensation ranking for the Plan Year (highest to lowest) until those requirements are met.

Related Employer. A "Related Employer" is an Employer, other than a Participating Employer, which is part of a group of corporations or other business organizations with a Participating Employer that is treated as one Employer for purposes of antidiscrimination tests described in Section 414 of the Code as determined by applying tests established under Section 414 of the Code, modified for purposes of Section 415 of the Code only by Section 415(h) of the Code. In addition, Foreign Subsidiaries shall be considered to be Related Employers.

Rollover Contributions. "Rollover Contributions" are contributions made by an Employee pursuant to Section 4.5.

Rollover Contributions Account. "Rollover Contributions Account" means an Account described in Section 6.1(a)(4).

Termination of Employment. A "Termination of Employment" of an Employee of an Employer shall occur whenever the Employee's status as an Employee of such Employer ceases for any reason other than the Employee's death. An Employee who does not return to work for such Employer on or before the expiration of an authorized leave of absence from such Employer shall be deemed to have incurred a Termination of Employment when such leave ends. An Employee who has been on temporary lay-off for lack of work for more than two years shall also be deemed to have incurred a Termination of Employment.

Termination of Service. A "Termination of Service" of an individual shall occur whenever the individual has ceased to be an Employee of all Participating Employers or Related Employers.

Toro. "Toro" means The Toro Company, a Delaware corporation, or any successor thereof.

Toro Common Stock. "Toro Common Stock" means the common stock of The Toro Company or any successor company thereto which is readily tradable on an established securities exchange.

Trust. On and after August 1, 1995, "Trust" means "The Toro Company Profit-Sharing Plan for Plymouth Union Employees Trust," as it may be amended from time to time, the terms of which are stated in the Trust Agreement.

Trust Agreement. "Trust Agreement" means a trust agreement described in Section 9.1 between Toro and the Trustee.

Trustee. The "Trustee" is the natural or artificial person appointed and acting from time to time as Trustee of the Trust. As of August 1, 1995, Putnam Fiduciary Trust Company is the Trustee. No person shall serve as Trustee in violation of Section 411 of ERISA.

Trust Fund. The "Trust Fund" includes all property, cash and assets of every kind received or receivable and held by the Trustee pursuant to the terms of the Trust Agreement.

Trust Fund Share. The "Trust Fund Share" of a Participant or the Participant's Beneficiary shall be equal to the total of:

(1) the fair market value of the Participant's or Beneficiary's Accounts determined as of the Valuation Date coincident with or last preceding the event which gives rise to the necessity for determining said total; plus

(2) the amount of any contributions to the Plan credited to the Participant's or Beneficiary's Accounts after said Valuation Date and up to said event; plus

(3) all contributions which have been remitted to the Trustee and which have not been allocated to the Participant's Accounts up to such event, but which are fully allocable to the Participant; plus

(4) all contributions held by a Participating Employer under a payroll deduction program with respect to this Plan; plus

(5) all other contributions made subsequent to such event which are allocated to the Participant's Accounts after such event; less

(6) all distributions from the Plan made to the Participant or on the Participant's behalf from said Valuation Date up to said event.

Notwithstanding the preceding provisions of this definition, if as of said Valuation Date any portion of any of a Participant's Accounts have been invested in an Investment Fund and if the change in value of such portion is readily determinable at any time without a valuation of said Investment Fund, such portion shall be excluded when determining the fair market value of the applicable Account as of said Valuation Date. However, the amount receivable by the Participant from said Investment Fund with respect to that portion, as of the date the Participant's Trust Fund Share is computed, shall be added to the Participant's Trust Fund Share.

Valuation Date. A "Valuation Date" is any date as of which the value of the assets held in the Trust Fund is to be determined. A Valuation Date shall occur upon any date designated by the Administrator and communicated to the Trustee and other appropriate parties which date must be selected in a uniform manner and must not result in any discrimination in favor of Highly Compensated Employees of a Participating Employer. If business is not normally transacted on the pertinent day, then the Valuation Date shall be the most recent day upon which business was normally transacted. Until modified by the Administrator (by direction to the record keeper for the Plan and communications to Participants), Valuation Date shall include each business day on which the New York Stock Exchange is open for business.

Valuation Period. A "Valuation Period" is a period of time beginning either on the Effective Date of the Plan or on the day immediately following a Valuation Date and ending upon the next subsequent Valuation Date.

Vested. “Vested” means nonforfeitable, that is, a claim which is unconditional and legally enforceable against the Plan obtained by a Participant or the Participant’s Beneficiary to that part of an immediate or deferred benefit under the Plan.

Vested Share. “Vested Share” means the Vested portion of a Participant’s Trust Fund Share as determined under Article VI.

Vesting and Withdrawal Limitations. “Vesting and Withdrawal Limitations” means with respect to assets allocated to a Participant’s Account that those assets are fully Vested and may not be withdrawn prior to the Participant’s Termination of Service.

Vesting Service. “Vesting Service” means an Employee’s period of service with Toro, a Predecessor Employer, or a Related Employer measured in full years. An Employee shall receive credit for one full year of Vesting Service for each Plan Year beginning on or after August 1, 1988, in which the Employee had at least one Hour of Service for Toro or a Related Employer. Since there will be a short Plan Year beginning August 1, 1995, and ending December 31, 1995, Employees shall receive credit for Vesting Service in accordance with the previous provisions of this definition, for the one year period beginning on August 1, 1995, and for Plan Years beginning on and after January 1, 1996. Effective on and after January 1, 2001, “Vesting Service” shall also include an Employee’s period of service with a Predecessor Employer determined in the same manner as under the prior provisions of this definition.

Section 1.2. Gender and Number. Wherever appropriate, the masculine gender, as used herein, may be read as the feminine gender or as the neuter gender, and the neuter gender may be read as the masculine gender or as the feminine gender. The singular may be read as the plural, and the plural may be read as the singular.

Section 1.3. Applicable Law, Statute of Limitations. The Plan and Trust are intended to be construed, and all rights and duties are to be governed, in accordance with the laws of the State of Minnesota, except as preempted by ERISA. Unless ERISA specifically provides otherwise, no civil action arising out of, or relating to, this Plan or Trust, including a civil action authorized by Section 502(a) of ERISA, may be commenced by a Participant or Beneficiary after the earlier of:

(a) three years after the occurrence of the facts or circumstances that give rise to, or form the basis for, such action; or

(b) one year from the date the plaintiff had actual knowledge of the facts or circumstances that give rise to, or form the basis for, such action,

except that in the case of fraud or concealment, such action may be commenced not later than three years after the date of discovery of the facts or circumstances that give rise to, or form the basis for, such action.

Section 1.4. Merger and Consolidation. In the event of any merger or consolidation of the Plan or Trust with any other plan or trust or the transfer of assets or liabilities of the Trust to any other plan or trust, each Participant shall (if such plan or trust should then be terminated) receive a benefit immediately after the merger, consolidation, or transfer which is not less than the benefit the Participant would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan or Trust had terminated on the day immediately preceding the effective date of such merger, consolidation, or transfer) based on the Participant’s employment and remuneration on such preceding day.

Section 1.5. Rule of Construction. Toro intends the Plan and Trust to qualify under the provisions of ERISA, including Section 401(a) of the Code as amended by ERISA, or of any comparable section of any future legislation that amends, supplements, or supersedes such section and/or ERISA, and all provisions of the Plan are to be construed and applied in a manner that is consistent therewith.

ARTICLE II.
Participating Employers

Section 2.1. Eligibility. In order to be eligible to adopt the Plan, an Employer must be designated as eligible by the Chief Executive Officer of Toro or such officer's delegate in writing which designation must be delivered to such Employer. The designation may specify the date as of which such Employer's participation may become effective, the terms and conditions, if any, under which and the extent to which employment with and remuneration from such Employer, its predecessors and/or affiliates shall be taken into account under the Plan, and may also specify the divisions, plants or other units of Employees of such Employer whose members are eligible to become Covered Employees. This revised Section 2.1 is effective on and after January 1, 1997.

Section 2.2. Commencement of Participation. An eligible Employer may adopt the Plan by resolution duly adopted by its Board of Directors, as evidenced by a copy thereof certified by its secretary or assistant secretary (or other authorized person) and delivered to Toro. Upon such delivery of the certified copy of that resolution, the Employer shall become a Participating Employer effective upon the later of the date specified in that resolution or the designation referred to in the prior section. If no date is specified in such resolution or designation, the eligible Employer shall become a Participating Employer as of the first day of the first Plan Year subsequent to the date on which such resolution has been duly adopted and such designation has been adopted.

Section 2.3. Recordkeeping and Reporting. Each Participating Employer shall furnish to the Administrator the information with respect to each of its Employees necessary to enable the Administrator to maintain records sufficient to determine the benefits due to or which may become due to such Employees and to give those Employees the reports required by law.

ARTICLE III.
Eligibility and Participation

Section 3.1. Eligibility Requirements.

(a) Except as otherwise provided in Section 3.1(b), each Employee of a Participating Employer who simultaneously meets all of the following requirements may become a Covered Employee:

(1) The Employee has completed 180 consecutive days of employment with a Participating Employer, Related Employer, or Predecessor Employer (limitations on crediting service with a predecessor Employer described in Paragraph (3) of the definitions of Eligibility Service shall apply) or one year of Eligibility Service.

(2) The Employee is employed in a division, plant or other classification of Employees with respect to which the Employee's Participating Employer has adopted the Plan.

(3) The Employee is a member of a unit of Employees of that Employer which is covered by Local 1291 of the International Union, United Automobile Aerospace and Agricultural Implement Workers of America.

(b) The following provisions are exceptions to the eligibility provisions of Section 3.1(a):

(1) If an Employee is employed in a job by the Employee's Participating Employer which is classified as executive, administrative, supervisory, professional, selling, or clerical, or if an Employee is classified as an hourly paid Employee by the Employee's Participating Employer and is not a member of a unit of Employees of that Employer which is covered by Local 1291 of the International Union, United Automobile Aerospace and Agricultural Implement Workers of America, the Employee shall not be eligible to become a Covered Employee.

(2) If an Employee is in a unit of Employees of a Participating Employer covered by a collective bargaining agreement which does not provide that Employees in the unit shall be covered by the Plan and if there is evidence that retirement benefits were the subject of good faith bargaining between the representatives of such unit and such Employer, the Employee shall not be eligible to become a Covered Employee.

(3) A leased employee described in Section 14.4 of the Plan shall not be eligible to become a Covered Employee.

Section 3.2. Admittance as Covered Employee and Participant.

(a) Each Employee of a Participating Employer who immediately before January 1, 2000, was a Participant in the Plan shall be a Participant as of that date. In addition, each such Employee who on said date is not excluded from eligibility under Section 3.1(b) shall be a Covered Employee on said date. Also, if an Employee meets such requirements, except that the Employee is excluded from eligibility under Section 3.1(b), the Employee shall become a Covered Employee as of the first day on which the Employee performs an Hour of Service for a Participating Employer and is not excluded from eligibility under Section 3.1(b) (this shall not be earlier than the Entry Date on which the Employee would have become a Covered Employee but for such exclusion).

(b) On and after January 1, 2000, each Employee who first meets the requirements of Section 3.1 shall automatically become a Covered Employee and a Participant on the payday for the first full payroll period after the Employee meets those requirements. However, if an Employee meets such requirements, except that the Employee incurs a Termination of Service (without returning to employment) before such day, the Employee shall become a Covered Employee as of the first day after that payday on which the Employee first performs an Hour of Service for a Participating Employer and is not excluded from eligibility under Section 3.l(b). Also, if an Employee meets such requirements on account of satisfying the one year of Eligibility Service requirement, the date for such entry into the Plan shall not be later than the first day of the Plan Year following the date such requirements are satisfied.

Section 3.3. Requirements to Become a Contributing Participant.

(a) Each Employee who becomes a Covered Employee may become a Contributing Participant. However, except as provided in Section 3.3(b), to become a Contributing Participant, each Covered Employee must apply to participate in the Plan in writing or by another method required or made available by the Administrator. The application shall include an acceptance of the terms of the Plan, a Pre-Tax Contribution Agreement, an agreement to make After-Tax Contributions, a designation of the percentage of the Employee's Compensation which the Employee wishes to have contributed to the Plan on the Employee's behalf, an authorization of payroll deductions of such contributions and such other information as the Administrator may reasonably require for the proper administration of the Plan. A Covered Employee shall become a Contributing Participant as of the beginning of the Covered Employee's first payroll period which follows the 30th day after the date of such application (or such

earlier payroll period as the Administrator shall permit in a uniform and nondiscriminatory manner) or for such later payroll period as shall be provided in the application.

(b) Each Employee who becomes an Employee of a Participating Employer on or after January 1, 1999 and who first becomes a Covered Employee on or after that date shall automatically become a Contributing Participant, unless the Employee elects not to participate in the Plan by completing the forms required by the Administrator or by another method made available by the Administrator. Upon explanation of the terms of the Plan by the Administrator, unless an affirmative action is taken by the Covered Employee, the Employee will be deemed to have agreed with the terms of the Plan, agreed to make Pre-Tax Contributions, designated the percentage of the Employee's Compensation as provided in Section 4.2(a)(2) of the Plan, and authorized the payroll deductions of such contributions. If the Employee desires to change the percentage of the Employee's Compensation designated as Pre-Tax Contributions, agrees to make After-Tax Contributions, or elects not to participate in the Plan, the Employee shall complete the forms or take such other action as is reasonably required by the Administrator. A Covered Employee shall become a Contributing Participant as of the date such Employee becomes a Covered Employee, unless the Employee elects not to participate in the Plan.

Section 3.4. Withdrawal as Contributing Participant. A Participant may withdraw as a Contributing Participant for a payroll period by revoking the Participant's authorization of payroll deductions to make Pre-Tax Contributions and After-Tax Contributions on the Participant's behalf. A Participant who desires to withdraw as a Contributing Participant shall provide a notice of withdrawal by a method required or made available by the Administrator, at least thirty days (or such shorter period of days as the Administrator shall permit in a uniform and nondiscriminatory manner) before such payroll period.

Section 3.5. Return as Contributing Participant After Withdrawal. A Participant who has withdrawn as a Contributing Participant as described in Section 3.4 may not again become a Contributing Participant until the first payday of the Covered Employee's Participating Employer which follows the payday for which the withdrawal was effective (or such earlier date as the Administrator shall permit in a uniform and nondiscriminatory manner).

Section 3.6. Termination as Covered Employee. An Employee shall cease to be a Covered Employee upon the Employee's Termination of Employment by all Participating Employers or the Employee's death, or by reason of ceasing to meet the requirements to be a Covered Employee under Section 3.1.

Section 3.7. Termination as Contributing Participant. An Employee shall cease to be a Contributing Participant upon the Employee's withdrawal as a Contributing Participant as described in Section 3.4 or the Employee's termination as a Covered Employee under Section 3.6, or on account of termination of the Plan.

Section 3.8. Return as Covered Employee and Contributing Participant after Termination as Covered Employee. An Employee who has ceased to be a Covered Employee shall again become a Covered Employee as of the first day after that occurrence on which such Employee first performs an Hour of Service for a Participating Employer and is not excluded from eligibility under Section 3.1(b). Such Employee shall again become a Contributing Participant as provided in Section 3.3 or, if such Employee had withdrawn as a Contributing Participant prior to Termination of Service, at such later date as is provided under Section 3.5. For purposes of determining that date, an Employee who has ceased to be a Covered Employee shall be deemed to have withdrawn as a Contributing Participant.

Section 3.9. Limitation Respecting Employment. Neither the fact of the establishment of the Plan and Trust nor the fact that an Employee has become a Covered Employee or Contributing Participant shall give to any person any right to continued employment; neither shall either fact limit the right of a Participating Employer to discharge or to deal otherwise with an Employee without regard to the effect such treatment may have upon the Employee's rights under the Plan.

Section 3.10. Termination as Participant. After there shall have been distributed to or for the benefit of a Participant or such Participant's Beneficiary the entire portion of such Participant's Vested Share to which the Participant is entitled, such person shall cease to be a Participant.

ARTICLE IV.
Contributions

Section 4.1. Contributions By Employer. The Participating Employers shall be limited to making contributions described in Sections 4.2, 4.3, 4.4, 4.6, 4.10, and 4.12 of the Plan.

Section 4.2. Pre-Tax Contributions.

(a) Pre-Tax Contributions are contributions to the Plan which are made out of a Contributing Participant's Compensation and are treated for federal income tax purposes as a contribution made by the Participant's Participating Employer.

(1) Prior to January 1, 1999, a Contributing Participant who decides to cause Pre-Tax Contributions to be made to the Plan on the Participant's behalf for a Plan Year must enter into a Pre-Tax Contribution Agreement as provided in Section 3.3 in which the Employee shall designate the percentage of the Employee's Compensation from the Employee's Participating Employer which is to be contributed by the Employee's Participating Employer to the Plan for that part of the Plan Year during which the Employee is a Contributing Participant

(2) On and after January 1, 1999, an Employee who becomes a Contributing Participant under Section 3.3(b), shall be deemed to have elected to have Pre-Tax Contributions made on the Covered Employee's behalf in the amount of two percent (2%) of the Covered Employee's Compensation. In the event the Covered Employee makes an affirmative election to make Pre-Tax Contributions before the date such Employee becomes a Contributing Participant, the affirmative election shall supercede the deemed election. In the event the Covered Employee makes an election not to have Pre-Tax Contributions made on the Covered Employee's behalf before the date such Employee becomes a Contributing Participant, such election shall supercede the deemed election.

(3) On and after January 1, 1999, at least annually, before each Plan Year, the Administrator must notify the Employee who was deemed to become a Contributing Participant under Section 3.3(b) of the Pre-Tax Contribution percentage as designated in Section 4.2(a)(2) and the Employee's right to change the percentage.

(b) A Contributing Participant's Participating Employer shall contribute on behalf of the Contributing Participant the amount specified by the Contributing Participant to be made to the Plan as Pre-Tax Contributions.

(c) An Employee may cause the Employee's Participating Employer to cease to make Pre-Tax Contributions on the Employee's behalf for a Plan Year by withdrawing from the Employee's status as a Contributing Participant as provided in Section 3.4. Such status withdrawal shall be effective as of

such date as may be provided under rules established by the Administrator; however, unless the Administrator determines otherwise, such withdrawal will be effective as of the first payday after the status withdrawal on which it is administratively feasible to make the changes.

(d) Effective July 1, 1998, Pre-Tax Contributions may be made in one percent (1%) increments of from a minimum of one percent (1%) to a maximum of sixteen percent (16%) of Compensation per payroll period; provided, however, that the sum of the Participant's Pre-Tax Contributions and After-Tax Contributions for any payroll period may not exceed sixteen percent (16%) of the Participant's Compensation for such period and shall be limited to the maximum contribution permitted by Section 5.2 of the Plan.

(e) A Contributing Participant may modify the rate of Pre-Tax Contributions at any time by fulfilling the requirements of this section. The rate change shall be effective as of the first payday after the Administrator has processed the request. Any modification in the rate of Pre-Tax Contributions shall be elected by providing to the Administrator a new Pre-Tax Contribution Agreement by a method required or made available by the Administrator. Such agreement shall be provided to the Administrator at least 30 days (or such shorter period of days as the Administrator may permit in a uniform and nondiscriminatory manner) before the payday as of which it is to be effective.

(f) A Participant's Pre-Tax Contributions for any calendar year, when aggregated with any other elective deferrals as defined under Section 402(g) of the Code which are made to any other plan maintained by a Participating or Related Employer on behalf of the Participant, may not exceed $7,000, as adjusted by the Secretary of Treasury to reflect increases in the cost of living. If that limit is exceeded, the portion of the excess amount attributable to this Plan, adjusted for earnings or losses as provided in Section 4.2(h), shall be distributed to the Participant not later than April 15 of the calendar year immediately following the calendar year in which the contributions were made.

(g) If a Participant's elective deferrals, within the meaning of Section 402(g)(3) of the Code, for any calendar year exceed $7,000 as adjusted by the Secretary of the Treasury to reflect increases in the cost of living, and this limit is exceeded as a result of aggregation with any such elective deferrals made to plans other than plans maintained by a Participating or Related Employer, the Participant may notify the Administrator and request a distribution from this Plan. In calculating the amount to be distributed pursuant to the Participant's request, the Participant's excess pre-tax contributions shall be reduced by any contributions previously distributed or recharacterized pursuant to Section 4.6 hereof with respect to the Participant for the Plan Year beginning with or within such calendar year. If the Administrator receives proper notice from the Participant that the limit in this subsection (g) has been exceeded for a calendar year, the Administrator shall direct the Trustee to distribute the appropriate pre-tax contributions, adjusted for any net earnings or losses, in accordance with paragraph (1) or (2) below:

(1) If Pre-Tax Contributions are distributed to a Participant during the calendar year in which such contributions were made, the following conditions must be satisfied:

(A) The Participant and the Plan must designate the distribution as excess pre-tax contributions, and

(B) The distribution must be made after the date on which the excess pre-tax contributions were made to the Plan.

(2) If excess Pre-Tax Contributions are distributed following the calendar year in which the contributions were made, the following conditions must be satisfied:

(A) the Participant must notify the Administrator, not later than the March 1st of the calendar year following the calendar year in which the contributions were made, that the limit in this Section 4.2 has been exceeded, and

(B) the Administrator, upon receipt of the notice from the Participant, shall direct the Trustees to make the appropriate distributions no later than the April 15th immediately following receipt of the notice.

(h) (1) The net earnings or losses allocable to the Participant's excess Pre-Tax Contributions for the calendar year pursuant to this Section 4.2 shall be determined in accordance with any reasonable method for computing the income or losses allocable to such excess deferrals provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all corrective distributions under the Plan for the applicable Plan Year and is used for allocating income to Participant Accounts. However, the net earnings or losses allocable to such excess deferrals for the calendar year may be determined by multiplying the earnings or losses for the calendar year allocable to the Participant's Pre-Tax Contributions by a fraction with respect to which:

(A) the numerator is the amount of such excess contributions made by the Participant for the calendar year, and

(B) the denominator is the sum of (i) the portions of the account balance of the Participant attributable to Pre-Tax Contributions as of the beginning of the calendar year and (ii) the Participant's Pre-Tax Contributions for the calendar year.

