

READ RANDOLPH C

Form 4

July 19, 2018

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
Number: 3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
READ RANDOLPH C

(Last) (First) (Middle)

123 ROBERT S. KERR, 123
ROBERT S. KERR

(Street)

2. Issuer Name **and** Ticker or Trading
Symbol
SANDRIDGE ENERGY INC [SD]

3. Date of Earliest Transaction
(Month/Day/Year)
07/17/2018

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____ Officer (give title below) ____ Other (specify below)

6. Individual or Joint/Group Filing(Check
Applicable Line)
X Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

OKLAHOMA CITY, OK 73102

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount (A) or (D)	Price	
Common Stock	07/17/2018		A		8,762	\$ 17.12	8,762 D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
READ RANDOLPH C 123 ROBERT S. KERR 123 ROBERT S. KERR OKLAHOMA CITY, OK 73102	

Signatures

by: Dustin Crawford, Power of Attorney
07/19/2018

____Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. exercisable for a term of ten years after the date of grant.

If a director becomes disabled or dies, all outstanding unvested stock options will vest in full on the date the director's service ceases by reason of such disability or death and all outstanding stock options may be exercised up to the earlier of the date the stock options expire or one year after the date the director's service ceased by reason of such disability or death.

If a director has served as a member of the Board for ten full fiscal years or longer and terminates his or her service on the Board, other than due to death or disability, his or her outstanding unvested stock options will continue to vest in accordance with their terms and the director may exercise the vested portions of the stock options for up to four years after the director's date of termination, but not later than the date the stock options expire. If a director has served as a

member of the Board for less than ten full fiscal years and terminates his or her service on the Board, other than due to death or disability, his or her outstanding unvested stock options will expire and be canceled and the director may exercise any vested portions of the stock options for up to three months after the director's date of termination, but not later than the date the stock options expire. The following directors have served as a member of the Board for ten full fiscal years or longer: Robert C. Buhrmaster, Janet K. Cooper, Katherine J. Harless, Gregg W. Steinhafel and Christopher A. Twomey.

If there is a change in control of our Company, stock options granted under the Amended and Restated 2010 Plan will vest immediately and remain exercisable for the remaining term and stock options granted under The Toro Company 2000 Directors Stock Plan, as amended, or 2000 Directors Stock Plan, will remain exercisable for three years or their respective expiration date, if earlier. The general definition of a change in control under the Amended and Restated 2010 Plan and the 2000 Directors Stock Plan is described under "Change in Control" on page 59.

Director Compensation for Fiscal 2015. The following table provides summary information concerning the compensation of each individual director who served during fiscal 2015, other than Michael J. Hoffman, our Chairman and CEO, who is not compensated separately for his service as a director and whose compensation is discussed in the "Executive Compensation" section beginning on page 31. In addition, as Richard M. Olson, our President and COO, was elected to the Board in fiscal 2016 and is not compensated separately for his service as a director, he is not reflected in the following table.

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽³⁾⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total (\$)
Robert C. Buhrmaster	\$ 105,000	\$51,536	\$49,998	\$ 2,882	\$209,416
Janet K. Cooper	\$ 99,500	\$51,536	\$49,998	\$ —	\$201,034
Gary L. Ellis ⁽⁶⁾	\$ 89,500	\$51,536	\$49,998	\$ —	\$191,034
Jeffrey M. Ettinger ⁽⁷⁾	\$ 84,500	\$51,536	\$49,998	\$ —	\$186,034
Katherine J. Harless ⁽⁸⁾	\$ 87,500	\$51,536	\$49,998	\$ 2,363	\$191,397
James C. O'Rourke	\$ 84,500	\$51,536	\$49,998	\$ 9,831	\$195,865
Gregg W. Steinhafel	\$ 77,500	\$51,536	\$49,998	\$ 3,074	\