(2) If the distribution of the Participant's excess Pre-Tax Contributions is made after the end of the calendar year, the net earnings or losses allocable to the Participant's excess Pre-Tax Contributions for the period between the end of the year and the distribution date will be disregarded.

(3) Notwithstanding the prior provisions of this subsection (h), the net earnings or losses of, or value of, the Participant's Pre-Tax Contributions Account attributable to Pre-Tax Contributions that have not been made for a calendar year shall not be taken into account in making the determination described in this subsection (h).

(i) Matching Contributions made on behalf of a Participant (and earnings or losses attributable to those contributions determined by the Administrator in a manner consistent with the prior provisions of subsection (h)) shall be forfeited if the contributions to which they relate are Pre-Tax Contributions distributed under the prior provisions of this section and shall be used as soon as administratively feasible to reduce subsequent Matching Contributions by the Participant's Participating Employer.

(j) Pre-Tax Contributions made on behalf of a Participant must be paid to a Trustee and credited to the Participant's Pre-Tax Contributions Account as soon as reasonably practicable, but not after the fifteenth business day of the calendar month following the month the contributions would have otherwise been payable to the Participant in cash.

(k) The rate of Pre-Tax Contributions may be limited by the Administrator in order to comply with the applicable deductibility limits, limits under Section 415 of the Code, and the nondiscrimination tests in Section 4.6.

Section 4.3. After-Tax Contributions. Any Participant may elect to contribute to the Plan as an After-Tax Contribution an amount designated by the Participant equal to any whole percentage of the Participant's Compensation per payroll period, from one percent (1%) to four percent (4%) of such Compensation, but not exceeding the maximum amount which may be contributed pursuant to Sections 5.2 and 4.6 of the Plan; provided, however, that the sum of the Participant's After-Tax Contributions and Pre-Tax Contributions for any payroll period may not exceed sixteen percent (16%) of the Participant's Compensation for such period. Such contributions do not reduce the Participant's income subject to income tax withholding. A Contributing Participant who decides to make After-Tax Contributions must make an application as described in Section 3.3. An Employee may cease, resume or modify the rate or amount of After-Tax Contributions at the same times and in accordance with the same rules as provided for Pre-Tax Contributions.

Section 4.4. Matching Contributions. Subject to any limitation in this Section, each Participating Employer shall make a Matching Contribution for each Plan Year on behalf of each Participant who makes Pre-Tax Contributions or After-Tax Contributions on or after the first day of the month following one year of Eligibility Service. The Matching Contributions from such Employer for such a Contributing Participant shall equal fifty percent (50%) of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year (excluding any such contributions which have been withdrawn during that Plan Year), but shall not exceed two percent (2%) of the Participant's Compensation for any payday with respect to which such contributions are made.

Section 4.5. Rollovers From Qualified Plans. If allowed by the Administrator and subject to such terms and conditions as may be established from time to time by the Administrator, a Participant may contribute assets distributed from the Participant's interest in a plan qualified under Section 40l(a) or 403(a) to the Trust Fund by delivery of such contribution to a Trustee and such contribution shall be considered to be a Rollover Contribution; provided that such Employee submits a written certification, satisfactory to the Administrator and Trustee, that the contribution of the assets will satisfy applicable Code and regulatory requirements which prevent taxation of those assets in the event such a contribution is made.

Such rollover may also be made through an individual retirement plan qualified under Section 408 of the Code where the individual retirement plan was used as a conduit from the prior plan if the transfer is made in accordance with the statutory and regulatory rules referred to in the prior paragraph and if such individual retirement plan did not include any personal contributions or earnings thereon the Participant may have made to the Individual Retirement Account.

If allowed by the Administrator and subject to such terms and conditions as may be established from time to time by the Administrator, an Employee of a Participating Employer may cause a direct rollover of the type described in Section 7.11 to be made from a qualified trust described in Section 401(a) of the Code to the Plan and such transfer shall be treated as a Rollover Contribution.

Any Rollover Contributions Account is subject to the Plan provisions governing distributions.

Section 4.6. Non-discrimination Tests.

(a) For purposes of this Section 4.6:

(1) "Actual contribution percentage" means for a Plan Year the average of all actual contribution ratios calculated separately for each Covered Employee in a designated group of Covered Employees. Subject to the rules in Section 4.6(d) hereof, for purposes of determining the actual contribution percentage, a Covered Employee's actual contribution ratio for a Plan

Year is a fraction with a denominator equal to the Covered Employee's compensation for the Plan Year and a numerator equal to the Covered Employee's After-Tax Contributions and Matching Contributions for the Plan Year and those qualified nonelective contributions and elective contributions utilized for purposes of satisfying the rules in Section 4.6(c) hereof for the Plan Year. When determining an actual contribution percentage, contributions under this Plan and any other plan holding after-tax voluntary contributions, elective contributions, or matching contributions, which is maintained by a Participating or Related Employer, will be aggregated if such plans must be combined for purposes of satisfying Section 410(b) of the Code. The actual contribution ratio of any Highly Compensated Employee who is a Covered Employee shall be determined by aggregating voluntary and matching contributions under all qualified retirement plans of the Participating and Related Employers. A Covered Employee's actual contribution ratio shall be calculated to the nearest one-hundredth of one percent.

Effective for Plan Years beginning on or after January 1, 1997, the contribution percentage for non-Highly Compensated Employees which is to be used under the test in Section 4.6(c) and 4.6(e) for a Plan Year shall be determined using the "current year testing method" (that term shall have the meaning given to it under Internal Revenue Notice 98-1 and subsequent guidance which is referred to hereafter in this definition as the "IRS Notice"). Consistent with the IRS Notice, in the event of a permitted change from the current year testing method to the "prior year testing method" (as defined in the IRS Notice) by amendment to the Plan, double counting of certain contributions must not occur.

(2) "Actual deferral percentage" means for a Plan Year the average of all actual deferral ratios calculated separately for each Covered Employee in a designated group of Covered Employees. Subject to the rules in Section 4.6(d), for purposes of determining the actual deferral percentage, a Covered Employee's actual deferral ratio for a Plan Year is the fraction with a numerator equal to the Covered Employee's elective contributions to this Plan for the Plan Year and a denominator equal to the Covered Employee's compensation for the Plan Year. When calculating a Covered Employee's actual deferral ratio, the Covered Employee's elective contributions refer to Pre-Tax Contributions (including such contributions returned to a Participant pursuant to Section 4.2 hereof) made on the Covered Employees behalf, and those qualified nonelective contributions and qualified matching contributions utilized for purposes of satisfying the rules in Section 4.6(b) hereof. When determining an actual deferral percentage, elective contributions under this Plan and any other cash or deferred plan maintained by a Participating or Related Employer will be aggregated if such plans must be combined for purposes of satisfying Sections 401(a)(4) and 410(b) of the Code. The actual deferral ratio of any Highly Compensated Employee who is a Covered Employee shall be determined by aggregating elective contributions under all qualified retirement plans that are maintained by a Participating or Related Employer. A Covered Employee's actual deferral ratio shall be calculated to the nearest one-hundredth of one percent.

Effective for Plan Years beginning on or after January 1, 1997, the deferral percentage for non-Highly Compensated Employees which is to be used under the tests in Section 4.6(b) and 4.6(e) for a Plan Year shall be determined using the "current year testing method" (as defined in Internal Revenue Notice 98-1 and subsequent guidance). Consistent with the IRS Notice, in the event of a permitted change from the current year testing method to the "prior year testing method" (as defined in the IRS Notice) by amendment to the Plan, double counting of certain contributions must not occur.

(3) "Aggregate Contributions" means those contributions included in the numerator of the actual contribution ratio under the definition of actual contribution percentage.

(4) “Compensation” means, for purposes of determining a Covered Employee’s actual deferral and actual contribution ratios, the Covered Employee’s compensation as defined in Section 414(s) of the Code (alternatively, the Administrator may elect to use another definition of compensation described in regulations under Section 414(s) of Code) for the entire Plan Year for which the determination is being made; provided, however, that at the election of the Administrator, compensation as defined herein for a Plan Year shall be computed on the basis of the portion of the Plan Year during which the Employee was a Covered Employee.

(5) “Elective contributions” mean Pre-Tax Contributions made on behalf of Covered Employees under this Article IV, and any other contributions made by a Participating or Related Employer to a different plan pursuant to the Covered Employee’s cash or deferred election in accordance with Section 402(e)(3) of the Code. In order for elective contributions to be taken into account under this Section 4.6 for a Plan Year, they must be made for the Plan Year, allocated as of a date within that Plan Year and paid to the applicable trust within 12 months after the end of the Plan Year. Further, in order for elective contributions to be taken into account under this Section 4.6 for a Plan Year, the elective contributions must relate to Compensation that either would have been received by the Covered Employee in the Plan Year but for the Covered employee’s election to defer or is attributable to services performed by the Covered Employee in the Plan Year and, but for the Covered Employee’s election to defer, would have been received by the Covered Employee within two and one-half months after the close of the Plan Year. Elective contributions may be used to satisfy the rules in Section 4.6(c) hereof, subject to the conditions contained in Section 4.6(d) hereof. For Plan Years beginning after December 31, 1988, elective contributions to another qualified plan of a Participating or Related Employer may be taken into account for the purpose of the prior sentence only if that qualified plan utilizes a plan year that is identical to the Plan Year.

(6) “Qualified matching contributions” mean immediately nonforfeitable matching contributions made to this Plan or to another qualified plan maintained by a Participating Employer or Related Employer on behalf of a Covered Employee hereunder which are subject to the Vesting and Withdrawal Limitations that apply to elective contributions. For Plan Years beginning after December 31, 1988, any contributions made by a Participating Employer to another qualified plan of a Participating or Related Employer may not be considered qualified matching contributions hereunder unless said qualified plan utilizes a plan year that is identical to the Plan Year. In order to be considered qualifying matching contributions under this Article IV for a Plan Year, the contributions must be made for the Plan Year, allocated as of a date within that Plan Year and paid to the applicable trust within 12 months after the end of the Plan Year.

(7) “Qualified nonelective contributions” mean immediately nonforfeitable contributions made by a Participating Employer on behalf of a Covered Employee to this Plan or to any other qualified plan maintained by a Participating or Related Employer, other than elective and matching contributions, which are subject to the Vesting and Withdrawal Limitations that apply to elective contributions. For Plan Years beginning after 1988, any contributions by a Participating Employer made to another qualified plan of a Participating or Related Employer may not be considered qualified nonelective contributions unless said qualified plan utilizes a plan year that is identical to the Plan Year. In order to be considered qualifying nonelective contributions under this Section 4.6 for a Plan Year, the contributions must be made for the Plan Year, allocated as of a date within that Plan Year and paid to the applicable trust within 12 months after the end of the Plan Year.

(b) Subject to the rules described in subsection (e) hereof, the actual deferral percentages described in Section 4.6(a)(2) of this Plan must satisfy one of the following standards for each Plan Year:

(1) the actual deferral percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual deferral percentage of all other Employees who are Covered Employees during that year multiplied by 1.25; or

(2) the actual deferral percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual deferral percentage of all other Employees who are Covered Employees during that year multiplied by 2, provided that the actual deferral percentage for the group of Highly Compensated Employees who are Covered Employees during that year is not more than 2 percentage points higher than the actual deferral percentage for all other Employees who are Covered Employees during that year.

(c) Subject to the rules described in subsection (e) hereof, the actual contribution percentages described in Section 4.6(a)(1) of this Plan must satisfy one of the following standards for each Plan Year:

(1) the actual contribution percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual contribution percentage of all other Employees who are Covered Employees during that year multiplied by 1.25; or

(2) the actual contribution percentage of the group of Highly Compensated Employees who are Covered Employees during that year shall not exceed the actual contribution percentage of all other Employees who are Covered Employees during that year multiplied by 2, provided that the actual contribution percentage for the group of Highly Compensated Employees who are Covered Employees during that year is not more than 2 percentage points higher than the actual contribution percentage for all other Employees who are Covered Employees during that year.

(d) Subject to the rules described in this subsection (d), qualified nonelective contributions and qualified matching contributions may be taken into account when applying the rules in subsection (b) of this Plan. Also, subject to the rules of this subsection (d), qualified nonelective contributions and elective contributions may be utilized for purposes of satisfying the rules in subsection (c) hereof. The following rules apply to qualified nonelective contributions and qualified matching contributions:

(1) If only a portion of the qualified nonelective contributions made on behalf of Participants hereunder are taken into account under subsections (b) or (c) hereof, all of the remaining qualified nonelective contributions must be allocated in a manner that does not discriminate in favor of Highly Compensated Employees;

(2) If qualified matching contributions are used to satisfy the rules in subsection (b) hereof, the rules in subsection (c) hereof must be satisfied without regard to those qualified matching contributions;

(3) Elective contributions may be used to satisfy the rules in subsection (c) hereof only if the standards described in subsection (b) hereof are met both when including and excluding those elective contributions taken into account pursuant to said subsection (c);

(4) Any qualified nonelective contributions or qualified matching contributions taken into account under subsection (b) hereof and any qualified nonelective contributions or elective contributions taken into account under subsection (c) hereof may not also be used to satisfy the same nondiscrimination rules under another qualified plan; and

(5) The Administrator shall designate which contributions are qualified nonelective contributions and qualified matching contributions and must maintain records demonstrating which contributions were used to satisfy the rules in subsections (b) and (c) hereof.

(e) Effective for Plan Years beginning after December 31, 1988, the rules in this Section 4.6(e) apply if the actual deferral percentage limitation in Section 4.6(b)(2) and the actual contribution percentage limitation in Section 4.6(c)(2) are both utilized for the same Plan Year. In the event this subsection (e) applies, the aggregate limit is the greater of (1) or (2):

(1) the sum of:

(A) 125 percent of the greater of the actual deferral percentage or the actual contribution percentage of the non-Highly Compensated Employees; and

(B) The lesser of the actual deferral percentage or the actual contribution percentage of the non-Highly Compensated Employees, increased by 2 percent, provided that the percentage utilized under this subsection (B) does not exceed the lesser of said actual deferral percentage or actual contribution percentage multiplied by 2.

(2) the sum of:

(A) 125 percent of the lesser of (i) the actual deferral percentage of the group of non-Highly Compensated Employees eligible under the 401(k) arrangement for the Plan Year, or (ii) the actual contribution percentage of the group of non-Highly Compensated Employees eligible under the Plan subject to Section 401(m) for the Plan Year beginning with or within the Plan Year of the Section 401(k) arrangement; and

(B) two plus the greater of (i) or (ii) above. In no event, however, shall this amount exceed 200% of the greater of (i) or (ii) above.

(3) For purposes of this subsection (e), the actual deferral percentage and the actual contribution percentage of these Highly Compensated Employees shall be determined after any corrective distribution or recharacterization has been made in accordance with Section 4.6(f) hereof and after any other contributions utilized in accordance with Section 4.6(d) hereof.

(4) If the aggregate limit in this Section 4.6(e) has been exceeded, the Administrator shall reduce the actual contribution percentage of the Highly Compensated Employees in accordance with Section 4.6(f) hereof.

(5) If a corrective distribution or recharacterization has been made pursuant to Section 4.8(f), then for purposes of this Subsection (e), the actual deferral percentage or actual contribution percentage shall be deemed to be the largest amount permitted under Section 4.8(b) or Section 4.8(c) respectively.

(f) (1) The Committee shall determine the actual deferral percentages and the actual contribution percentages for each Plan Year. If the actual deferral percentage or the actual contribution percentage of the Highly Compensated Employees who are Covered Employees exceeds the maximum percentage that would comply with the standards described in Subsections (b), (c), or (e) hereof, whichever is applicable, the correction procedures of this Subsection (f) shall be followed.

(2) Corrections may be made by making contributions described in Subsection (f)(3) or by doing re-characterizations or distributions described after that subsection. For purposes of doing re-characterizations or distributions, excess elective contributions and excess aggregate contributions must be determined.

“Excess elective contributions” mean the aggregate amount of all elective contributions, qualified nonelective contributions, and qualified matching contributions used in determining the actual deferral percentages of the Highly Compensated Employees for the Plan Year which are in excess of the maximum amount of such contributions permitted by the actual deferral percentage test under Section 4.8(b).

“Excess aggregate contributions” mean the aggregate amount of all aggregate contributions, qualified non-elective contributions, and elective contributions used in computing the actual contribution percentages of the Highly Compensated Employees for the Plan Year which are in excess of the maximum amount of such contributions permitted by the actual contribution percentage test under Section 4.8(c).

The excess elective contributions and excess aggregate contributions shall be determined by reducing the individual deferral ratios or individual contribution ratios of the Highly Compensated Employees, beginning with the actual deferral ratio or the actual contribution ratio of the Highly Compensated Employee with the highest actual deferral ratio or highest actual contribution ratio, as the case may be, and reducing such ratio to the extent required to (i) enable the arrangement or plan to satisfy the actual deferral percentage test under Section 4.8(b), or the actual contribution percentage test under Section 4.8(c); or (ii) cause such Highly Compensated Employee’s actual deferral ratio or actual contribution ratio to equal the ratio of the Highly Compensated Employee with the next highest actual deferral ratio or actual contribution ratio. This process must be repeated until the arrangement or plan satisfies the actual deferral percentage test under Section 4.8(b) or the actual contribution percentage test under Section 4.8(c), whichever is applicable.

If a Participating Employer makes additional contributions as described in Section 4.8(f)(3), the calculation described in Section 4.8(f)(1) shall be redone, and the excess elective contributions and excess aggregate contributions re-determined, before any re-characterizations or distributions are made pursuant to this subsection.

(3) In the event that contributions for a Plan Year exceed the permissible contribution limitations of subsections (b), (c), or (e) hereof, a Participating Employer may make additional contributions on behalf of Covered Employees of the Participating Employer for that year who are not Highly Compensated Employees for that year until the actual deferral percentage or the actual contribution percentage of the Highly Compensated Employees for that year complies with subsections (b), (c), or (e) hereof. Contributions by the Participating Employer pursuant to this paragraph (3) shall be allocated equally among those Covered Employees. Contributions by the Participating Employer pursuant to this paragraph (3) shall be subject to the Vesting and Withdrawal Limitations that apply to elective contributions, except that amounts attributable to such contributions are not distributable merely on account of an individual’s Hardship.

(4) In the event that contributions for a Plan Year exceed the permissible contribution limitations of subsection (b), the Administrator may, in its discretion, recharacterize the excess elective contributions, adjusted for any earnings or losses, as voluntary contributions made by Participants in accordance with this Article IV. Excess contributions may not be

recharacterized after 2 1/2 months following the end of the Plan Year to which the recharacterization relates. Recharacterized contributions are includible in a Participant's gross income on the earliest dates any elective contributions made on behalf of the Participant for the Plan Year would have been received by the Participant had the Participant originally elected to receive the amounts in cash. These recharacterized amounts are subject to the contribution limitations in subsection (c) hereof for that Plan Year. If a Participating Employer re-characterizes any excess elective contributions, the amount of re-characterizations shall reduce the total of excess elective contributions that would otherwise have to be distributed as described in Subsection (f)(5). Such re-characterizations shall be made on the same basis as the amounts would be distributed if they were not re-characterized.

(5) If the contributions for a Plan Year exceed the permissible contribution limitations contained in subsections (b), (c), or (e) hereof after any steps taken pursuant to paragraphs (3) and (4) of this subsection (f), the Administrator shall direct the Trustees to distribute to the appropriate Highly Compensated Employee the excess contributions, from such accounts as it shall determine, adjusted for any earnings or losses attributable to the Plan Year and the period from the end of the Plan Year to the date of the distribution. These distributions must be made after the end of the Plan Year for which the excess contributions were made and within 12 months after the end of such Plan Year. The earnings or losses allocable to such excess contributions shall be determined in accordance with any reasonable method for computing the income or losses allocable to excess contributions, provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year and is used for allocating income to Participants' Accounts. However, income or losses may be allocated in accordance with the following rules:

(A) The net earnings or losses allocable to the excess contributions for the Plan Year are determined by multiplying the earnings or losses for the Plan Year and the gap period described in subparagraph (A)(ii) allocable to Before Tax Contributions, Cash or Deferred Contributions and contributions treated as elective contributions under subsection (b) hereof, or to voluntary contributions, matching contributions, and contributions treated as matching contributions under subsection (c) hereof, as the case may be, by a fraction. The numerator and denominator of the fraction are as follows:

(i) The numerator is the amount of excess contributions made by or on behalf of a Participant for the Plan Year; and

(ii) The denominator is the sum of (a) the total account balance of the Participant attributable to Before Tax Contributions, Cash or Deferred Contributions and other contributions treated as elective contributions under subsection (b) hereof, or voluntary contributions, matching contributions, and other contributions treated as matching contributions under subsection (c) hereof, as the case may be, as of the beginning of the Plan Year; and (b) the Participant's elective contributions and amounts treated as elective contributions, or employee and matching contributions, and amounts treated as matching contributions for the Plan Year and for the period between the end of the Plan Year and the distribution date ("gap period").

(B) As an alternative, the calculation in subsection (f)(5)(A) may be altered so that the net earnings or losses for the gap period described in subsection (f)(5)(A)(ii) may be determined to be equal to 10 percent of the net earnings or losses calculated under subsection (f)(5)(A) for the Plan Year multiplied by the number of calendar months that

have elapsed since the end of that Plan Year. If a distribution is made after the 15th day of a month, that month will be treated as having elapsed for purposes of making this calculation. Otherwise, the month in which a distribution is made will be disregarded.

The excess elective contributions and excess aggregated contributions shall be distributed by reducing the elective contributions or aggregate contributions of the Highly Compensated Employees, beginning with the elective contributions or aggregate contributions of the Highly Compensated Employee with the highest amount of elective contributions or highest amount of aggregate contributions, as the case may be, to the extent required to (i) enable the arrangement or plan to distribute all excess elective contributions or excess aggregate contributions, or (ii) cause such Highly Compensated Employee's amount of elective contributions or aggregate contributions to equal the amount of such contributions of the Highly Compensated Employee with the next highest amount of elective contributions or aggregate contributions. This process must be repeated until the arrangement or plan has distributed all excess contributions or excess aggregate contributions as the case may be.

If excess Participating Employer contributions are forfeitable, these contributions may be used to reduce Participating Employer contributions made on behalf of the remaining Participants. A distribution or forfeiture of excess contributions must be made after the end of the Plan Year in which the excess occurred and before the end of the following Plan Year.

(6) The amount of the excess Pre-Tax Contributions that are either recharacterized or distributed with respect to a Participant for a Plan Year will be determined without regard to any excess pre-tax contributions previously distributed to the Participant in accordance with Section 4.2 hereof, for the calendar year ending with or within such Plan Year.

(7) If the Administrator fails to correct the excess contributions made by a Participating Employer, as determined under subsections (b), (c), or (e) hereof within 2 1/2 months after the end of the Plan Year for which the excess contributions were made, the Participating Employer may be subject to a 10 percent excise tax with respect to the amount of the excess.

(8) Excess Aggregate Contributions which are Matching Contributions made on behalf of a Participant (and earnings or losses attributable to those contributions determined by the Administrator in a manner consistent with the prior provisions of paragraph (5) of this subsection) which are not Vested shall be forfeited and such contributions (and such earnings) which are Vested shall be distributed. The Participant's Participating Employer shall use amounts forfeited pursuant to this paragraph as soon as administratively feasible to reduce subsequent Matching Contributions. Amounts that are to be distributed pursuant to this paragraph shall be distributed as provided for excess aggregate contributions.

(9) A distribution or forfeiture of excess contributions must be made after the end of the Plan Year in which the excess occurred and before the end of the following Plan Year.

(g) The determination of the amount of excess contributions with respect to this Plan shall be made by:

(1) first determining excess deferrals as provided under Section 402(g) of the Code;

(2) then determining excess contributions as provided under Section 401(k) of the Code; and

(3) then determining excess contributions as provided under Section 401(m) of the Code.

(h) The changes made by this section shall be effective for Plan Years beginning on or after January 1, 1997, except as otherwise provided in this section. The Administrator shall maintain records demonstrating compliance with this section.

(i) Consistent with Section 410(b)(4)(B) of the Code, the Administrator may elect to separately satisfy the requirement of Section 410(b) of the Code for Employees of a Participating Employer who have not met the minimum age and service requirements described in Section 410(a) of the Code. For Plan Years beginning after December 31, 1998, if such election is made, the Plan Administrator may in applying the tests described in this section exclude from consideration all Covered Employees of the Participating Employer (other than Highly Compensated Employees of the Participating Employer) who have not met such minimum age and service requirements.

(j) Notwithstanding the prior provisions of this section, Section 4.6 (c) shall not apply to Employees under a collectively bargained portion of this Plan (as described in Section 1.401(m)-1(a)(3) of Treasury Regulations). Further, Section 4.6(b) and the subsequent subsections of this section prior to this subsection shall apply separately to Employees under such a collectively bargained portion of this Plan.

Section 4.7. Payroll Deduction of Contributions. Pre-Tax Contributions and After-Tax Contributions shall be made in the form of payroll deductions. The Administrator shall establish uniform and nondiscriminatory rules regarding such payroll deductions.

Section 4.8. Time for Payment of Contributions.

(a) All Pre-Tax Contributions or After-Tax Contributions withheld during a month pursuant to Section 4.7 shall be transmitted by the applicable Employer to the Administrator or, pursuant to the direction of the Administrator, directly to the Trustee in time to reach the Trustee within any time limit required by applicable Code or Regulations.

(b) Matching Contributions made for a Plan Year by a Participating Employer shall be paid to the Trustee no later than the date, including any extension thereof, provided by law for the filing of the Participating Employer's federal income tax return for its fiscal year in which that Plan Year ends. Matching Contributions may be made monthly based on Pre-Tax Contributions and After-Tax Contributions made throughout the Plan Year.

Section 4.9. Advance Contributions. In the event that a contribution is made during a Valuation Period prior to the Valuation Date which ends that period, the Administrator may direct the Trustee to hold such advance contributions as part of a separate Investment Fund or Funds until said Valuation Date. The changes in value of such separate funds shall not be allocated against the Trust Fund as a whole but shall be attributable to the amount of the contribution which is to be allocated as of said Valuation Date or a previous Valuation Date. If any such contribution is not to be allocated until a later Valuation Date, then such contribution shall continue to be held as a separate Investment Fund until the Valuation Date as of which it is to be allocated and the change in value of such separate fund shall not be allocated against the Trust Fund as a whole but shall be attributed to the contribution which is to be allocated as of said Valuation Date.

Section 4.10. Correcting Contribution. If an erroneous failure to allocate amounts to or an erroneous forfeiture of a Participant's Account has occurred in a prior Plan Year, the Participant's Participating Employer may, at its election, and in lieu of reallocating the earlier contribution or forfeiture, make a correcting contribution for the Account of such Participant. The correcting contribution may include an amount attributable to actual investment gains attributable to amounts to which the contribution relates. Such a contribution shall be allocated to the Participant's Account as of the first Valuation Date that is coincident with or immediately follows the date of the contribution.

Section 4.11. Contributions Conditioned Upon Deductibility. A Participating Employer's contributions made under this Plan shall be conditioned upon deductibility under the provisions of the Code for each fiscal year of the Participating Employer. In the event an Employer makes a contribution to the Plan which is not deductible, such contribution will be returned to such Employer pursuant to Section 14.2(b)(1).

Section 4.12. Common Stock Contributions. Subject to the limitations in Sections 4.11 and 5.2, each Plan Year a Participating Employer shall contribute Toro Common Stock or cash sufficient to purchase such stock to the Plan on behalf of certain Qualified Employees of the Participating Employer determined as follows:

(a) As of December 31, 1995, one share of Toro Common Stock or cash sufficient to purchase such a share shall be contributed on behalf of each person who is a Qualified Employee of the Participating Employer as of that date.

(b) As of December 31, 1995, one share of Toro Common Stock or cash sufficient to purchase such a share shall be contributed on behalf of each person who is a Qualified Employee of the Participating Employer as of that date.

Contributions under this section shall be designated as Common Stock Contributions.

ARTICLE V.
Allocation of Contributions

Section 5.1. Allocation of Contributions.

(a) As of each Valuation Date, all Pre-Tax Contributions, After-Tax Contributions, and Rollover Contributions made on behalf of a Participant, which have been remitted to the Trustee since the immediately preceding Valuation Date, shall be allocated to the appropriate Account of the Participant described in Section 6.1.

(b) As of the last day of each Plan Year, Matching Contributions of a Participating Employer for such Plan Year which have been made on behalf of a Contributing Participant shall be allocated by the Administrator (or the Trustee upon the direction of the Administrator) to the appropriate Account of such Contributing Participant. Alternatively, in the discretion of the Administrator, if Matching Contributions are made throughout such Plan Year, allocations of those contributions may be made as of Valuation Dates during the Plan Year.

(c) Any contribution by a Participating Employer for a Plan Year which has not been allocated under the preceding provisions of this section and has been made on behalf of a Covered Employee shall be allocated by the Administrator (or the Trustee upon the direction of the Administrator) to the appropriate Account of such Covered Employee.

Section 5.2. Limitations on Annual Additions.

(a) For purposes of this Section 5.2:

(1) "Annual additions" means, for each limitation year, the sum of:

(A) contributions by a Participating or Related Employer to this Plan or any other qualified defined contribution retirement plan;

(B) any forfeitures allocated to a Participant under such plan;

(C) any contribution to such a plan by the Participant; and

(D) for purposes of the dollar limitation under subsection (b) of this Section 5.2, any contributions by a Participating or Related Employer allocated in years beginning after March 31, 1984, to an individual medical benefit account as defined in Section 415(l)(2) of the Code for a Participant under any pension or annuity plan, or in the case of a key employee (as defined in Section 416 of the Code), any contribution by a Participating Employer and a Related Employer allocated in limitation years beginning after 1985 on the Participant's behalf to a separate account established for the purpose of providing post-retirement medical benefits as described in Section 419(A)(d)(2) of the Code.

"Annual Additions" shall include excess deferrals, excess contributions or excess aggregate contributions (as those terms are used in Section 1.415-6(b)(1)(ii) of the Treasury Regulations), unless an exception applies. The term "annual additions" shall not include any investment earnings allocable to a Participant, any rollover contributions of the type described in Section 4.5 hereof (including any amounts transferred directly to the Trustee from another qualified plan), Pre-Tax Contributions distributed under 5.2(f), or payments of principal and interest on any loan made to a Participant under the terms of the Plan (should loans be permitted). Also, contributions made pursuant to Section 4.10 shall be considered "annual additions" only as provided under Section 1.415-6(b)(2)(ii) of the Treasury Regulations.

(2) "Earnings" means amounts paid to or accrued for a Participant by the Participating and Related Employers for a limitation year, including salary and wages, overtime pay, bonuses, commissions, and taxable fringe benefits, but shall not include amounts contributed by a Participating Employer (including elected amounts deferred under an arrangement described in Section 401(k) of the Code) under the Plan or any other plan of the Participating Employer or any Related Employer or any nonqualified fringe benefits which are nontaxable to employees. Effective for limitation years beginning after December 31, 1997, earnings will include any elective deferral (as defined in Section 402(g)(3) of the Code) and any amount which is contributed or deferred by the Participant's Employer at the election of the Participant by reason of Section 125 or Section 457 of the Code. The determination of Earnings shall be made in accordance with Section 415(c)(3) of the Code and Section 1.415-2(d)(1) of the Regulations. It is understood that those sections include remuneration of an Employee received from a Participating Employer while the Employee is a non-resident alien even if that remuneration is not considered earned income (within the meaning of Section 911(d)(2) of the Code) which constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code). For limitation years beginning on and after January 1, 2001, earnings shall include elective amounts that are not includible in the gross income of the employee by reason of Section 132(f)(4) of the Code.

(3) “Excess amount” means the amount credited or allocated to a Participant in excess of the limits allowable under Section 5.2(b) or 5.2(c).

(4) “Limitation year” means the Plan Year.

(5) “Minimum accrued benefit” means a Participant’s accrued benefit under a defined benefit retirement plan maintained by a Participating or Related Employer in which the individual is a participant determined as of the end of the last limitation year of such plan beginning before 1987, computed without regard to any changes in the provisions of such plan after May 5, 1986, and without regard to any subsequent cost of living adjustments under the plan.

(6) “Projected annual retirement benefit” means the annual benefit to which a Participant would be entitled under the provisions of a defined benefit retirement plan maintained by a Participating or Related Employer in which the individual is a participant, based on the assumptions that the Participant continues employment until the Participant’s normal retirement age, that the Participant’s earnings continue at the same rate as in effect in the plan’s limitation year under consideration until the Participant’s normal retirement age, and that all other relevant factors used to determine benefits under the plan as of the current limitation year of such plan remain constant for all such future limitation years.

(7) “Social security retirement age” means a Participant’s retirement age under Section 216(l) of the Social Security Act determined without regard to the age increase factor under that Section as if the early retirement age under paragraph (2) thereof were 62.

(b) Annual additions credited to any Participant for any limitation year beginning after 1986, under this Plan and any other qualified defined contribution retirement plan maintained by any Participating Employer or Related Employer, shall not exceed an amount equal to the lesser of:

(1) 25 percent of the Participant’s earnings for the limitation year, or

(2) $30,000 (this amount shall be adjusted as provided in Section 415(d) of the Code), except that such dollar limitation shall be reduced for a short limitation year which occurs on account of a short Plan Year (the dollar limitation for the short limitation year will equal the otherwise applicable dollar limitation multiplied by the ratio of the number of months in the short limitation year over twelve (12)).

(c) (1) Effective for all limitation years beginning after 1986, if any Participant is covered at any time under a qualified defined benefit retirement plan maintained by a Participating or Related Employer, the sum of the defined contribution fraction as described in subparagraph (A) below, as modified by subparagraph (C) below, and the defined benefit fraction as described in subparagraph (B) below shall not exceed l.0:

(A) Except as otherwise provided in Section 5.2(c)(2) hereof, the numerator of the defined contribution fraction shall be the sum of the annual additions credited to the Participant for all limitation years (determined with respect to each year under rules which governed the crediting of annual additions for such year) determined as of the end of the limitation year, and the denominator shall be the sum of the lesser of the following amounts computed for each limitation year of the Participant’s service with a Participating or Related Employer as of the end of the limitation year including limitation years when the individual was not a Participant either because the individual was not

eligible to participate or because a Participating Employer did not maintain a defined contribution plan:

(i) 125 percent of the defined contribution dollar limitation in effect for such limitation year; or

(ii) 35 percent of the Participant's earnings for the limitation year.

(B) The numerator of the defined benefit fraction shall be the Participant's projected annual retirement benefit under any qualified defined benefit retirement plan of the Participating and Related Employers, determined as of the end of the limitation year, and the denominator shall be the greater of:

(i) the Participant's minimum accrued benefit; or

(ii) the lesser of:

(a) 125 percent of $90,000 (or, for purposes of benefits commencing before or after the social security retirement age, the actuarial equivalent of such amount), as adjusted under Section 5.2(d) hereof; or

(b) subject to Section 5.2(d) hereof, 140 percent of the Participant's projected average earnings for the Participant's three consecutive highest paid limitation years.

(C) At the election of the Administrator, with respect to any limitation year ending after 1982, the denominator of the defined contribution fraction of each Participant for all limitation years ending before 1983 shall be an amount equal to the product of:

(i) the denominator of the defined contribution fraction for the limitation year ending in 1982 (computed under the provisions of Section 415(e)(3)(B) of the Code as in effect for such limitation year), multiplied by

(ii) a fraction, the numerator of which is the lesser of $51,875 or 35 percent of the earnings paid to the Participant for the limitation year ending in 1981, and the denominator of which is the lesser of $41,500 or 25 percent of the earnings paid to the Participant for the limitation year ending in 1981.

(2) The numerator of the defined contribution fraction as computed under Section 5.2(c)(1)(A) hereof as determined on the first day of the limitation year beginning in 1987, shall be reduced by an amount specified under applicable regulations under Section 415 of the Code so that the sum of the defined benefit fraction and the defined contribution fraction that is calculated on that date does not exceed l.0. This paragraph (2) shall apply only if the defined contribution and defined benefit plans maintained by the Participating Employer and any Related Employer satisfied the requirements of Section 415 of the Code for the last limitation year beginning before 1987.

(3) The preceding provisions of this Section 5.2(c) shall cease to be effective for limitation years beginning after December 31, 1999, with respect to Participants who incur at least one Hour of Service for a Participating Employer or Related Employer in such a limitation year.

(d) (1) The dollar limitation referred to in Section 5.2(c)(1)(B)(ii) hereof shall be adjusted after 1987 in accordance with applicable regulations under Section 415 of the Code for increases in the cost of living.

(2) In the case of a Participant who has terminated the Participant's employment with the Participating Employer, the amount of the Participant's average earnings described in Section 5.2(c)(1)(B)(ii) hereof shall be annually adjusted by multiplying that amount by a fraction with a numerator equal to the adjusted dollar limitation set forth in Section 5.2(b) hereof for the limitation year in which this adjustment is being made and the denominator equal to the adjusted dollar limitation stipulated under that Section 5.2(b) hereof for the limitation year in which the Participant terminated employment. When an adjustment is made hereunder in the case of a Participant who terminated employment prior to 1974, the denominator utilized in the applicable fraction shall be determined in accordance with rates prescribed by the Commissioner of Internal Revenue.

(3) If a Participating or Related Employer maintains a qualified defined benefit retirement plan which provides for any post-retirement ancillary benefits (other than a qualified joint and survivor annuity with the Participant's spouse), the denominator referred to in Section 5.2(c)(1)(B) hereof shall be adjusted in accordance with applicable regulations under Section 415 of the Code.

(4) The preceding provisions of this Section 5.2(d) shall cease to be effective for Plan Years beginning after December 31, 1999, with respect to Participants who incur at least one Hour of Service for a Participating Employer or Related Employer in such a Plan Year.

(e) If an excess amount is determined for any limitation year by the Administrator, such excess amount shall be treated as follows:

(1) First, any non-deductible voluntary contributions made to this Plan or any other qualified retirement plan maintained by a Participating or Related Employer, to the extent that the return thereof would reduce such excess amount, shall be returned to the Participant.

(2) Any remaining excess amount shall be attributed to, and treated in accordance with the provisions of, the qualified retirement plan or plans maintained by a Participating or Related Employer in the following order:

(A) any qualified defined benefit retirement plans;

(B) any qualified 401(k) retirement plans and profit sharing plans;

(C) any qualified stock bonus retirement plans;

(D) any qualified target benefit retirement plans;

(E) any qualified money purchase retirement plans.

(3) Any excess amount which is attributed to this Plan shall be treated as follows:

(A) If the Participating Employer's contribution for the limitation year has not been made, the amount that would otherwise be contributed to the Plan shall be reduced by such excess amount;

(B) If the Participating Employer's contribution for the limitation year has been made, any remaining excess amount which is contributed under conditions described in Section 14.2 hereof shall be returned to the Participating Employer in accordance with said Section 14.2. Any excess amount that remains attributed to this Plan after the return of contributions to the Participating Employer shall be set aside in a suspense account. The amount placed in the suspense account shall be allocated to the Plan Participants during the next limitation year (and for each succeeding limitation year, as necessary) by reducing future contributions by the Participating Employer (including allocations of any forfeitures) which would otherwise be allocated to the accounts of such Participants.

(f) Notwithstanding any distribution limitations or requirements contained in the Plan (including Section 5.2(e)(3)(B)), if for any limitation year described in Section 5.2 the limitation described in Section 5.2(b) would otherwise be exceeded with respect to any Participant, the Participant's Annual Additions shall be reduced under this paragraph after making adjustments under Section 5.2(e)(3)(A), but before making adjustments under Section 5.2(e)(3)(B), to the extent necessary to reduce the Participant's Annual Additions to the level permitted in Section 5.2(b). The reduction shall occur by distributing to the Participant elective deferrals (as defined in Treasury Regulation Section
1.415-6(b)(6)(iv)) made for that limitation year by the Participant to the extent that the distribution of such elective deferrals reduces such excess Annual Additions. Such distribution shall be made as soon as administratively possible after that limitation year and within any time period required by regulations under Section 415 of the Code.

(g) If elective deferrals are distributed to any Participant under the prior subsection for a Plan Year, earnings or losses allocable to such distributed elective deferrals for such Plan Year shall also be distributed to the Participant at the same time. Such earnings and losses shall be determined in accordance with any reasonable method for computing the income or losses allocable to such distributed elective deferrals provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all such corrective distributions under the Plan for the Plan Year and is used for allocating income to Participant Accounts. However, the net earnings or losses allocable to such distributed elective deferrals for the Plan Year may be determined by multiplying the earnings or losses for the Plan Year allocable to Pre-Tax Contributions and contributions treated as elective contributions under Section 4.6(b) by a fraction with respect to which:

(1) The numerator is the amount of such distributed elective deferrals; and

(2) The denominator is the sum of (i) the portions of the account balance of the Participant attributable to Pre-Tax Contributions and other contributions treated as elective contributions under Section 4.6(b), as of the beginning of the Plan Year and (ii) the Participant's Pre-Tax Contributions and amounts treated as the Participant's elective contributions under Section 4.6(b), for the Plan Year.

(h) If non-deductible voluntary contributions are distributed to any Participant under Section 5.2(e)(1) for a Plan Year, earnings or losses allocable to such distributed voluntary contributions for such Plan Year shall also be distributed to the Participant at the same time. Such earnings and losses shall be

determined in accordance with any reasonable method for computing the income or losses allocable to such distributed voluntary contributions provided the method does not violate Section 401(a)(4) of the Code and is used consistently for all Participants and for all such corrective distributions under the Plan for the Plan Year and is used for allocating income to Participant Accounts.

(i) Notwithstanding the prior provisions of this section, the methods of reduction described in Subsections (e)(3), (f), or (g) above may only be used if the reductions are due to forfeitures, a reasonable error in estimating Compensation, a reasonable error in determining the amount of elective deferrals (within the meaning of Section 402(g)(3)) which may be made without causing the limits of this section to be exceeded, or other causes permitted by applicable Regulations.

Section 5.3. Data for Administration. Each Participating Employer shall prepare and send to the Administrator (or the Trustee at the direction of the Administrator) any data required by the Administrator in connection with determination of any allocations to be made under the Plan.

ARTICLE VI.
Interest in Fund

Section 6.1. Individual Accounts.

(a) The Administrator (or the Trustee upon the direction of the Administrator) shall maintain an individual account for each Participant that shall show the amount of the Participant's beneficial interest in the Trust Fund. Each Participant's individual account shall be divided into the following Accounts (each such Account may have further subaccounts as provided in this Plan or as needed):

(1) Pre-Tax Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Pre-Tax Contributions:

(2) After-Tax Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from After-Tax contributions;

(3) Matching Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Matching Contributions made on and after August 1, 1995;

(4) Rollover Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Rollover Contributions;

(5) Common Stock Contributions Account, which shall show the amount of the Participant's interest in the Trust Fund derived from Common Stock Contributions; and

(6) Such further Accounts as may be established by the Administrator.

(b) Contributions or transfers to the Plan on behalf of a Participant shall be credited to the appropriate Account described in Section 6.1(a) on the date provided in Section 5.1. Such Accounts shall also be adjusted as provided in Section 6.2 and shall be reduced by any disbursements made pursuant to Article VII.

(c) A separate subaccount shall be established as part of such Accounts as the Administrator may determine in order to account for the contributions made to those Accounts. Subaccounts may be necessary to account for assets described in Section 7.2(a).

Section 6.2. Determination and Allocation of Changes in Value. For purposes of determining the change in the value of each Investment Fund and allocating that change in value among the Accounts of which some portion is invested in such Investment Fund, the following steps shall be taken:

(a) The Administrator (or the Trustee upon the direction of the Administrator) shall determine the fair market value of each Investment Fund as of each Valuation Date, and the value so determined shall be deemed to be the value of said Investment Fund on said Valuation Date. The difference between the value of said Investment Fund on said Valuation Date and the sum of:

(1) all contributions which have been made to the Trust during the Valuation Period ending upon said Valuation Date and which have been invested in said Investment Fund; and

(2) any portion of any Account transferred to said Investment Fund during said Valuation Period; and

(3) the value of said Investment Fund on the next preceding Valuation Date (not including Employer contributions made subsequent to that date but allocated as of such date or a previous Valuation Date and invested in said Investment Fund); minus

(4) all disbursements and distributions from said Investment Fund during the Valuation Period (either to Participants or their Beneficiaries or to another Investment Fund),

shall be the net increase or decrease in the value of said Investment Fund for the Valuation Period.

(b) The net increase or decrease in the value of said Investment Fund for said Valuation Period shall be allocated to each Account of which a portion is invested in said Investment Fund in the proportion that the "Adjusted Portion" of such Account as of the Valuation Date ending said Valuation Period bears to the total of the Adjusted Portions of each such Account as of said Valuation Date. In addition, there shall be a pro rata division of each such allocation amongst the subaccounts (if any) of each such Account.

(c) The "Adjusted Portion" of a Participant's Account as of any Valuation Date shall be the difference between the value of the portion of the Participant's Account invested in said Investment Fund as of the next preceding Valuation Date and the sum of all disbursements made to the Participant or any of the Participant's Beneficiaries or to another Investment Fund during the Valuation Period ending upon the Valuation Date as of which said Adjusted Portion is being determined.

(d) In the event that Section 4.9 is applicable in any Plan Year, adjustments shall be made to the calculation described in the preceding provisions of this section so as to take account of the provisions of Section 4.9.

(e) Notwithstanding the preceding provisions of this section, the Administrator may determine to allocate the portion of the net increase or decrease in value of an Investment Fund allocable to a Participant's Account based on a modified definition of Adjusted Portion. Under that modified definition, as of the applicable Valuation Date, contributions (of a type selected by the Administrator) made during the relevant Valuation Period on behalf of the Participant may be added to the Participant's Adjusted Portion determined before application of this subsection (e).

(f) Notwithstanding the preceding provisions of this section, if any Investment Fund is invested solely in a stable income option such as a guaranteed investment contract, the increase or decrease in value of the contract describing that option over said Valuation Period shall not be computed

and allocated as provided in said provisions but shall be computed and then allocated to the portion of each Participant's individual account which was invested in such Investment Fund pursuant to the terms of the contract describing that option. In addition, if necessary, the Administrator shall establish appropriate additional procedures beyond those expressed in said contract for making such computation and allocation. Also, if the Administrator determines that the method of allocating changes in value with respect to any Investment Fund or Funds as provided in the preceding provisions of this Section 6.2 is inappropriate, such method shall not be followed and the Administrator shall select an appropriate method (which shall be uniform and nondiscriminatory) for allocating changes in value of the said Investment Fund over the applicable Valuation Period.

(g) Suspense accounts described in Section 5.2 shall share in any change in value of an Investment Fund, unless the record-keeping system used for Plan administration requires otherwise.

Section 6.3. Vesting.

(a) Amounts contributed to a Participant's account under Sections 4.2, 4.3, 4.5, 4.6, 4.10, and 4.12 together with income attributable thereto shall be 100 percent Vested (nonforfeitable) at all times.

(b) Amounts contributed under Section 4.4 on and after January 1, 1996, together with income attributable thereto shall be vested in accordance with the following schedule:

On completion of one year of Vesting Service, twenty percent (20%)

On completion of two years of Vesting Service, forty percent (40%)

On completion of three years of Vesting Service, sixty percent (60%)

On completion of four years of Vesting Service, eighty percent (80%)

On completion of five years of Vesting Service, one hundred percent (100%) provided, however, that the Trust Fund Share of a Participant shall be 100 percent (100%) Vested no later than when the Participant reaches age 65 or, if earlier, the date such Participant dies prior to incurring a Termination of Service or incurs a Termination of Service on account of a Disability.

(c) If a Participant incurs a Termination of Service, any portion of the Participant's Trust Fund Share to which a Participant is not entitled shall be held in a suspense account (such suspense account shall be broken into subaccounts which shall correspond with and equal in number the Participant's Accounts and subaccounts of those Accounts which contain forfeitable amounts) by the Trustee pending the Participant's return as an Employee of a Participating Employer or Related Employer of that Participating Employer, or the Participant's experiencing a Forfeiture Event. The disposition of such suspense account shall be as follows:

(1) If the Participant returns as an Employee of a Participating Employer or Related Employer of a Participating Employer before the Participant experiences a Forfeiture Event, there shall be no forfeiture and such suspense account shall cease to exist unless a distribution has been made and Section 6.3(d) is applicable.

(2) If such Participant experiences a Forfeiture Event before the Participant is rehired by a Participating Employer or Related Employer of a Participating Employer, all amounts held in the suspense account shall be forfeited and any balance remaining in any subaccount of the suspense account which are attributable to a contribution made by a Participating Employer shall

be applied as soon as administratively possible to pay expenses incurred by the Plan or to reduce future contributions of such Participating Employer and the Administrator shall select the type of contribution which shall be reduced (unless those balances are used to restore amounts forfeited by others as provided in paragraph (4) below). Whether forfeited amounts are used to pay Plan expenses or to reduce future contributions is to be decided by the Plan Administrator in the Plan Administrator's sole discretion. A Participant's forfeited amounts may be restored as specified in paragraph (4) below.

(3) If a Participant has a Vested Share, and the entire Vested Share has not been distributed to the Participant, a forfeiture shall not take place until the Participant has incurred five consecutive One-Year Breaks in Service. If the value of a Participant's Vested benefit is zero, the Participant shall be deemed to have received a distribution of such Vested benefit.

(4) If a Participant has incurred a Termination of Service and is later re-employed by a Participating Employer, and if the Participant had received a distribution of the Participant's entire Vested Share prior to such re-employment, any portion of the Participant's Trust Fund Share which was forfeited shall be restored if and when the Participant repays to the Trust the full amount distributed to the Participant provided that the Participant makes that repayment before the earlier of (A) five years after the date of the Participant's re-employment, or (B) the close of the first period of five consecutive One-Year Breaks in Service commencing after the distribution. In the event a Participant did not have a Vested Share and is re-employed by a Participating Employer before the Participant has five consecutive One-Year Breaks in Service, the Participant's Trust Fund Share which was forfeited shall be restored in full upon such re-employment. In each case, the restored amounts shall be unadjusted by any gains or losses which may have occurred subsequent to the Participant's Termination of Service. Restoration shall be made using assets forfeited by other Participants under this Plan or contributions made for that purpose by the Participant's Participating Employer which generated the contributions which were forfeited.

(5) If any forfeited amounts are attributable to contributions made by an Employer that is no longer a Participating Employer, such amounts shall be applied in an equitable manner determined by the Administrator as if they were attributable to other Participating Employers.

(d) Matching Contributions which relate to excess deferrals, excess contributions, or excess aggregate contributions (those terms are intended to have the meanings given them in Regulations under Section 401(k) of the Code which are distributed under Section 4.2 or Section 4.6 of the Plan and are not excess aggregate contributions (and earnings or losses attributable to those contributions determined by the Plan Administrator) will be forfeited. Forfeitures of excess aggregate contributions are described in Section 4.6 of the Plan. Forfeitures from a Participant's Matching Contributions Account will be used to reduce Matching Contributions in the Plan Year in which forfeitures are deemed to occur.

(e) If a distribution is made pursuant to Article VII of less than all of the portion of a Participant's Account to a Participant who is not then fully Vested in such Account (as provided in this section), or amounts are restored under Section 6.3(c)(4), then a separate subaccount shall be established for the portion of the Participant's Account which contains forfeitable amounts. Until the Participant forfeits amounts in the subaccount or becomes fully Vested under this section, whichever occurs first, the Participant's Vested portion (X) of such subaccount at any relevant time shall be determined by the formula "X = P(B + (R x D)) – (R x D)" where "P" is the Vested percentage at such relevant time, "B" is the subaccount balance at the relevant time, "D" is the amount of the Participant's subaccount which was previously distributed, and "R" is the ratio of the subaccount balance at the relevant time to the subaccount balance immediately after the distribution.

Section 6.4. Inalienability of Interest. Neither the interest of a Participant or of any Beneficiary in the Trust Fund or the Participant's Trust Fund Share nor any right to the disbursement of all or any part thereof shall be subject to voluntary or involuntary alienation or encumbrance of any kind in any manner. Any attempted alienation or encumbrance shall be wholly void. In case of any such attempt, the Trustee shall have the power upon the direction of the Administrator to terminate the interest or right to disbursement of the Trust Fund Share and to hold or apply it for the benefit of the Participant or (if the Participant be deceased) the Participant's Beneficiary in accordance with the terms of the Plan. Nothing in this section shall be deemed to prevent the transfer of the Trust Fund to a successor Trustee. Further, this Section shall not apply to a Qualified Domestic Relations Order or to any offset permitted under Section 401(a)(13)(C) of the Code.

Section 6.5. Termination of Interest. After there shall have been distributed to or for the benefit of a Participant or the Participant's Beneficiary the entire portion of the Participant's Trust Fund Share to which the Participant or Beneficiary is entitled, the Participant's interest therein shall terminate.

ARTICLE VII.
Distribution to Participants

Section 7.1. Right to Disbursements. A Participant who incurs a Termination of Service or, in the event of the Participant's death, the Participant's Beneficiary shall be entitled to a disbursement of the Participant's Vested Share at such time and such manner as is provided in this Article VII.

Section 7.2. Method of Disbursement.

(a) A Participant's Vested Share may be disbursed by any of the following methods as the person who is entitled to the distribution shall designate in writing or by another method permitted by the Administrator:

(1) a single sum of cash; or

(2) a series of installments (including installments of different amounts).

In the event that assets of another plan are transferred to this Plan on behalf of a Participant, any additional optional forms of distribution applicable to the transferred assets under the former plan shall be available with respect to the portion of the Participant's Vested Share attributable to those transferred assets, but only to the extent they may not be eliminated or modified under applicable regulations to one of the above listed options. Also, any additional optional forms of distribution applicable to any assets of the Prior Plan held in a Participant's Accounts shall continue to be available with respect to the portion of the Participant's Vested Share attributable to such assets of the Prior Plan, but only to the extent they may not be eliminated or modified under applicable regulations to one of the above listed options.

(b) If a Participant's Vested Share exceeds $5,000 and the Participant hasn't reached the latest date that distribution must commence to the Participant under Section 7.3 of the Plan, then the Participant must consent to any distribution of such Vested Share. However, such consent shall not be required in the event that the Participant's Vested Share does not exceed such amount, and an Annuity Starting Date, if applicable, has not occurred.

(c) If:

(1) a Participant's consent is required under subsection (b); and

(2) if the Participant is married on the Participant's Annuity Starting Date and the requirements of Section 7.4 of the Plan are applicable to the Participant;

then both the Participant and the Participant's spouse (or where either the Participant or the Participant's spouse has died, the survivor) must consent to any distribution of the Participant's Vested Share (spousal consent shall be comparable to the spousal consent described in Section 7.4).

(d) The following requirements apply with respect to distributions made on or after January 1, 1994:

(1) The Administrator shall notify the Participant, and the Participant's spouse if a spouse's consent is required under subsection (c), of the right to defer any distribution until the latest date permitted under Section 7.3 of the Plan. Such notification shall include a general description of the material features and an explanation of the relative values of, the optional forms of benefit available under the Plan in a manner that would satisfy the notice requirements of Section 417(a)(3) of the Code. Notwithstanding the foregoing, only the Participant need consent to the commencement of a distribution in the qualified joint and survivor annuity form described in Section 7.4 of the Plan prior to reaching such date. Furthermore, if payment in the qualified joint and survivor annuity form is not required with respect to the Participant pursuant to Section 7.4 of the Plan, only the Participant needs to consent to distribution of the Participant's Vested Share prior to reaching such date. Neither the consent of the Participant nor the Participant's spouse shall be required to the extent that a distribution is required to satisfy Section 401(a)(9) or Section 415 of the Code.

(2) The Administrator shall also provide a written explanation to the Participant consistent with Section 402(f) of the Code that explains the right to make the election described under Section 7.11 of the Plan.

(3) The Administrator shall provide each Participant with notice of the Participant's rights specified in subsections (d)(1) and (d)(2) hereof no less than 30 days and no more than 90 days before the distribution date for the Participant. Consent of the Participant to the distribution in writing or by another method permitted by applicable rules or regulations and made available by the Administrator must not be made before the Participant receives the notice and must not be made more than 90 days before such distribution date.

(4) If a distribution is one to which Sections 401(a)(11) and 417 of the Code do not apply, or if any notice requirement under such sections which is applicable to the Participant has been satisfied, such distribution may commence less than 30 days after the notice required under Section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

(A) the Administrator clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(B) the Participant, after receiving the notice, affirmatively elects a distribution.

(e) Notwithstanding any provision of the Plan to the contrary, to the extent that any optional form of benefit under this Plan permits a distribution to a Participant prior to the Participant's death, disability, or Termination of Service, and prior to termination of the Plan, the optional form of benefit is

not available with respect to benefits attributable to assets (including the post transfer earnings thereon) and liabilities that are transferred, within the meaning of Section 414(l) of the Code, to the Plan from a money purchase pension plan or target benefit plan qualified under Section 401(a) of the Code (other than any portion of those assets and liabilities attributable to voluntary employee contributions).

Section 7.3. Distribution Requirements.

(a) Any person entitled to the disbursement of a Participant's interest in the Trust Fund shall make application for such disbursement with the Administrator in writing or by another method required or made available by the Administrator, and shall furnish such data in support of the application as the Administrator may reasonably require for the proper administration of the Plan. The disbursement shall be made or shall begin as soon as administratively feasible after such application with all such supporting data has been provided to the Administrator. The amount to be distributed shall be determined as of a Valuation Date that follows such application and is on or as close to but before the date of distribution as is administratively feasible under the circumstances applicable to the distribution. Notwithstanding the prior provisions of this subsection (a), distribution shall not be made later than a date required by subsection (b) or subsection (c) and if distribution must be made by such a date, the amount to be distributed shall be determined as of a Valuation Date on or as close to but before the date of distribution as is administratively feasible under the circumstances applicable to the distribution. Notwithstanding the prior provisions of this subsection (a), in order to ease administration of distributions, the Administrator may specify that the amounts to be distributed shall be determined as of a limited number of valuation dates selected by it in a nondiscriminatory manner. If any application for disbursement is denied, the Participant or the Participant's spouse or Beneficiary may take advantage of the claims procedures provided in Article VIII.

(b) (1) Subject to Section 7.3(c) and unless the Participant elects otherwise under subsection (b)(2), the payment of the Participant's Vested Share, other than a death benefit, shall begin no later than the 60th day following the close of the Plan Year in which the latest of the following events occurs:

(A) The Participant's Normal Retirement Date; and

(B) The date the Participant incurs a Termination of Service.

(2) Subject to Section 7.3(c), a Participant may elect to have payment of the Participant's Vested Share begin after the date prescribed under subsection (b)(1) above by:

(A) submitting to the Administrator a written statement, signed by the Participant, or

(B) by another method permitted by applicable rules or regulations and provided by the Administrator,

specifying the date to which the Participant wishes the commencement of the payment of the Participant's Vested Share to be deferred and furnishing such other information as the Administrator may reasonably require. Such Participant shall be deemed to have made such election if the Participant fails to consent to a distribution by the day described in Subsection (b)(1).

(c) Effective in 1997, distributions to any Participant, other than a five percent owner (as defined in Section 13.5(e)), under the Plan shall commence no later than the later of the April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2 or the date the Participant incurs a Termination of Service. A Participant who is not a five percent owner may elect to have the benefit distribution commence on or after the April 1 of the calendar year following the year in which the Participant attains age 70 1/2. Benefit distributions to a Participant who is a five percent owner must commence by the April 1 of the calendar year following the calendar year in which the Participant attains age 70 1/2.

(d) After the first distribution in accordance with any periodic payment method, additional payments must be made no later than each subsequent December 31 during the distribution period if distributions are required to be made annually pursuant to Section 401(a)(9) of the Code; provided, however, if the method of distribution selected by the Participant is an annuity for one or more lives (or a life annuity with a period certain not exceeding 20 years), additional payments need not be made until the next scheduled annuity payment.

(e) The method of distribution elected under Section 7.2(a) is subject to the following rules at the time distributions are required to begin pursuant to Section 7.3(c) or, if earlier, at the time the Participant irrevocably elects to receive payments in the form of an annuity:

(1) The entire interest of the Participant shall be distributed, in accordance with applicable Regulations, over the life of the Participant, or over the joint and last survivor lives of the Participant and any Beneficiary, or over a period not extending beyond either the life expectancy of the Participant or the joint and last survivor life expectancy of the Participant and any Beneficiary.

(2) If the payments are to be measured by the joint and last survivor life expectancy of the Participant and the spouse of the Participant, each periodic payment to be made to the Beneficiary shall not be greater than each periodic payment to be made to the Participant. For calendar years beginning after December 31, 1988, the amount to be distributed each year, beginning with distributions for the first distribution calendar year shall not be less than the quotient obtained by dividing the Participant’s benefit by the lesser of (A) the applicable life expectancy or (B) if the Participant’s spouse is not the designated Beneficiary, the applicable divisor determined from tables set forth in applicable Regulations (which are Section 1.401(a)(9)-2 of the proposed Treasury Regulations at the time of the preparation of this document). Distributions after the death of the Participant shall be distributed using the applicable life expectancy as the relevant divisor without regard to such Regulations.

(3) The Beneficiary shall receive benefit payments under a method of distribution that is at least as rapid as the method under which the Participant was receiving benefit payments.

(4) The life expectancy of a Participant or a Beneficiary shall be based on the individual’s attained age in the calendar year for which distributions are required to begin. Life expectancies shall be determined by using Tables V and VI contained in Section 1.72-9 of the Treasury Regulations. If the form of payment selected by the Participant is not an annuity, the life expectancy of the Participant or the Participant’s spouse or the joint and last survivor life expectancy of the Participant and the Participant’s spouse may be recalculated annually. Any election to recalculate life expectancy must be made no later than the date on which distributions begin in accordance with rules established by the Administrator. Once payments begin, the election becomes irrevocable. If the Participant has elected to have a recalculation of life expectancy, life expectancy will be based upon the attained age of the applicable individual in

each succeeding year in which a distribution occurs. In the event the Participant fails to make an election, life expectancy will not be recalculated. If life expectancy is not to be recalculated and the form of payment selected by the Participant is not an annuity, life expectancy will be determined as of the time when distributions commence, and the amount required to be paid for any calendar year will be based on the number of years so determined reduced by the number of entire years that have elapsed since distributions commenced.

(5) If the method of distribution selected by the Participant is an annuity, payments must be made on an annual or more frequent basis. Annuity payments for a period certain may not be extended after payments have begun. Except as provided in applicable Regulations (which are Sections 1.401(a)(9)-1 and 2 of the proposed Treasury Regulations at the time of the preparation of this document), annuity payments must be nonincreasing.

(6) The provisions of Section 7.5 apply when determining a Beneficiary for purposes of applying the rules contained in this Section 7.3(e). The provisions of Section 7.5 also apply when determining distributions to a Beneficiary.

(f) Anything herein to the contrary notwithstanding, but subject to the consent requirement referred to in Section 7.2(b), effective January 1, 1998, if the amount to which the Participant is entitled does not exceed $5,000, the Administrator shall direct the Trustees to distribute the entire amount to which the Participant is entitled in a lump sum payment; provided, however, that such payment is made no later than the Participant's Annuity Starting Date.

(g) No distribution may be made from a Participant's Pre-Tax Contribution Account or any Account comprised of Matching Contributions or non-elective contributions which are treated as elective contributions in accordance with the provisions of Section 4.8 except under one of the following circumstances:

(1) Such Participant's separation from service, death, or disability;

(2) Such Participant's attainment of age 59 1/2;

(3) The avoidance or alleviation of financial hardship (in the case of contributions to which Section 402(e)(3) of the Code applies);

(4) The termination of this Plan without the establishment of a successor plan within the meaning of Treasury Regulation Section 1.401(k)-1(d)(3);

(5) The sale or disposition by such Participant's Employer of at least 85% of the assets used by such Employer in a trade or business to an unrelated corporation which does not maintain the Plan, but only if such Participant continues employment with the corporation acquiring the assets and only if such Employer continues to maintain this Plan; or

(6) The sale or disposition of such Participant's Employer by the Adopting Employer of its interest in the Participant's Employer to an unrelated entity which does not maintain the Plan, but only if such Participant continues employment with such Employer and only if the Adopting Employer continues to maintain this Plan.

This Section 7.3(g) does not apply to distributions of excess deferrals or excess contributions (those terms are intended to have the meaning given them in Regulations under Section 401(b) of the Code), or excess Annual Additions described in Section 5.2(f) of the Plan. To be treated as an event described in Sections

7.3(h)(4), (5), and (6), the Participant must receive a lump sum distribution (as defined in Section 401(k)(10)(B)(ii) of the Code) and, in the case of the latter two sections, the distribution must be made in connection with the disposition.

The prior provisions of this Section 7.3(h) do not establish any right to a distribution. However, distribution may be made to a Participant under the terms of this article if either Section 7.3(h)(5) or Section 7.3(h)(6) would permit distribution to be made to the Participant under this Plan.

(h) If a Participant made a written election within the time permitted by law to receive retirement benefits in a manner consistent with the terms of this Plan in effect on December 31, 1983, such election, unless subsequently revoked, shall determine the manner in which the Participant's distributions are made. If an amount is transferred from one plan to this Plan, the amount transferred may be distributed in accordance with a Section 242(b) election made under the transferor plan if the Employee did not elect to have the amount transferred and if the amount transferred is separately accounted for under this Plan. However, only the benefit attributable to the amount transferred, plus earnings thereon, may be distributed in accordance with the Section 242(b) election made under the transferor plan.

(i) Notwithstanding anything herein to the contrary (other than subsection (g)), distributions shall be made in accordance with Section 401(a)(9) of the Code and the regulations thereunder. Further, such regulations shall supersede any distribution option in the Plan that is inconsistent with Section 401(a)(9) of the Code.

(j) With respect to distributions under the Plan made in calendar years beginning on or after January 1, 2002, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the regulations under Section 401(a)(9) of the Code that were proposed in January 2001, notwithstanding any provision of the Plan to the contrary. This Subsection (j) shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under Section 401(a)(9) of the Code or such other date specified in guidance published by the Internal Revenue Service.

Section 7.4. Qualified Joint and Survivor Annuity.

(a)(1) Notwithstanding the prior provisions of this Article VII, benefits payable to or on behalf of a Participant shall be paid in the form of a qualified joint and survivor annuity described in Paragraph (2) hereof in the case of a Participant who has an annuity option available under Section 7.2(a) of the Plan on account of a transfer of assets to the Plan, and either (A) elects to receive distribution in the form of an annuity or (B) has been credited with such a transfer from a money purchase pension plan or target benefit plan qualified under Section 401(a) of the Code. The requirements of this Paragraph (1) shall not apply if the Participant and, if the Participant is married, the Participant's spouse waive the qualified joint and survivor annuity pursuant to the requirements of Subsection (b) hereof.

(2) A qualified joint and survivor annuity is an annuity payable to a Participant for the Participant's life with annuity payments equal to 50% of the Participant's annuity payments continuing to the Participant's spouse upon the death of the Participant. However, in the case of an unmarried Participant, a qualified joint and survivor annuity is an annuity payable to a Participant for the Participant's life.

(b)(1) An election to waive the qualified joint and survivor annuity, or life annuity in the case of an unmarried Participant, must be made by the Participant in writing or by another method permitted by applicable rules or regulations and made available by the Administrator during the 90 day period ending on the Annuity Starting Date and, if the Participant is married, the Participant's spouse must consent to the election in writing or by another method permitted by applicable rules or regulations and made available by the Administrator. The spouse's consent must specifically acknowledge the effect of such election, any other designated Beneficiary and the form of payment elected. The spouse's consent must be witnessed by a Plan representative or a notary public or by another method permitted by applicable rules or regulations and made available by the Administrator. The consent shall not be binding on a subsequent spouse. Spousal consent shall not be required if it is established to the satisfaction of the Administrator that it cannot be obtained because there isn't a spouse, the spouse cannot be located, or under such other circumstances as may be prescribed by applicable rules or regulations. The Participant may revoke in writing or by another method permitted by applicable rules or regulations and made available by the Administrator any election made hereunder without the consent of the spouse, at any time during the election period. A change in designated Beneficiary made subsequent to a spousal consent shall be deemed to be a revocation of the waiver. Any subsequent election to waive the survivor annuities must comply with the requirements of this paragraph. Notwithstanding the prior provisions of this subsection (b)(1), the consent of the spouse may expressly permit designation by the Participant without any requirement of further consent by the spouse.

(2) Not less than 30 days and not more than 90 days before the Annuity Starting Date, the Administrator shall provide the Participant with a written explanation of:

(A) the terms and conditions of the qualified joint and survivor annuity;

(B) the Participant's right to waive the qualified joint and survivor annuity and the effect thereof;

(C) the requirement that the Participant's spouse consent to any waiver of the qualified joint and survivor annuity and that the spouse's consent specifically acknowledge the effect of such waiver, any designated Beneficiary, and the form of payment elected; and

(D) the right of the Participant to revoke such election, and the effect of such revocation.

(3) Notwithstanding the above, with respect to distributions made on or after January 1, 1996, to which Sections 401(a)(11) and 417 of the Code apply, if the Participant, after having received the written explanation described in Section 7.4(b)(2), affirmatively elects a form of distribution and the spouse consents to that form of distribution (if necessary), the Annuity Starting Date may be less than 30 days after the date on which a written explanation was provided to the Participant, provided the following requirements are met:

(A) The Administrator provides information to the Participant clearly indicating that the Participant has a right to at least 30 days to consider whether to waive the qualified joint and survivor annuity and consent to a form of distribution other than a qualified joint and survivor annuity.

(B) The Participant is permitted to revoke an affirmative distribution election at least until the Annuity Starting Date, or, if later, at any time prior to the expiration of the seven-day period that begins the day after the explanation of the qualified joint and survivor annuity is provided to the Participant.

(C) The Annuity Starting Date is after the date that the explanation of the qualified joint and survivor annuity is provided to the Participant. However, the Annuity Starting Date may be before the date that any affirmative distribution election is made by the Participant if the actual distribution in accordance with the affirmative election does not commence before the expiration of the seven-day period that begins the day after the explanation of the qualified joint and survivor annuity is provided to the Participant.

Section 7.5. Death Benefit.

(a) If a Participant dies, the Participant's Beneficiary shall be entitled to the Participant's Vested Share. Any amount to which a Beneficiary is entitled under this paragraph shall be distributed in such manner as may be determined under Section 7.2 (other than a qualified joint and survivor annuity form described in Section 7.4). If a Beneficiary becomes entitled to a benefit under this section and thereafter dies before payment of that benefit is completed, the remaining portion of that benefit shall be paid to the Beneficiary's estate or to a beneficiary selected on a form provided by the Administrator, unless the Participant provides otherwise in the Participant's designation of Beneficiary.

(b)(1) If Section 7.4(a)(1) does not apply to a Vested Participant and the Participant is married at the time of death, the death benefit shall be paid to or applied for the Participant's surviving spouse, or the Participant's designated Beneficiary if the spouse consents to the designation of such Beneficiary in a manner consistent with subsection (c), in accordance with the options under Section 7.2, as selected by the surviving spouse or Beneficiary on an application for benefits. However, if the provisions in Section 7.4(a)(1) apply to a Vested Participant, then, notwithstanding anything herein to the contrary, if the Vested Participant dies prior to the Vested Participant's Annuity Starting Date and is married as of the date of the Participant's death, the Participant's spouse shall be entitled to a pre-retirement survivor annuity contract. However, the requirements of the prior sentence shall not apply if the Participant and the Participant's spouse waive the pre-retirement survivor annuity pursuant to the requirements of subsection (c). The benefit shall commence on the first day of the month following the date of the Participant's death or as soon thereafter as administratively feasible, unless the spouse elects a later commencement date, subject to the requirements contained in Section 7.5(f).

(2) A pre-retirement survivor annuity is an annuity for the life of the surviving spouse, the actuarial equivalent of which shall be:

(A) in the case of a Participant who incurs a Termination of Service before the Participant's Normal Retirement Date and dies before the Participant's Annuity Starting Date, the Participant's Vested Share; and

(B) in the case of any other Participant who dies before the Participant's Annuity Starting Date, the Participant's Trust Fund Share.

(c) An election to waive the pre-retirement survivor annuity must be made by the Participant in writing or by another method permitted by rules or regulations and made available by the Administrator during the election period described in subsection (d) and the Participant's spouse must

consent to the election in writing or by another method permitted by applicable rules or regulations and made available by the Administrator. However, a waiver of the pre-retirement survivor annuity may be made earlier than that election period, with spousal consent, if a written explanation of the pre-retirement survivor annuity containing information similar to the information described in Section 7.4(b)(2) is provided to the Participant and the waiver becomes invalid upon the beginning of the Plan Year in which the Participant reaches age 35. The election must be made on a form furnished or by another method permitted by applicable rules or regulations and made available by the Administrator that shall clearly indicate the Participant's election. The spouse's consent must acknowledge the effect of such election and any other designated Beneficiary. The spouse's consent must be witnessed by a Plan representative or notary public or made by another method permitted by applicable rules or regulations and made available by the Administrator. The consent shall not be binding on a subsequent spouse. The spousal consent shall not be required if it is established to the satisfaction of the Administrator that it cannot be obtained because there is no spouse, the spouse cannot be located, or because of such other circumstances as may be prescribed by applicable rules or regulations. A Participant may revoke the Participant's waiver of the pre-retirement survivor annuity at any time during the election period without the Participant's spouse's consent. Any subsequent waiver must contain the spouse's consent. Any change in Beneficiary occurring after the spousal consent shall be deemed to be a revocation of the Participant's waiver of the pre-retirement survivor annuity. Notwithstanding the prior provisions, the consent of the spouse may expressly permit designations by the Participant without any requirement of further consent by the spouse.

(d) The election period with respect to the pre-retirement survivor annuity contract shall begin on the first day of the Plan Year in which the Participant attains age 35 or if later, the date the Participant enters the Plan, and shall end on the earlier of the date benefits commence or the date of the Participant's death. If a Participant incurs a Termination of Service prior to the beginning of this election period, the election period shall begin on the date of the Termination of Service. The Administrator shall provide each such Participant with a written explanation of the pre-retirement survivor annuity containing information comparable to that required in Section 7.4(b)(2). The written explanation shall be provided during whichever of the following five periods ends last:

(1) the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the last day of the Plan Year immediately preceding the Plan Year in which the Participant reaches age 35;

(2) the 12 month period after becoming a Participant;

(3) the 12 month period immediately following the date the pre-retirement survivor annuity is no longer subsidized within the meaning of Section 1.401(a)-(20) of the Regulations;

(4) the 12 month period immediately following the date on which the pre-retirement survivor annuity first became effective with respect to the Participant;

(5) the period that begins 12 months before the Participant incurred a Termination of Service prior to attaining age 35 and ends 12 months after that Termination of Service.

(e) If a Participant dies after the Participant's Annuity Starting Date, the death benefit, if any, payable to the Participant's Beneficiary, shall depend upon the terms of the benefit payment option in effect at the time of such death.

(f)(1) Death benefits payable under Section 7.5(a) shall be distributed by the end of the calendar year that includes the fifth anniversary of the date of the Participant's death; provided, however, that:

(A) Subject to the requirements of Section 7.5(g)(2), death benefits may be distributed over the life of the Beneficiary or over a period not extending beyond the life expectancy of the Beneficiary.

(B) Death benefits payable over the life of the Beneficiary or over a period not exceeding the life expectancy of the Beneficiary shall begin no later than the end of the calendar year immediately following the year of the Participant's death. Alternatively, if the Beneficiary is the Participant's surviving spouse, distributions may begin by the end of the calendar year in which the Participant would have reached age 70 1/2.

(C) If the Beneficiary is the Participant's surviving spouse and the surviving spouse dies prior to the date that death benefit payments are required to commence, death benefit payments shall be made in accordance with the following rules:

(i) Distributions shall be completed by the end of the calendar year that includes the fifth anniversary of the date of the spouse's death, or

(ii) Distributions shall commence no later than the end of the calendar year immediately following the year of the spouse's death and shall be completed over the life of the spouse's beneficiary or over a period not exceeding the life expectancy of the spouse's beneficiary.

(2) The life expectancy of the Participant's Beneficiary shall be based on the Beneficiary's attained age in the calendar year in which distributions are required to begin or, if earlier, the date on which distributions begin pursuant to the Beneficiary's irrevocable election to have benefits paid in the form of an annuity. Life expectancies shall be determined by using Tables V and VI contained in Section 1.72-9 of the Treasury Regulations. If the Beneficiary is the Participant's spouse and the form of payment is other than an annuity, the spouse's life expectancy may be redetermined on an annual basis. Any election to recalculate life expectancy must be made prior to the benefit commencement date in accordance with the rules of the Administrator. Once payments begin, this election becomes irrevocable. In the event no such election is made with respect to the Participant's spouse, the spouse's life expectancy will not be recalculated. If life expectancy is not to be recalculated and the method of distribution is other than an annuity, the life expectancy will be determined at the time when distributions first begin, and payments required for any calendar year will be based on that determination reduced by the number of entire years that have elapsed since distributions commenced.

(3) If the death benefit is payable in the form of an annuity, payments must satisfy the requirements of Section 7.3(e)(5) hereof.

(g)(1) Subject to the requirements of Sections 7.5(b) and 7.5(c), each Participant shall have the unrestricted right to designate the Beneficiary to receive the death benefits which are payable hereunder and the manner in which such death benefits shall be paid, and to change any such designations on a form furnished by and filed with the Administrator or by another method required or made available by the Administrator.

(2) Death benefit payments may not be based on the life or life expectancy of the Beneficiary unless the Beneficiary is either an individual or is a trust that meets the following standards:

(A) the trust is a valid trust under the applicable state law;

(B) the trust is irrevocable;

(C) a beneficiary of the trust who is a Beneficiary with respect to the trust's interest under this Plan is identifiable from the trust instrument; and

(D) a copy of the trust instrument is provided to the Administrator.

(3) If more than one individual is designated as a Participant's Beneficiary, the individual with the shortest life expectancy will be considered the Beneficiary for purposes of determining the applicable life expectancy.

(h) Anything herein to the contrary notwithstanding, but subject to the consent requirement referred to in Section 7.2(b), if the value of the death benefit payable under this Section 7.5 does not exceed $5,000, the Administrator shall direct the Trustees to distribute the entire value of the deceased Participant's Accounts in a lump sum payment; provided, however, that such payment is made prior to the commencement of death benefit payments. In addition, if the Participant's Accounts exceed $5,000 and the Beneficiary is the surviving spouse, the Administrator shall pay the death benefits in accordance with any of the options available under Section 7.2 as selected by the spouse on a form or pursuant to another method permitted by applicable rules or regulations and provided by the Administrator, reduced by any benefits paid to the spouse in the form of a pre-retirement survivor annuity.

(i) Subject to the spousal death benefit requirements of Sections 7.5(b) and 7.5(c), this Section 7.5 shall not apply when inconsistent with a Participant's election, made within the time permitted by law, for the distribution of death benefits in a manner that complies with the terms of this Plan in effect on December 31, 1983, unless such election is subsequently revoked.

(j) With respect to distributions under this section made in calendar years beginning on or after January 1, 2001, the Plan will apply the provisions of Section 7.3(j) of the Plan.

Section 7.6. Withdrawal of Contributions. A Participant who has not incurred a Termination of Service and has completed 5 years of Vesting Service may, upon the Participant's request by a method required or made available by the Administrator, withdraw After-Tax Contributions which have been allocated to the Participant's After-Tax Contributions Account. If such contributions are withdrawn, a Participant shall cease to be able to make such contributions for a period of at least six months subsequent to the effective date of such withdrawal and may not make any additional such withdrawals for a period of three years. A Participant's withdrawal under this paragraph may include a portion or all of the Participant's After-Tax Contributions Account.

Section 7.7. Disability Leave of Absence.

(a) A Participant who is on leave of absence on account of Disability may make a written election to receive a distribution from the Participant's Trust Fund Share in either a lump sum or installments which shall not exceed thirty percent (30%) of the Participant's Compensation for the Plan Year preceding the Plan Year in which the Participant commenced such leave.

(b) Distributions described in subsection (a) shall terminate upon the earliest to occur of the following events:

(1) the Participant's death or other termination of the Participant's Disability,

(2) the Participant reaches the Participant's Normal Retirement Date, or

(3) the Participant incurs a Termination of Service.

Section 7.8. Delayed Benefit Determinations; Lost Participant; Escheat.

(a) If the amount of a Participant's Vested Share cannot be ascertained by the date provided in the preceding Sections, a payment retroactive to such date may be made, provided that such payment must be made no later than sixty days after the earliest date on which such amount can be ascertained under the Plan.

(b) If a Participant cannot be located (after reasonable effort), the Participant's Vested Share shall be forfeited and used as soon as administratively feasible to reduce future contributions by the Participant's Participating Employer. However, if the Participant is located, the amount forfeited shall be restored to the Participant in full, unadjusted by any gains or losses. The Participant's Participating Employer shall make restoration where contributions were reduced under this subsection (b).

(c) If all or a portion of a Participant's Vested Share has been lost by reason of escheat under state law, the Participant shall cease to be entitled to the portion so lost.

Section 7.9. Qualified Domestic Relations Order. Notwithstanding the preceding provisions of this article, benefits and payments of benefits under the plan shall be altered to conform to a Qualified Domestic Relations Order.

Section 7.10. Withholding of Taxes.

(a) In the case of a disbursement, the Administrator shall direct the Trustee to withhold such tax as is required by law. Also, the Administrator or the Trustee upon the direction of the Administrator shall give to each person entitled to any such disbursement such notices regarding distributions or rollovers as are required by law.

(b) In the case of a disbursement to be made by means of an annuity contract purchased from a life insurance company, the Administrator shall direct the insurance company to withhold from each annuity payment such tax as is required by law, and the Administrator shall provide the insurance company with such information as may be required by law to enable the insurance company properly to withhold such tax.

Section 7.11. Direct Rollovers. Effective January 1, 1993, the following requirements apply to distributions:

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this provision, a "distributee" may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an "eligible rollover distribution" paid directly to an "eligible retirement plan" specified by the distributee in a "direct rollover."

(b) For purposes of implementing the requirements of this provision, certain terms contained in subsection (a) above shall be defined as follows:

(1) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); any hardship distribution described in Section 401(k)(2)(B)(i)(IV) of the Code; and any other exception permitted by law or the Internal Revenue Service. Effective for distributions occurring after December 31, 1998, an eligible rollover distribution shall not include any hardship distribution described in Section 401(k)(2)(B)(i)(IV) of the Code.

(2) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(3) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(4) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

ARTICLE VIII.
Administration of the Plan

Section 8.1. Trustee. Except to the extent otherwise provided in Articles IX and X, the Trustee shall have the exclusive authority to manage and control the assets of the Trust Fund.

Section 8.2. Administrator. Toro shall be the Administrator unless the Chief Executive Officer of Toro (said Chief Executive Officer shall be a named fiduciary for purposes of ERISA and this Plan) designates a person or persons other than Toro as the Administrator. If said Chief Executive Officer designates a person or persons other than Toro as Administrator, such person or persons shall serve as Administrator pursuant to such procedures as said Chief Executive Officer may provide. Each such person shall be bonded as may be required by law. Said Chief Executive Officer or his or her delegate shall act for Toro in its capacity as Administrator.

Section 8.3. Administrative Duties and Powers. In addition to the duties and powers elsewhere in this Plan imposed and conferred upon the Administrator, the Administrator has the duty and power:

(a) To interpret and construe the provisions of the Plan;

(b) To determine the eligibility of Employees to participate in the Plan and to give eligible Employees timely notice thereof;

(c) To maintain records with respect to each Participant, upon the basis of any information furnished by the Participant's Employer, by the Participant or by the Trustee, sufficient to determine the benefits due, or which may become due, to the Participant;

(d) To prepare and file with the appropriate agencies of the United States Government such reports as are required by law from time to time;

(e) To prepare and furnish to each Participant such reports and individual statements or other disclosures as are required by law from time to time;

(f) To maintain records containing the necessary basic information from which the foregoing instruments and reports may be prepared in sufficient detail so that their accuracy may be verified;

(g) To make available in its office, for examination during business hours by any Participant or Beneficiary, copies of all of the instruments under which the Plan has been established and is being operated and copies of all reports or other documents which are required by law to be made available to them;

(h) To furnish to any Participant or Beneficiary, upon receipt of a request thereof in writing or by another method required or made available by the Administrator and in return for payment of the reasonable cost thereof, a copy of any document required to be made available to them;

(i) To determine the right of any person to a benefit under the Plan, the amount thereof and the method and time or times of payment;

(j) To furnish to each Participant whose employment with a Participating or Related Employer is terminated in any manner, or who has a Break in Service, or who so requests, but no more frequently than once a Plan Year, a report sufficient to inform the Participant of the Participant's accrued benefits under the Plan and the percentage of those benefits that is Vested;

(k) To engage an independent qualified public accountant, as may be required by law, and such other advisors, counsel (including, at the discretion of the Administrator, counsel also consulted or employed by a Participating Employer), agents and employees as may be reasonably necessary to the administration of the Plan;

(l) To instruct the Trustee with respect to the disbursements from the Trust Fund;

(m) To serve as agent for the service of legal process upon the Plan along with the Trustee and any other person designated by the Chief Executive Officer of Toro or such officer's delegate; and

(n) To perform such other duties as the Chief Executive Officer of Toro or such officer's delegate may specify from time to time with regard to the administration of the Plan.

Section 8.4. Rule Against Discrimination. In the administration of the Plan, the Administrator shall never discriminate in any way in favor of Employees who are Highly Compensated Employees of a Participating Employer.

Section 8.5. Claims Procedure. A Participant or the Participant’s spouse or Beneficiary shall have the right to submit a claim for benefits in writing or by another method permitted by applicable rules or regulations to the Claims Reviewer. The claim must specify the basis of it and the amount of the benefit claimed. The Claims Reviewer shall act to deny or accept said claim within ninety days of the receipt of the claim by notifying the Participant or the Beneficiary of the Claims Reviewer’s action, unless special circumstances require the extension of such ninety-day period. If such extension is necessary, the Claims Reviewer shall provide the Participant or the spouse or Beneficiary with notification in writing or by another method permitted by applicable rules or regulations of such extension before the expiration of the initial ninety-day period. Such notice shall specify the reason or reasons for such extension and the date by which a final decision can be expected. In no event shall such extension exceed a period of ninety days from the end of the initial ninety-day period. In the event the Claims Reviewer denies the claim of a Participant or the spouse or Beneficiary in whole or in part, the Claims Reviewer’s notification in writing or by another method permitted by applicable rules or regulations shall specify, in a manner calculated to be understood by the claimant, the reason for denial, the specific section or sections of the Plan upon which the denial is based, and an explanation of the claim review procedure specified in the Plan. If any additional material or information is required to process the claim, the denial shall describe and indicate why it is necessary. Should the claim be denied in whole or in part and should the claimant be dissatisfied with the Claims Reviewer’s disposition of the claimant’s claim, the claimant may have a full and fair review of the claim by the Administrator upon request in writing or by another method permitted by applicable rules or regulations therefor submitted by the claimant or the claimant’s duly authorized representative and received by the Administrator within sixty days after the claimant receives notification in writing or by another method permitted by applicable rules or regulations that the claimant’s claim has been denied. In connection with such review, the claimant or the claimant’s duly authorized representative shall be entitled to review pertinent documents and submit the claimant’s views as to the issues, in writing or by another method permitted by applicable rules or regulations. The Administrator shall act to deny or accept the claim within sixty days after receipt of the claimant’s written request for review unless special circumstances require the extension of such sixty-day period. If such extension is necessary, the Administrator shall provide the claimant with written notification in writing or by another method permitted by applicable rules or regulations of such extension before the expiration of such initial sixty-day period. In all events, the Administrator shall act to deny or accept the claim within one hundred twenty days of the receipt of the claimant’s request for review in writing or by another method permitted by applicable rules or regulations. The action of Administrator shall be in the form of a notice in writing or by another method permitted by applicable rules or regulations to the claimant and its contents shall include all of the requirements for action on the original claim. In no event may a claimant commence legal action for benefits the claimant believes are due the claimant until the claimant has exhausted all of the remedies and procedures afforded the claimant by this section.

ARTICLE IX.
The Trust Fund

Section 9.1. Trust Fund. The Trustee appointed by the Chief Executive Officer of Toro under a Trust Agreement shall hold all assets of the Plan in a Trust. Such Trust Agreement shall contain provisions that are consistent with the terms of this article and Article X. The assets of the Trust shall constitute the Trust Fund.

Section 9.2. Source of Trust Fund. The Trustee shall hold in a Trust maintained pursuant to a Trust Agreement which it has entered into with Toro any contributions and other property received by it from or at the direction of a Participating Employer or the Administrator pursuant to the Trust Agreement.

Section 9.3. Payments from Trust Fund. The Trustee shall, within a reasonable length of time after receipt of written notice from the Administrator make such distributions from the Trust Fund as the Administrator shall from time to time direct. Such payments may be made directly to such person or persons, natural or otherwise, at such time and in such amounts as the Administrator directs, and the Trustee shall have no duty, except as otherwise required by ERISA, to question the propriety of any such direction.

Section 9.4. Division of Trust Fund.

(a) The Chief Executive Officer of Toro may direct the Trustee from time to time to divide and redivide the Trust Fund into one, two or more Investment Funds with names that such officer shall designate. Upon each division or redivision, the Chief Executive Officer of Toro may specify the part of the Trust Fund to be allocated to each such Investment Fund and the terms and conditions, if any, under which the assets in such Investment Fund shall be invested. If an Investment Account is established pursuant to Section 10.3, the Chief Executive Officer of Toro shall direct that the Trust Fund be divided in such manner as to have the Investment Account constitute an Investment Fund pursuant to this section or a portion of such an Investment Fund.

(b) The Chief Executive Officer of Toro may specify that contributions from Participants that are attributable to Rollover Contributions or Pre-Tax Contributions shall not be invested in a fund that invests in securities of a Participating Employer. This may require setting up a separate Investment Fund for such contributions. In such case, or if the Participant otherwise desires to do so, the Chief Executive Officer of Toro shall provide that such contributions shall be invested in such a separate Investment Fund.

(c) The Chief Executive Officer of Toro may direct the Trustee to invest an Investment Fund in any contract or contracts issued by a life insurance company which shall be selected by the Chief Executive Officer of Toro. Such contract shall contain such terms and conditions as may be agreed upon by the Chief Executive Officer of Toro and said life insurance company. Such contract may provide for a guaranty by the life insurance company (for such period or periods of time as may be agreed upon) against loss of amounts which are invested under it and may also provide (for such period or periods of time as may be agreed upon) for one or more agreed rates of interest upon said amounts.

(d) The Chief Executive Officer of Toro may direct the Trustee to cause any part or all of the Trust Fund, without limitation as to amount, to be commingled with the money of trusts which are created by others (including trusts for qualified employee benefit plans), by it or them or by it or them in participation with others, by causing such money to be invested as a part of any or all of the pooled or collective investment funds heretofore or hereafter created by Declarations of Trust listed in the Appendix, which is attached hereto, and the portion of the Trust Fund so added to any such fund at any time shall be subject to all provisions of the applicable Declarations of Trust as it may be amended from time to time. The Declarations of Trust listed in the Appendix are specifically incorporated by this reference into this Plan. Such Appendix may be altered by the Chief Executive Officer of Toro or the Chief Executive Officer's delegate to properly list the pooled or collective investment funds which such person determines should be on the list.

(e) The Chief Executive Officer of Toro shall direct the Trustee to invest the assets of the Trust Fund attributable to Matching Contributions exclusively in Toro Common Stock. Such direction shall be subject to any exceptions described in this Article IX. While it is intended that such assets of the Trust Fund be invested exclusively in Toro Common Stock, the Chief Executive Officer of Toro shall authorize the Trustee to invest any cash received under the Plan for a reasonable period of time prior to acquiring Toro Common Stock, invest such cash as may be necessary to distribute cash in lieu of fractional shares, or invest such cash as may be necessary to anticipate distributions to Participants in

cash. The Chief Executive Officer of Toro shall also direct the Trustee to establish an Investment Fund which invests in Toro Common Stock and to permit each Participant to direct that up to 100% of the Participant's Trust Fund Share be invested in that fund.

Section 9.5. Participant Investment Options.

(a) As of each Investment Option Date, each Participant or Beneficiary may elect to have the Participant's or Beneficiary's Accounts in the Trust Fund invested in one or more Investment Funds; provided, however, that the Administrator shall establish uniform rules as to the portion of an Account which may be invested in any one Investment Fund; and provided further, if any of the limitations of Section 9.4(b) are applicable, the Participant or Beneficiary may only elect to have amounts attributable to contributions described in that subsection invested as provided in such subsection. The Administrator may limit a class of Participants to selected Investment Funds. The Administrator may establish rules concerning elections made under this section, including but not limited to the number of elections which may be made by a Participant or Beneficiary during any period of time and the time or period on or for which an election will be effective. Until modified by the Administrator, a Participant or Beneficiary may make an election under this section at any time; provided, however, that the Administration may establish additional limitations on such elections made by any Participant who is subject to Section 16 of the Securities Exchange Act and the rules thereunder.

(b) Each election by the Participant or Beneficiary under subsection (a) shall be made by a method required or made available by the Administrator in time to permit transmittal of the election to the Trustee before the date as of which it is to become effective. Any such election shall continue in effect until a subsequent such election becomes effective. In the absence of a valid election, a Participant's or Beneficiary's Accounts in the Trust Fund shall be allocated to the Investment Funds in such percentages as shall be determined pursuant to rules established by the Administrator until a valid election becomes effective.

(c) A Participant's election under this section shall be applicable to the amounts that are included in the Participant's Accounts on the Investment Option Date as of which such election is effective. Any contributions to the Plan which are added to the Trust Fund following such Investment Option Date shall be subject to the same election unless a separate election is made by the Participant with respect to those contributions pursuant to rules established by the Administrator. Such elections shall remain effective until the Participant makes a new election or elections as of an Investment Option Date.

(d) The Administrator shall direct the Trustee to divide the Trust Fund in a manner which will allow the elections which are effective as of a date to be put into effect as of that date. The Administrator shall give its directions to the Trustee within such time and in such manner as will give the Trustee time to carry out the directions on such Investment Option Date or during the period immediately following said Investment Option Period.

(e) Notwithstanding the previous provisions of this section, any Participant or Beneficiary who directs the investment of all or a portion of the Participant's or Beneficiary's Accounts in the Trust Fund in a contract as described in Section 9.4(c) may change, amend or suspend or cancel such direction and again direct such investment only under the terms and conditions provided for, from time to time, in such contract, and may withdraw such part of the Participant's or Beneficiary's Accounts which are invested in such contract only to the extent such withdrawal is permitted under the terms and conditions of such contract and this Plan.

Section 9.6. Investment in and Retention of Life Insurance Contracts.

(a) The Trust Fund may not be used to purchase life insurance on the life of a Participant, the proceeds of which insurance upon the death of such Participant are or become payable directly or indirectly to such Participant's Beneficiary. However, the Trustee may hold such insurance in the Trust Fund if such insurance was an asset of a Prior Plan. In such case, such insurance shall be subject to the remaining provisions of this section.

(b) If the Trust Fund is used to purchase life insurance on the life of a Participant, the proceeds of which insurance upon the death of such Participant are or become payable directly or indirectly to such Participant's Beneficiary, then the assets in the Trust Fund shall be subject to the following conditions and limitations:

(1) The Administrator may direct the Trustee first to apply all or any part of the Rollover Contributions, which have previously been made allocable to one of the Participant's Accounts toward the premium cost of such insurance. If such a direction is made, no Trust Fund earnings, Employer contributions to the Trust Fund or forfeitures arising pursuant to Section 6.3 shall be applied toward the premium cost of such insurance unless such premium cost exceeds such Rollover Contributions.

(2) If any contributions made by a Participating Employer to the Trust Fund or forfeitures (attributable thereto) arising pursuant to Section 6.3 are used to pay the premium cost of such insurance, the following further conditions shall be applied:

(A) Upon the direction of the Administrator, the Trustee, at or before the date of said Participant's "retirement" (as such term is used in Revenue Ruling 54-51), shall either:

(i) convert the entire value of such insurance contract or contracts into cash and add the same to such Participant's Vested Share, or

(ii) convert such insurance contract or contracts into a form which will provide periodic income to the Participant in conformance with the provisions of Article VIII such that no portion of such value may be used to continue life insurance beyond such date, or

(iii) distribute the insurance contract or contracts to the Participant, or

(iv) do any combination of the foregoing.

(B) At no time shall the premium paid with such contributions and forfeitures to purchase ordinary life insurance on the life of such Participant equal or exceed fifty percent (50%) of the total contributions of the Participating Employer and forfeitures (attributable thereto) then credited to the Accounts of the Participant. In the case of premiums paid for term and other life insurance contracts that are not ordinary life insurance, that percentage shall not exceed twenty-five percent (25%) of that total. Further, the sum of one-half of such ordinary life insurance premiums and the premiums on such term and other life insurance contracts shall not exceed twenty-five percent (25%) of that total. However, notwithstanding the previous provisions of this subparagraph (B), premiums for such insurance may always be paid from amounts in the

Participant's Accounts which have been held since the last accounting date at least two years preceding the date of the premium payment.

(3) Any dividends or credits earned on such insurance contracts and received by the Trustee will be allocated to the appropriate Accounts of the Participant.

(4) Amounts attributable to a Participant's deductible voluntary employee contributions may not be used to purchase such insurance. The Administrator's instructions to the Trustee shall not be inconsistent with the foregoing restrictions.

(c) The Administrator shall direct the Trustee to select options and otherwise deal with such contracts in a manner that will assure that such contracts are disbursed in a manner consistent with Article VII of the Plan. In the event of any conflict between the terms of this Plan and the terms of any insurance contract acquired hereunder, the Plan provisions shall control.

(d) Individual life insurance or annuity contracts may be sold by the Trustee to a Participant, a relative of the Participant, a Participating Employer or an employee benefit plan, or may be sold or transferred to or exchanged with the Trustee by a Participant or a Participating Employer; provided, however, that any such sale, transfer or exchange must comply with any prohibited transaction exemptions issued by the Department of Labor or Department of the Treasury.

Section 9.7. Diversification of Investments.

(a) Each Participant, during the Participant's "qualified election period," will be permitted to direct the Plan as to the investment of 25 percent of the value of the Vested portion of the Participant's Matching Contribution Account (to the extent such portion exceeds the amount to which a prior election under this Section 9.7 applies). The term "qualified election period" means the period beginning with the date on which the Participant has completed at least ten years of Vesting Service and attained age 55 and ending on the date of the Participant's Termination of Service. In the case of a Participant who attains age 56, this provision shall be applied by substituting "50 percent" for "25 percent." In the case of a Participant who attains age 57, this provision shall be applied by substituting "75 percent" for "25 percent." In the case of a Participant who attains age 58, this provision shall be applied by substituting "100 percent" for "25 percent." Notwithstanding the preceding provisions of this section, if the Participant's "qualified election period" has not begun when the Participant reaches age 62, the Participant's "qualified election period" shall begin on the date such individual attains age 62. Also, after a Participant reaches age 62, the Participant will be permitted to direct the Plan as to the investment of 100 percent of the value of the Vested portion of the Participant's Matching Contribution Account (to the extent such portion exceeds the amount to which a prior election under this Section 9.7 applies). Subject to the requirements of this Section 9.7, a Participant may, subsequent to the Participant's initial election during the qualified election period, revise the Participant's election to reach the maximum applicable percentage under this Section 9.7.

(b) The Participant's election under subsection (a) shall be provided to the Administrator by a method required or made available by the Administrator; shall be effective as of the first day of the Plan Year quarter immediately following such election; and shall specify which, if any, of the options set forth in subsection (c) the Participant selects; provided, however, that an election made by a Participant who is subject to the requirements of Section 16 of the Securities Exchange Act of 1934 and the rules thereunder shall be made and shall become effective in accordance with such rules. However, if the Participant's election is made within 15 days before the first day of a Plan Year quarter, the election shall not be effective until the first day of the Plan Year quarter subsequent to the Plan Year quarter which immediately follows such election.

(c) The requirements in this section shall be satisfied by offering the investment options made available under Section 9.5 of the Plan to each Participant making an election under subsection (a).

(d) The amounts subject to a Participant's election under subsection (a) shall be allocated to an appropriate Account of the Participant specified by the Administrator.

(e) All valuations of employer securities which are not readily tradable on an established securities market with respect to activities carried on by the Plan must be by an independent appraiser. For purposes of the preceding sentence, the term "independent appraiser" means any appraiser meeting requirements similar to the requirements of the regulations under Section 170(a)(1) of the Code.

(f) Any right that a Participant may have to demand that the Participant's benefits be distributed in the form of Toro Common Stock shall not apply with respect to the portion of the Participant's account which the Participant elected to have reinvested under the diversification rules under Section 401(a)(28)(B) of the Code and this Section 9.7.

(g) Notwithstanding anything herein to the contrary, the Trustee may sell sufficient shares of Toro Common Stock from a Participant's Account without such direction as may be necessary to raise cash sufficient to meet the expenses of the Trust.

(h) Any Participant who has incurred a Termination of Service will be permitted to direct the Plan as to the investment of the value of the Participant's Vested Share in a manner consistent with the requirements of this Section 9.7 as if the Participant had not incurred a Termination of Service.

(i) If an election is made by a Participant under subsection (a), the Trustee shall sell a sufficient portion of Toro Common Stock allocated to the Participant's Toro Common Stock Account as is necessary to implement such election and shall accomplish such sale within an administratively feasible time after such election. The proceeds of such sale shall be added to the Participant's Account referred to in Section 9.7(d) and invested under the terms of Section 9.5 of the Plan.

(j) Each election made under subsection (a) shall be made by a method required or made available by the Administrator. A Participant's election shall remain effective until the Participant makes a new election. The Administrator shall direct the Trustee to divide the Trust Fund in a manner that will allow the elections made pursuant to this Section 9.7 to be put into effect. The Administrator shall give its directions to the Trustee within such time and in such manner as will give the Trustee time to carry out the directions as of such date.

Section 9.8. Voting of Shares and Tender Offers.

(a) Each Participant or Beneficiary in the Plan is entitled to direct (in accordance with procedures established by the Administrator) the Plan as to the exercise of voting rights with respect to the shares of Toro Common Stock (including fractional shares) allocated to the Account of such Participant or Beneficiary. Toro shall provide to each Participant or Beneficiary, who shall be considered named fiduciaries solely for the purpose of pass through voting and tender offer rights described in subsection (c) with respect to Toro Common Stock held by the Plan, necessary and accurate information pertaining to the exercise of such rights containing all the information distributed to Toro's shareholders as part of an information distribution to the shareholders (this information may include proxy materials and copies of tender offer materials furnished to security holders generally). A Participant or Beneficiary shall have the opportunity to exercise any such rights within the same time period as Toro's shareholders.

(b) In the exercise of voting rights, votes representing shares of Toro Common Stock either (1) held in a suspense account for Toro Common Stock, or (2) on account of which Participants may direct the exercise of voting rights, but do not, shall be voted by the Trustee in the same ratio for the election of directors and for and against each other issue as the applicable vote directed by Participants with respect to shares of Toro Common Stock allocated to their Accounts to the extent permitted by Section 404(a)(1)(D) of ERISA.

(c) In the event of any tender offer or exchange offer regarding Toro Common Stock, the Trustee's response to those offers with respect to any such stock which has been allocated to the Accounts of Participants shall be made in accordance with directions made by Participants under the terms of the Plan; provided that the Trustee's positive and negative responses to those offers with respect to shares of Toro Common Stock held in a suspense account, or shares of Toro Common Stock allocated to the Accounts of Participants for which the Trustee does not receive direction under the terms of the Plan shall be proportionate to the positive and negative responses to those offers (tabulated in terms of shares) received from Participants regarding shares of such stock allocated to their Accounts in a manner consistent with this Section 9.8 and Section 404(a)(1)(D) of ERISA.

(d) A Participant shall be entitled to direct the Trustee regarding whether or not to tender or exchange any shares of Toro Common Stock allocated to the Participant's Account in the event of a tender offer or exchange offer presented to the Trustee. The procedure for obtaining that direction from a Participant shall be as follows:

(1) Necessary and accurate information for the Participant to make a decision shall be provided by the Trustee to the Participant.

(2) Steps shall be taken to assure that the Participant's decision is confidential within the meaning of Section 203 of Delaware's General Corporation Law (the information is to be made available only to the Trustee).

(3) The Administrator shall establish any additional procedural steps as may be appropriate to obtain directions from the Participant to the Trustee.

(e) All dividends paid to the Trustee on Toro Common Stock that have been allocated to a Participant's Account shall be distributed to such Participant. The distribution shall be made before 90 days after the end of the Plan Year in which the dividends are paid to the Trustee.

ARTICLE X.
Investment Advisers

Section 10.1. Appointment of Investment Advisers. The Chief Executive Officer of Toro shall have the right to appoint one or more Investment Advisers. All appointments of Investment Advisers shall be by written agreement between Toro and the Investment Adviser. The Trustee shall receive a copy of each such agreement and all amendments, modifications and terminations thereof and shall give written acknowledgment of receipt of same. Until receipt of a copy of each such amendment, modification or termination, the Trustee shall be fully protected in assuming the continuing authority of such Investment Adviser under the terms of its original agreement with Toro as theretofore amended or modified.

Section 10.2. Investment Adviser Agreements. Among other matters, each agreement between Toro and an Investment Adviser or an agreement between the Investment Adviser and the Trustee shall provide that:

(a) All directions given by the Investment Adviser to the Trustee shall be in writing, signed by an officer or partner of the Investment Adviser or by such other person as may be designated in writing by the Investment Adviser; provided that the Trustee shall accept oral directions for the purchase or sale of securities which shall be confirmed by such authorized personnel of the Investment Adviser in writing.

(b) Should the Investment Adviser find it desirable, it shall receive a power of attorney from the Trustee, in such form and substance as may be approved by the Trustee and the Chief Executive Officer of Toro, authorizing the Investment Adviser to effect transactions directly for its Investment Account.

(c) All settlements of purchases and sales are to be in such place as the Trustee and Investment Adviser may agree.

(d) In all events the Trustee is to retain physical custody of all assets comprising an Investment Account, or control of all such assets at central depositories including the Federal Reserve banks (unless that custody is not required by ERISA).

(e) Payment of the cost of the acquisition, sale or exchange of any security or other property for an Investment Account shall be charged to that Investment Account.

(f) The responsibility of the Investment Adviser to vote proxies shall be recognized unless the agreement expressly precludes the Investment Adviser from voting proxies.

(g) The Investment Adviser acknowledges that it is a “fiduciary” of the Plan and that for the term of the agreement it will qualify as an “investment manager” (as both of said terms are used in ERISA).

Section 10.3. Notification of Appointment of Investment Advisers. Written notice of each appointment of an Investment Adviser shall be given to the Trustee at least ten days in advance of the effective date of the appointment. Such notice shall state the part of the Trust Fund which is to become the Investment Account of the Investment Adviser and shall either include or be accompanied by a direction to the Trustee to establish the Investment Account as an Investment Fund pursuant to Section 10.1. Upon receipt of said notice, the Trustee shall allocate the designated part of the Trust Fund to the Investment Account of such Investment Adviser. The Chief Executive Officer of Toro may by similar notice modify such designation from time to time.

Section 10.4. Investment Adviser’s Authority. So long as the appointment of an Investment Adviser is in effect, the Trustee shall be directed to follow the directions of the Investment Adviser with respect to its Investment Account in exercising the powers granted to the Trustee in the Trust Agreement regarding investment of the Trust Fund. One of those powers is voting proxies; however, the Investment Adviser won’t have that power if the agreement described in Section 10.2 expressly precludes the Investment Adviser from voting proxies (and the Trustee shall have the power).

Section 10.5. Trustee’s Responsibility for Investment Adviser’s Account. The Trustee shall monitor all instructions from the Investment Adviser and shall notify the Administrator in the event that it considers any instruction to involve an improper investment of the Trust Fund. However, the Trustee shall have no further duty to question such instructions and, except as may be otherwise provided by ERISA, the Trustee shall not be liable for any loss which may result by reason of any action taken by it in accordance with a direction of an Investment Adviser acting within the powers granted to it under this Article X, or by reason of any lack of action by the Trustee upon the failure of an Investment Adviser to exercise its said powers.

Section 10.6. Investment Adviser's Access to Records. The Trustee shall make available to an Investment Adviser copies of or extracts from such portions of its accounts, books or records relating to the Investment Account of such Investment Adviser as the Trustee may deem necessary or appropriate in connection with the exercise of the Investment Adviser's functions, or as the Administrator may direct.

Section 10.7. Allocation of Charges to Investment Adviser Account. All charges (other than those covered in Section 10.2(e)) against each Investment Account shall be made in such proportions as the Administrator may direct from time to time.

ARTICLE XI.
Amendment

Section 11.1. Power.

(a) Toro reserves the power to amend, alter or wholly revise this instrument, prospectively or retrospectively, at any time by the action of its Chief Executive Officer or such officer's delegate, and the interest of each Participant is subject to the power so reserved. No amendment may be made, however, that would reduce the interest in the Trust Fund Vested in any Participant or the Participant's Beneficiary at the time of the amendment (elimination of an optional form of benefit available to a Participant with respect to the Participant's benefits accrued before the amendment is considered to be such a reduction), or that would divert any part of the Trust Fund to any use or purpose other than for the exclusive benefit of the Participants and Beneficiaries; provided, however, that any amendment may be made which may be or become necessary in order that the Plan and Trust will conform to the requirements of ERISA and qualify under the provisions of Sections 401(a) and 501(a) of the Code (as it may be amended from time to time), or in order that all of the provisions of the Plan and Trust will conform to all valid requirements of applicable federal and state laws.

(b) An amendment of this Plan by whatever means must not reduce or eliminate a benefit under the Plan, protected under Section 411(d)(6) of the Code, unless permitted to do so under applicable regulations. To the extent that such an amendment would cause such a reduction or elimination, the Administrator shall disregard the amendment and maintain an appropriate schedule of optional forms of benefit which shall continue to be available to the affected Participants.

Section 11.2. Method. An amendment shall be stated in an instrument in writing signed in the name of Toro by its Chief Executive Officer or such officer's delegate.

Section 11.3. Amendment of Vesting Schedule.

(a) If a Participating Employer when it adopts this Plan modifies the vesting schedule or the method of computing service for vesting purposes under a Prior Plan, a Participant who was a participant in such Prior Plan and who has not less than three (3) years of service for vesting purposes by the end of the period described in subsection (c) shall be provided the opportunity to make the election described in subsection (b) within said period. In addition, if Toro modifies the vesting schedule or the method of computing service for vesting purposes by amending the Plan, a Participant having not less than three (3) years of such service by the end of the period described in subsection (c) shall be given the opportunity to make the election described in subsection (b) within said period. For Participants who do not have at least one hour of service in any Plan Year beginning after December 31, 1988, this provision shall be applied by substituting "5 years of Vesting Service" for "3 years of Vesting Service" where such language appears.

(b) A Participant described in subsection (a) may elect to have the Participant's Vested percentage of the portion of the Participant's Trust Fund Share attributable to the Participant's Accounts which are not fully Vested computed under the Prior plan or under this Plan as it existed prior to the amendment of the Plan, whichever is applicable. An election made under this subsection (b) shall be irrevocable when it is made.

(c) In order for the election described in subsection (b) to be effective, it must be executed in writing upon forms to be provided by the Administrator or made by another method required or made available by the Administrator and must be delivered to the Administrator on or after the effective date of adoption of the Plan by the Participating Employer or the date the Plan is amended (whichever is applicable) and before the latest of:

(1) the date which is sixty (60) days after said effective date or the day the Plan is so amended,

(2) the date which is sixty (60) days after said effective date or the day the new amendment becomes effective; or

(3) the date that is sixty (60) days after the day the Participant is issued written notice by the Administrator of said adoption of the Plan or amendment of the Plan.

(d) The preceding provisions of this section shall not be applicable if after the modification described in Section 11.3(a) each Participant will always be at least as Vested at any point in time on or after the modification as the Participant would have been without the modification.

ARTICLE XII.
Termination, Withdrawals and Acquisitions

Section 12.1. Termination of Plan, Withdrawals and Discontinuance of Contributions.

(a) Toro now intends the Plan to be permanent; nevertheless, it reserves to its Chief Executive Officer or such officer's delegate the power to terminate the Plan as to itself and any or all other Participating Employers and as to any designated group of Employees, former Employees or Beneficiaries. If there are any Participating Employers other than Toro, Toro shall deliver to each other Participating Employer a written notice of termination specifying the effective date thereof (which shall not be less than thirty days after the notice date) and executed in the manner provided for the execution of an amendment by Toro.

(b) Any Participating Employer (other than Toro) may withdraw from participation in the Plan at the end of any Plan Year by giving the Administrator thirty days' written notice. The Administrator may terminate the participation in the Plan of any Participating Employer (other than Toro) by giving the Participating Employer thirty days' written notice. Such withdrawal or termination may be a termination of the Participating Employer's plan as maintained under this Plan (this could occur if the Participating Employer is not (has ceased to be) a Related Employer of Toro) unless such plan is continued under documents other than this Plan by the Participating Employer or by an acquiring Employer described in Section 12.4.

(c) A complete discontinuance of contributions under the Plan by all Participating Employers shall be deemed a termination of the Plan as to such Participating Employers unless the Plan is continued under documents other than this Plan by the Participating Employers or by an acquiring Employer described in Section 12.4. If a Participating Employer maintains its own plan under this Plan because it is

not (has ceased to be) a Related Employer of Toro, a complete discontinuance of contributions under such plan by such Participating Employer shall be deemed a termination of such plan as to such Participating Employer unless such plan is continued under documents other than this Plan by the Participating Employer or by an acquiring Employer described in Section 12.4.

(d) In the event that all of the Participating Employers should be dissolved and liquidated, or should be adjudged as voluntarily or involuntarily bankrupt, or should participate in a consolidation, merger or other corporate reorganization as a result of which the new, surviving or reorganized corporation or corporations does not or do not assume or continue the obligations of the Plan, or should have its or their corporate existence terminated in any other way, than the Plan shall terminate. If a Participating Employer maintains its own plan under this Plan because it is not (has ceased to be) a Related Employer of Toro, and if the prior sentence would apply to it if it was the only Participating Employer, then such plan shall be deemed to have terminated. In either case described in the prior two sentences, any new, surviving or reorganized corporation shall have the power to continue such plan or the Plan, whichever is applicable, as its own (and thus prevent termination) as provided in Section 12.4.

Section 12.2. Allocation Upon Termination. Upon the termination of the Plan as to a Participating Employer, any previously unallocated funds which are part of the Trust Fund and are allocable to Active Participants who are Employees of the Participating Employer shall be allocated to such Active Participants as provided in Articles V and VI as of the date of termination of the Plan as to that Participating Employer. If a Participating Employer maintains its own plan under this Plan because it is not (has ceased to be) a Related Employer of Toro, and such plan is terminated as described in Section 12.1, then the prior sentence shall apply to such plan.

Section 12.3. Distribution Upon Termination or Complete Discontinuance of Contributions.

(a) Upon the complete termination of the Plan or the complete discontinuance of contributions under the Plan, the respective interests of the Participants in the Trust Fund shall fully vest, and the Trustee shall proceed to liquidate the Trust Fund, distributing benefits to the Participants or their Beneficiaries as soon as administratively feasible after the termination of the Plan, unless benefits are transferred to a successor plan. The Trustee shall reserve such amounts as may be required to pay any expenses of termination, liquidation and distribution, and shall then segregate each Participant’s Trust Fund Share in a special account. Each such Share shall be distributed to such Participant or the Participant’s Beneficiary. The method and commencement date of distribution shall be determined as provided in Section 7.2 and Section 7.3, respectively.

(b) If a Participating Employer maintains its own plan under this Plan because it is not (has ceased to be) a Related Employer of Toro, and such plan is terminated as described in Section 12.1, then the prior provisions of this section shall apply to such plan and the portions of the Trust Fund and Trust Fund Share’s of Participants affected by the termination.

(c) Upon a partial termination of the Plan, the foregoing provisions of this section shall apply, but only as to those Participants and to that portion of the Trust Fund affected by the termination.

Section 12.4. Acquisitions. If all, or substantially all, of the Employees of a Participating Employer or all, or substantially all, of the Employees constituting a separate or separable unit of operation of a Participating Employer, are transferred directly to the employment of another corporation, partnership or individual proprietorship (in this paragraph called “Buyer”), which, as a part of the same transaction, acquires either all, or substantially all, of the operating assets of a Participating Employer or all, or substantially all, of the operating assets that constitute, together with the Employees, a separate or separable unit of operation, such Buyer with the consent of the Administrator may adopt and may amend

the Plan with respect to the transferred Employees and continue the Plan as its own. Alternatively, such Buyer may adopt a separate plan of its own for such transferred Employees or provide that such Employees shall be covered by an existing plan of the Buyer's, in which case, notwithstanding the distribution provisions of Article VII, the Administrator may direct that the portion of the Trust Fund allocable to such transferred Employees be segregated and transferred to a medium designated by such Buyer for the funding of its plan.

ARTICLE XIII.
Miscellaneous

Section 13.1. Procedures and Other Matters Regarding Domestic Relations Orders.

(a) To the extent provided in any Qualified Domestic Relations Order, the former spouse of a Participant shall be treated as a surviving spouse of such Participant for purposes of any benefit payable in the Qualified Joint and Survivor Annuity Form or as a death benefit to a spouse under Section 7.5(b) (and any spouse of the Participant shall not be treated as a spouse of the Participant for such purposes).

(b) The Plan shall not be treated as failing to meet the requirements of the Code which prohibit payment of benefits before the Participant's Termination of Employment with all Participating Employers solely by reason of payments to an Alternate Payee pursuant to a Qualified Domestic Relations Order.

(c) In the case of any Domestic Relations Order received by the Plan:

(1) the Administrator shall promptly notify the Participant and each Alternate Payee of the receipt of such order and the Plan's procedures for determining the qualified status of Domestic Relations Orders, and

(2) within a reasonable period after receipt of such order, the Administrator shall determine whether such order is a Qualified Domestic Relations Order and notify the Participant and each Alternate Payee of such determination.

The Administrator shall establish reasonable procedures to determine the qualified status of Domestic Relations Orders and to administer distributions under such qualified order.

(d) During any period in which the issue of whether a Domestic Relations Order is a Qualified Domestic Relations Order is being determined by the Administrator, by a court of competent jurisdiction, or otherwise, the Administrator shall separately account for the amounts (referred to hereinafter as the "segregated amounts") which would have been payable to the Alternate Payee during such period if the order had been determined to be a Qualified Domestic Relations Order. If within the eighteen (18) month period beginning with the date on which the first payment would be required to be made under the Domestic Relations Order, the order or modification thereof is determined to be a Qualified Domestic Relations Order, the Administrator shall pay the segregated amounts (including any interest thereon) to the person or persons entitled thereto. If within that eighteen (18) month period either (1) it is determined that the order is not a Qualified Domestic Relations Order or (2) the issue as to whether such order is a Qualified Domestic Relations Order is not resolved, then the Administrator shall pay the segregated amounts (including any interest thereon) to the person or persons who would have been entitled to such amounts if there had been no order. Any determination that an order is a Qualified Domestic Relations Order which is made after the close of that eighteen (18) month period shall be applied prospectively only.

(e) For administrative purposes, an Alternate Payee shall be treated under this Plan in the same manner as a Beneficiary with respect to the portion of a Participant's interest in the Plan being held and invested for the Alternate Payee's benefit.

(f) When distribution is to be made to an Alternate Payee, the Administrator shall determine from which Accounts of a Participant it will be made.

Section 13.2. Prohibition Against Diversion.

(a) Except as provided in paragraph (b), no part of the principal or income of the Trust Fund may be used for or diverted to purposes other than for the exclusive benefit of Employees and their Beneficiaries.

(b) The following are exceptions to subsection (a) (and shall be integrated in a manner consistent with IRS Revenue Ruling 91-4 and subsequent guidance):

(1) If an Employer contribution is received by the Trustee and its delivery is conditioned upon its deductibility by the Employer under Section 404 of the Code (as amended from time to time), then to the extent the deduction is disallowed, the Trustee shall, upon written request of the Employer, return the disallowed portion of such contribution to the Employer within one year after the date of the final denial of said deduction (including a final resolution of any such denial through all appeals procedures).

(2) If all or a portion of an Employer contribution is made under a mistake of fact, the Trustee shall, upon written request of the Employer, return the portion which was so made to the Employer within one year of the date the contribution was delivered to the Trustee.

(3) Upon termination of the Plan, any amounts held in a suspense account under Section 5.2(e) of the Plan (pursuant to Section 1.415-6(b)(6) of the Treasury Regulations) shall revert to the Participating Employer to which the amount is attributable.

Section 13.3. Transfer to or from Qualified Plan. Assets held by the Trust Fund or by any other plan or trust which is qualified under Section 401(a) of the Code on behalf of an Employee or groups of Employees may be transferred between the Trust Fund and such other plan or trust (provided that proper notice is given to the Internal Revenue Service as may be required). The Administrator shall determine whether to allow such transfer and then shall inform the Trustee of its decision and direct them accordingly. An Employee on behalf of whom assets are transferred to the Trust Fund shall be a Non-Contributing Participant unless and until the Employee becomes a Contributing Participant. All such assets received by the Trustee shall be maintained in an Account maintained for such Participant (as specified by the Administrator). Such assets shall be allocated to such Account as of the Valuation Date on or subsequent to the date on which the Trustee receives assets. Any such assets transferred to the Trust Fund shall be considered nonforfeitable with respect to the Employee. Any assets transferred out of the Trust Fund on behalf of a Participant shall be in lieu of any distribution otherwise payable under the Plan to the Participant. Before a transfer is made, the Administrator shall take all necessary steps to make sure that optional forms of distribution applicable to the assets to be transferred remain applicable to the transferred assets after the transfer.

Section 13.4. Leased Employees. Any "leased employee" shall be treated as an Employee of the recipient Employer; however, contributions or benefits provided by the "leasing organization" which are attributable to services performed for the recipient Employer shall be treated as provided by the recipient Employer. The preceding sentence shall not apply to any leased employee if

(a) such Employee is covered by a money purchase plan providing:

(1) a nonintegrated Employer contribution rate of at least 10 percent of compensation, as defined in Section 415(c)(3) of the Code, but including amounts contributed pursuant to a salary reduction agreement which are excludable from such Employee's gross income under Section 125, Section 402(e)(3), Section 402(h), or Section 403(b) of the Code,

(2) immediate participation, and

(3) full and immediate vesting; and

(b) leased employees do not constitute more than 20 percent of the recipient's non-highly compensable workforce.

For purposes of this paragraph, the term "leased employee" means any person who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Section 414(n)(6) of the Code) on a substantially full time basis for a period of at least one year and, prior to 1997, such services were of a type historically performed by the Employees in the business field of the recipient Employer, or, after 1996, such services are performed under the primary direction or control of the recipient Employer. A leased employee shall not be eligible to become a Covered Employee.

Section 13.5. Delegation of Authority.

(a) Whenever Toro, under the terms of the Plan, is permitted or required to do or perform any act or matter or thing, it shall be done and performed by the Chief Executive Officer of Toro or such officer's delegate.

(b) The Chief Executive Officer of Toro has been given certain powers under this Plan. In the discretion of such officer, such officer may delegate a portion or all of any of such powers to an Employee of Toro. Any person needing evidence of that delegation of authority may request and shall be furnished with a copy of a certificate executed by the Chief Executive Officer of Toro designating the person who has been delegated such authority.

Section 13.6. Agreement Effective Upon Receipt of Determination Letter.

(a) This agreement shall not become effective as to Toro unless the Internal Revenue Service issues determinations or rulings (1) which are acceptable to Toro or (2) which are to the effect that the Plan meets the requirements of Section 401(a) of the Code of 1986 and that the Trust is exempt under Section 501(a) of the Code of 1986; and, if such determinations or rulings are issued, this agreement shall become effective as of the Effective Date of this Restatement. Pending receipt of such determinations or rulings by the Internal Revenue Service, Toro, its officers and the Trustee are hereby authorized to proceed as if this agreement had become effective on the Effective Date of this Restatement and none of them shall be subject to any liability in doing so if this agreement does not become effective, and no Employee or former Employee or such individual's Beneficiary shall acquire any additional rights because of such action if this agreement does not become effective.

(b) If the Plan does not receive rulings which are acceptable to Toro, or which are to the effect that the Plan is initially qualified under said sections of said Code, Toro may, within one year of receiving a final denial of such initial qualification (including a final resolution of such denial through all appeals procedures), rescind this agreement or terminate the Plan or both. Within said period and to the

extent permitted under applicable law, Toro may direct the Trustee to return all contributions received during the period the Plan is not initially qualified to the persons from whom received, together with such adjustments so as to reflect, pro rata, the increases and decreases allocable to all such contributions.

Section 13.7. USERRA and Section 414(u) of the Code.

(a) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Section 414(u) of the Internal Revenue Code. This provision is effective with respect to reemployments initiated 60 days or more after the October 13, 1994 enactment date of the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”), that is, reemployments initiated on or after December 12, 1994.

(b) For purposes of this section, and in accordance with Section 414(u) of the Code, if an Employee is reemployed under USERRA, the Employee shall be treated as not having incurred a Break in Service because of the period of military service and the Employee’s military service is treated as service with the Employer for vesting and benefit accrual purposes.

(c) In accordance with Section 414(u) of the Code, an Employee is treated as receiving compensation from the Employer during the period of military service equal to the compensation the Employee otherwise would have received from the Employer during the period immediately preceding the period, or, if the compensation the Employee otherwise would have received is not reasonably certain, the Employee’s average compensation from the Employer during the period immediately preceding the period of military service. For purposes of Section 414(u), USERRA is not treated as requiring the crediting of earnings to an Employee with respect to any contribution before the contribution is actually made or requiring any allocation of forfeitures to the Employee for the period of military service.

IN WITNESS WHEREOF, The Toro Company has caused its name to be hereto subscribed by its ______ on this ______ day of ______, 2001.

THE TORO COMPANY

By____

Its ____

STATE OF MINNESOTA)
) SS.
COUNTY OF ________________)

On this __________ day of __________, 2001, before me personally appeared __________, to me personally known, who, being by me first duly sworn, did depose and say that he or she is the __________ of The Toro Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he or she acknowledged said instrument to be the free act and deed of said corporation.

____
Notary Public

APPENDIX A
POOLED OR COLLECTIVE INVESTMENT FUNDS
REFERRED TO IN SECTION 9.4(d)

1. The Toro Company Pooled Investment Trust Agreement.

Exhibit (d)(13)(B)

**AMENDMENT NO. 1 TO
THE TORO COMPANY
PROFIT-SHARING PLAN FOR
PLYMOUTH UNION EMPLOYEES
(2001 and 2002 Restatements)**

The Toro Company, a Delaware corporation, pursuant to the power of amendment reserved to it in Section 11.1 of The Toro Company Profit-Sharing Plan for Plymouth Union Employees (the "Plan"), hereby adopts and publishes this Amendment No. 1 to the 2001 Restatement of the Plan and the 2002 Restatement of the Plan. The modifications made by this amendment are effective as of January 1, 2002.

Article 1. Section 4.2(d) of the Plan is amended by adding to the end of that section a new sentence which shall read as follows:

> Effective January 1, 2002, Pre-Tax Contributions may be made in one percent (1%) increments of from a minimum of one percent (1%) to a maximum of twenty-five percent (25%) of Compensation per payroll period; provided, however, that the sum of the Participant's Pre-Tax Contributions and After-Tax Contributions for any payroll period may not exceed twenty-five percent (25%) of the Participant's Compensation for such period and shall be limited to the maximum contribution permitted by Section 5.2 of the Plan.

Article 2. Section 4.3 of the Plan is amended to read as follows:

> Section 4.3. After-Tax Contributions. Any Participant may elect to contribute to the Plan as an After-Tax Contribution an amount designated by the Participant equal to any whole percentage of the Participant's Compensation per payroll period, from one percent (1%) to four percent (4%) of such Compensation, but not exceeding the maximum amount which may be contributed pursuant to Sections 5.2 and 4.6 of the Plan; provided, however, that the sum of the Participant's After-Tax Contributions and Pre-Tax Contributions for any payroll period prior to January 1, 2002, may not exceed sixteen percent (16%) of the Participant's Compensation for such period. Effective January 1, 2002, the sum of the Participant's After-Tax Contributions and Pre-Tax Contributions for any payroll period beginning or after to January 1, 2002, may not exceed twenty-five percent (25%) of the Participant's Compensation for such period. Such contributions do not reduce the Participant's income subject to income tax withholding. A Contributing Participant who decides to make After-Tax Contributions must make an application as described in Section 3.3. An Employee may cease, resume or modify the rate or amount of After-Tax Contributions at the same times and in accordance with the same rules as provided for Pre-Tax Contributions.

Article 3. Section 7.2(b) of the Plan is amended to read as follows:

> If a Participant's Vested Share exceeds $5,000 and the Participant hasn't reached the latest date that distribution must commence to the Participant under Section 7.3 of the Plan, then the Participant must consent to any distribution of such Vested Share.

However, such consent shall not be required in the event that the Participant's Vested Share does not exceed such amount, unless Section 7.4 applies to the Participant and the Participant's Annuity Starting Date has occurred.

Article 4. Articles 1 and 2 of this amendment shall amend both The Toro Company Profit-Sharing Plan for Plymouth Union Employees (2001 Restatement) and The Toro Company Profit-Sharing Plan for Plymouth Union Employees (2002 Restatement). Article 3 of this amendment shall amend The Toro Company Profit-Sharing Plan for Plymouth Union Employees (2002 Restatement).

IN WITNESS WHEREOF, The Toro Company has caused its name to be hereto subscribed by its __________ the ___ day of December, 2001.

THE TORO COMPANY

By ______________________________

Its ______________________________

STATE OF MINNESOTA)
) ss.
COUNTY OF __________)

On this __________ day of ____________________, 2001, before me personally appeared ____________________ to me personally known, who, being by me first duly sworn, did depose and say that he/she is the ______________________________ of The Toro Company, the corporation named in and which executed the foregoing instrument; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he/she acknowledged said instrument to be the free act and deed of said corporation.

____
Notary Public

Exhibit (d)(13)(C)

AMENDMENT NO. 2 TO
THE TORO COMPANY
PROFIT – SHARING PLAN FOR
PLYMOUTH UNION EMPLOYEES
(2002 Restatement)

The Toro Company, a Delaware corporation, pursuant to the power of amendment reserved to it in Section 11.1 of the Toro Company Profit-Sharing Plan for Plymouth Union Employees — 2001 Restatement (the "Plan") hereby adopts and publishes this Amendment No. 2 to the Plan to reflect certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA") and to incorporate the final regulations regarding minimum required distributions. Articles I – VIII of this amendment are intended as good faith compliance with the requirements of EGTRRA and are to be construed in accordance with EGTRRA and guidance issued thereunder. Except as otherwise provided, this amendment shall be effective as of the first day of the first Plan Year beginning after December 31, 2001. This amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this amendment.

ARTICLE I
LIMITATIONS ON CONTRIBUTIONS

1.1 **Effective date**. This Section shall be effective for limitation years beginning after December 31, 2001.

1.2 **Maximum annual addition**. Except to the extent permitted under Article VII of this amendment and Section 414(v) of the Code, if applicable, the annual addition that may be contributed or allocated to a Participant's account under the Plan for any limitation year shall not exceed the lesser of:

a. $40,000, as adjusted for increases in the cost-of-living under Section 415(d) of the Code, or

b. 100 percent of the Participant's compensation, within the meaning of Section 415(c)(3) of the Code, for the limitation year.

The compensation limit referred to in b. shall not apply to any contribution for medical benefits after separation from service (within the meaning of Section 401(h) or Section 419A(f)(2) of the Code) which is otherwise treated as an annual addition.

ARTICLE II
INCREASE IN COMPENSATION LIMIT

Increase in Compensation Limit. The annual compensation of each Participant taken into account in determining allocations for any Plan Year beginning after December 31, 2001, shall not exceed $200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. Annual compensation means compensation during the Plan Year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

ARTICLE III
DIRECT ROLLOVERS

3.1 **Effective date**. This Article shall apply to distributions made after December 31, 2001.

3.2 **Modification of definition of eligible retirement plan**. For purposes of the direct rollover provisions of the Plan, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code.

3.3 **Modification of definition of eligible rollover distribution to exclude hardship distributions**. For purposes of the direct rollover provisions of the Plan, any amount that is distributed on account of hardship shall not be an eligible rollover distribution and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan.

3.4 **Modification of definition of eligible rollover distribution to include after-tax employee contributions**. For purposes of the direct rollover provisions in the Plan, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

ARTICLE IV
ROLLOVERS FROM OTHER PLANS

Eligible Rollover Contributions. The Plan will accept Employee Rollover Contributions of eligible rollover distributions made after December 31, 2001, from:

a. a qualified plan described in Section 401(a) or 403(a) of the Code, excluding after-tax employee contributions.

b. an annuity contract described in Section 403(b) of the Code, excluding after-tax employee contributions.

c. an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

The Plan will accept an participant rollover contribution of the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

ARTICLE V
INVOLUNTARY CASH-OUTS

5.1 **Effective date**. This Article shall apply for distributions made after December 31, 2001, and shall apply to all Participants.

5.2 **Rollovers disregarded in determining value of account balance for involuntary distributions**. For purposes of the Sections of the Plan that provide for the involuntary distribution of vested accrued benefits of $5,000 or less, the value of a Participant's nonforfeitable account balance shall be determined with consideration of that portion of the account balance that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Code. If the value of the Participant's nonforfeitable account balance as so determined is $5,000 or less, then the Plan shall immediately distribute the Participant's entire nonforfeitable account balance.

ARTICLE VI
REPEAL OF MULTIPLE USE TEST

Repeal of Multiple Use Test. The multiple use test described in Treasury Regulation Section 1.401(m)-2 and the Plan shall not apply for Plan Years beginning after December 31, 2001.

ARTICLE VII
CATCH-UP CONTRIBUTIONS

Catch-up Contributions. All Employees who are eligible to make elective deferrals under this Plan and who have attained age 50 before the close of the Plan Year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, Section 414(v) of the Code. Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Sections 402(g) and 415 of the Code. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the Code, as applicable, by reason of the making of such catch-up contributions.

This Article shall apply to contributions after May 31, 2002.

ARTICLE VIII
DISTRIBUTION UPON SEVERANCE OF EMPLOYMENT

8.1 **Effective date**. This Article shall apply for distributions and transactions made after December 31, 2001, regardless of when the severance of employment occurred.

8.2 **New distributable event**. A Participant's elective deferrals, qualified nonelective contributions, qualified Matching Contributions, and earnings attributable to these contributions shall be distributed on account of the Participant's severance from employment. However, such a distribution shall be subject to the other provisions of the Plan regarding distributions, other than provisions that require a separation from service before such amounts may be distributed.

ARTICLE IX
MINIMUM REQUIRED DISTRIBUTIONS

9.1. **Minimum Distribution Requirements**.

(a) **General Rules**.

(i) **Effective Date**. The provisions of this Article 9 will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(ii) **Precedence**. The requirements of this section will take precedence over any inconsistent provisions of the Plan.

(iii) **Requirements of Treasury Regulations Incorporated**. All distributions required under this section will be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Internal Revenue Code.

(iv) **TEFRA Section 242(b)(2) Elections**. Notwithstanding the other provisions of this section, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

(b) **Time and Manner of Distribution**.

(i) **Required Beginning Date**. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date within the meaning of section 401(a)(9) of the Code.

(ii) **Death of Participant Before Distributions Begin**. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.

(B) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, except as provided by Section 9.1(e), the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(D) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 9.1(b)(ii), other than paragraph (A) above, will apply as if the surviving spouse were the Participant.

For purposes of this Section 9.1(b)(ii) and Section 9.1(d), unless paragraph (D) above applies, distributions are considered to begin on the Participant's required beginning date. If paragraph (D) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under paragraph (A) above. If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph (A) above), the date distributions are considered to begin is the date distributions actually commence.

(iii) **Forms of Distribution**. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 9.1(c) and 9.1(d). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury regulations.

(c) **Required Minimum Distributions During Participant's Lifetime**.

(i) **Amount of Required Minimum Distribution For Each Distribution Calendar Year**. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(A) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(B) if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(ii) **Lifetime Required Minimum Distributions Continue Through Year of Participant's Death**. Required minimum distributions will be determined under this Section 9.1(c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death

(d) **Required Minimum Distributions After Participant's Death**.

(i) **Death On or After Date Distributions Begin**.

(A) **Participant Survived by Designated Beneficiary**. If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:

(1) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) **No Designated Beneficiary**. If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) **Death Before Date Distributions Begin**.

(A) **Participant Survived by Designated Beneficiary**. If the Participant dies before the date distributions begin and there is a designated beneficiary, except as provided in Section 9.1(b)(ii)(B) and Section 9.1(e), the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in Section 9.1(d)(i).

(B) **No Designated Beneficiary**. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) **Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin**. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 9.1(b)(ii)(A), this Section 9.1(d)(ii) will apply as if the surviving spouse were the Participant.

(e) **Election to Allow Participants or Beneficiaries to Elect 5-Year Rule**.

(i) **General Rule**. Participants or beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in Section 9.1(b)(ii) and Section 9.1(d)(ii) applies to distributions after the death of a Participant who has a designated beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under Section 9.1(b)(ii), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death. If neither the Participant nor beneficiary makes an election under this paragraph, distributions will be made in accordance with Section 9.1(b)(ii) and Section 9.1(d)(ii).

(ii) **Transitional Rule**. A designated beneficiary who is receiving payments under the 5-year rule may make a new election to receive payments under the life expectancy rule until December 31, 2003, provided that all amounts that would have been required to be distributed under the life expectancy rule for all distribution calendar years before 2004 are distributed by the earlier of December 31, 2003 or the end of the 5-year period.

(f) **Definitions**.

(i) **Designated beneficiary**. The individual who is designated as the Beneficiary the Plan and is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.

(ii) **Distribution calendar year**. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 9.1(b)(ii). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution

calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(iii) **Life expectancy**. Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury regulations.

(iv) **Participant's account balance**. The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

ARTICLE X

Section 4.4 of the Plan is amended to read as follows:

4.4 Matching Contributions. Subject to any limitation in this Section, each Participating Employer shall make a Matching Contribution for each Plan Year on behalf of each Participant who makes Pre-Tax Contributions or After-Tax Contributions on or after the first day of the month following completion of one year of Eligibility Service. The Matching Contribution from such Employer for such a Contributing Participant shall equal fifty percent (50%) of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year (excluding any such contributions which have been withdrawn during that Plan Year) which are made on or after that day, but shall not exceed two percent (2%) of the Participant's Compensation for any payday with respect to which such contributions are made. Subject to any limitation in this Section, if, as of the end of the Plan Year, the aggregate amount of Matching Contributions made on behalf of a Participant is less than the specified percentage of the applicable portion of the Participant's Pre-Tax Contributions and After-Tax Contributions for the Plan Year, the Participating Employer will make an additional Matching Contribution on behalf of the Participant in an amount equal to the difference.

ARTICLE XI

Effective as of January 1, 2002, Section 8.5 of the Plan is amended to read as follows:

Section 8.5 Claims Procedure.

(a) A Participant or the Participant's spouse or Beneficiary shall have the right to submit a claim for benefits in writing or by another method permitted by applicable rules or regulations to the Claims Reviewer. The claim must specify the basis of it and the amount of the benefit claimed.

(b) The Claims Reviewer shall act to deny or accept said claim within ninety (90) days of the receipt of the claim by notifying the Participant or the spouse or the Beneficiary of the Claims Reviewer's action, unless special circumstances require the extension of such ninety (90) day period. If such extension is necessary, the Claims Reviewer shall provide the Participant or the spouse or Beneficiary with notification in writing or by another method permitted by

applicable rules or regulations of such extension before the expiration of the initial ninety (90) day period. Such notice shall specify the reason or reasons for such extension and the date by which a final decision can be expected. In no event shall such extension exceed a period of ninety (90) days from the end of the initial ninety (90) day period.

(c) In the event the Claims Reviewer denies the claim of a Participant or the spouse or Beneficiary in whole or in part, the Claims Reviewer's notification in writing or by another method permitted by applicable rules or regulations shall specify, in a manner calculated to be understood by the claimant:

(1) the reason or reasons for denial;

(2) the specific section or sections of the Plan upon which the denial is based;

(3) a description of any additional material or information, if any, necessary for the claimant to perfect his or her claim, and an explanation as to why such information or material is necessary;

(4) a statement that the claimant will be provided, on request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits;

(5) an explanation of the claim review procedure specified in the Plan; and

(6) a statement of the claimant's right to bring a civil action pursuant to Section 502(a) of ERISA following a continued denial of the claimant's claim after appeal review.

(d) Should the claim be denied in whole or in part and should the claimant be dissatisfied with the Claims Reviewer's disposition of the claimant's claim, the claimant may have a full and fair review of the claim by the Administrator upon request therefor in writing or by another method permitted by applicable rules or regulations submitted by the claimant or the claimant's duly authorized representative and received by the Administrator within sixty (60) days after the claimant receives notification in writing or by another method permitted by applicable rules or regulations that the claimant's claim has been denied.

(e) In connection with such review in Subsection (d), the claimant or the claimant's duly authorized representative shall be entitled to review pertinent documents and submit the claimant's views as to the issues in writing or by another method permitted by applicable rules or regulations. The Administrator shall act to deny or accept the claim within sixty (60) days after receipt of the claimant's request in writing or by another method permitted by applicable rules or regulations for review unless special circumstances require the extension of such sixty (60) day period. If such extension is necessary, the Administrator shall provide the claimant with notification in writing or by another method permitted by applicable rules or regulations of such extension before the expiration of such initial sixty (60) day period.

(f) In all events, the Administrator shall act to deny or accept the claim within one hundred twenty (120) days of the receipt of the claimant's request for review in writing or by another method permitted by applicable rules or regulations. The action of Administrator shall be in the form of a notice in writing or by another method permitted by applicable rules or

regulations to the claimant and its contents shall include all of the requirements for action on the original claim.

(g) In no event may a claimant commence legal action for benefits the claimant believes are due the claimant until the claimant has exhausted all of the remedies and procedures afforded the claimant by this section.

IN WITNESS WHEREOF, The Toro Company has hereunto subscribed its name on this __________ day of ____________________, 2002.

THE TORO COMPANY

By ______________________________

Its ______________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this __________ day of ____________________, 2002, before me personally appeared ______________________________, to me personally known, who, being by me first duly sworn, did depose and say that he [she] is the ______________________________ of The Toro Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he [she] acknowledged said instrument to be the free act and deed of said corporation.

____
Notary Public

Exhibit (d)(13)(D)

AMENDMENT NO. 3
TO THE TORO COMPANY PROFIT SHARING PLAN
FOR PLYMOUTH UNION EMPLOYEES
(2002 Restatement)

The Toro Company, a Delaware corporation, pursuant to the power of amendment reserved to it in Section 11.1 of the Toro Company Profit Sharing Plan for Plymouth Union Employees (the “Plan”) hereby amends the Plan as described below.

1. The Plan is amended to make the definition of “Compensation” in Section 1.1 of the Plan effective as of January 1, 1997.

2. Effective as of January 1, 2003, Section 3.1(b) of the Plan is amended by adding a new subparagraph (4) thereto reading as follows:

   "(4) An Employee classified as a casual employee by the Employee’s Participating Employer shall not be eligible to become a Covered Employee.”

3. The Plan is amended to make the provisions of Section 4.6, effective as of January 1, 1997.

4. Effective January 1, 2001, Section 4.12(b) of the Plan is amended to read as follows:

   “(b) Thereafter, as of the last day of each Plan Year, one share of Common Stock or cash sufficient to purchase a share shall be allocated to each Participant who is a Qualified Employee of the Participating Employer and has not previously had a share of Toro’s stock or cash contributed on the Participant’s behalf under this section.”

5. Effective as of January 1, 2002, Section 9.8(e) of the Plan is deleted in its entirety.

6. The following cross-references are revised as provided below to reflect the correct referenced provisions, effective as of January 1, 2001:

   A. The language in paragraph (3) of the definition of “Eligibility Service” in Section 1.1 after the semicolon and the semicolon are removed from that paragraph.

   B. All references to a subsection within Section 4.8 in Sections 4.6(e)(5) and 4.6(f)(2) are changed to refer to the same subsection in Section 4.6.

   C. The reference to “Section 4.8” in Section 7.3(g) is changed to refer to “Section 4.7”.

   D. All references to a paragraph within Section 7.3(h) in Section 7.3(g) are changed to refer to the same paragraph in Section 7.3(g).

   E. The reference to “subsection (g)” in Section 7.3(i) is changed to refer to “subsection (h)”.

   F. The reference to “Article VIII” in Section 9.6(b)(2)(A)(ii) is changed to refer to “Article VII”.

IN WITNESS WHEREOF, The Toro Company has hereunto subscribed its name on this __________ day of ____________________, 2002.

THE TORO COMPANY

By ____

Its ____

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this __________ day of ____________________, 2002, before me personally appeared ____, to me personally known, who, being by me first duly sworn, did depose and say that he [she] is the ____________________ of The Toro Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he [she] acknowledged said instrument to be the free act and deed of said corporation.

____
Notary Public

Exhibit (d)(13)(E)

AMENDMENT NO. 4
TO THE TORO COMPANY PROFIT SHARING PLAN
FOR PLYMOUTH UNION EMPLOYEES
(2002 Restatement)

The Toro Company, a Delaware corporation, pursuant to the power of amendment reserved to it in Section 11.1 of the Toro Company Profit Sharing Plan for Plymouth Union Employees (the "Plan") hereby amends the Plan as described below, effective as of June 1, 2003.

1. A new definition is added to Section 1.1 of the Plan for the term Employer Contribution Account to read as follows:

   Employer Contribution Account. "Employer Contribution Account" means an Account described in Section 6.1(a)(6).

2. Section 4.4 of the Plan is amended by adding the following language at the end:

   Matching Contributions may be made in cash or in Toro Common Stock (treasury shares or newly issued shares).

3. Section 6.1(a)(6) of the Plan is amended to read as follows:

   (6) Employer Contribution Account, which shall show the amount of the Participant's interest in the Trust Fund derived from amounts transferred to it pursuant to Section 9.7; and

4. A new Section 6.1(a)(7) is added to the Plan to read as follows:

   (7) Such further Accounts as may be established by the Administrator.

5. The first sentence of Section 9.5 of the Plan is amended to read a follows:

   As of each Investment Option Date, each Participant or Beneficiary may elect to have the Participant's or Beneficiary's Accounts in the Trust Fund, other than the Participant's Accounts attributable to Matching Contributions that have not been transferred to the Employer Contribution Account pursuant to Section 9.7, invested in one or more Investment Funds; provided, however, that the Administrator shall establish uniform rules as to the portion of an Account which may be invested in any one Investment Fund; and provided further, if any of the limitations of Section 9.4(b) are applicable, the Participant or Beneficiary may only elect to have amounts attributable to contributions described in that subsection invested as provided in such subsection.

6. Section 9.7 of the Plan is amended to read as follows:

Section 9.7. Diversification of Investments.

(a) As of the end of each calendar quarter, each Participant who has attained age 55 will be permitted to direct the Plan as to the investment of 100 percent of the value of the portion of the Participant's Matching Contribution Account (including the Vested and non-Vested portions) to the extent the Participant has not previously been permitted to direct the investment thereof in accordance with Section 9.7(b). A Participant will not be allowed to direct the investment of the Participant's Matching Contributions allocated during a calendar quarter after the Participant has attained age 55 until the subsequent calendar quarter.

(b) Effective as of June 1, 2003, a Participant or Beneficiary may direct the investment of the portion of a Participant's or Beneficiary's Matching Contribution Account, other than amounts previously diversified pursuant to this Section 9.7, that exceed thirty percent (30%) of the total value of the Participant's or Beneficiary's total Account (including the Vested and non-Vested portions), as determined at the end of each calendar quarter. Such amounts will continue to be invested in Toro Common Stock, but will be transferred to the Participant's or Beneficiary's Employer Contribution Account, and the Participant or Beneficiary can direct the investment thereof consistent with Section 9.5. Effective as of December 31, 2003, the thirty percent (30%) diversification threshold in the preceding sentence will be reduced to twenty-five percent (25%). Effective as of June 30, 2004, the twenty-five percent (25%) threshold in the preceding sentence will be reduced to twenty percent (20%).

(c) The requirements in this section shall be satisfied by offering the investment options made available under Section 9.5 of the Plan to each Participant with respect any portion of a Participant's Account described in subsections (a) or (b) above.

(d) The portion of a Participant's Account subject to the investment direction of the Participant as described in subsections (a) and (b) above shall be allocated to an appropriate Account of the Participant specified by the Administrator.

(e) All valuations of employer securities which are not readily tradable on an established securities market with respect to activities carried on by the Plan must be by an independent appraiser. For purposes of the preceding sentence, the term "independent appraiser" means any appraiser meeting requirements similar to the requirements of the regulations under Section 170(a)(1) of the Code.

(f) Notwithstanding anything herein to the contrary, the Trustee may sell sufficient shares of Toro Common Stock from a Participant's Account without direction as may be necessary to raise cash sufficient to meet the expenses of the Trust.

(g) Any Participant who has incurred a Termination of Service will be permitted to direct the Plan as to the investment of the value of the Participant's Vested Share in a manner consistent with the requirements of this Section 9.7 as if the Participant had not incurred a Termination of Service.

IN WITNESS WHEREOF, The Toro Company has hereunto subscribed its name on this __________ day of ____________________, 2003.

THE TORO COMPANY

By ____

Its ____

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this __________ day of ____________________, 2003, before me personally appeared ____, to me personally known, who, being by me first duly sworn, did depose and say that he [she] is the ____________________ of The Toro Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he [she] acknowledged said instrument to be the free act and deed of said corporation.

____

Notary Public

Exhibit (d)(13)(F)

AMENDMENT NO. 5 TO
THE TORO COMPANY
PROFIT SHARING PLAN FOR PLYMOUTH UNION EMPLOYEES
(2002 Restatement)

The Toro Company, a Delaware corporation, pursuant to the power of amendment reserved to it in Section 11.1 of The Toro Company Profit Sharing Plan for Plymouth Union Employees (the "Plan") hereby adopts and publishes this Amendment No. 5 to the Plan effective as of the dates indicated below.

1. A new Section 9.7(h) is added to the Plan to read as follows effective as of March 15, 2004:

(h) Notwithstanding subsection (b) above, a Participant or Beneficiary may elect to tender all or a portion of the Toro Common Stock allocated to the Participant's or Beneficiary's Matching Contribution Account (including the Vested and non-Vested portions of all such Accounts) other than amounts previously diversified pursuant to this Section 9.7; provided that such tender of Toro Common Stock must be done with respect to the tender offer by Toro that commences on or about March 17, 2004 and ends on or about April 8, 2004. The following provisions shall apply to such tender:

(1) The proceeds of any tender of Toro Common Stock accepted by Toro will be transferred to the Participant's or Beneficiary's Employer Contribution Account, and invested in the default investment fund in of the Plan at the time of such transfer, in accordance with the rules of the Administrator. The Participant or Beneficiary can subsequently direct the investment of such proceeds transferred to the Employer Contribution Account consistent with Section 9.5.

(2) With respect to any tender of Toro Common Stock that is not accepted by the Company, the other provisions of this Section 9.7 will continue in force on and after the end of the tender period.

2. Section 9.8(c) of the Plan is amended by adding the following language at the end, effective as of March 15, 2004:

For purposes of the tender offer by Toro that commences on or about March 17, 2004 and ends on or about April 8, 2004, Participants who do not return materials tendering all or a portion of the Toro Common Stock held in their Accounts (including the Vested and non-Vested portions of all such Accounts) will be deemed to have provided a response declining to tender any shares of Toro Common Stock to Toro, and the Trustee will act as if it had received direction from those Participants to retain all of the Toro Common Stock in their Accounts (including the Vested and non-Vested portions of all such Accounts).

IN WITNESS WHEREOF, The Toro Company has hereunto subscribed its name on this day of , 2004.

THE TORO COMPANY

By ____________________________________

Its ____________________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this day of , 2004, before me personally appeared , to me personally known, who, being by me first duly sworn, did depose and say that he [she] is the of The Toro Company, the corporation named in the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he [she] acknowledged said instrument to be the free act and deed of said corporation.

____

Notary Public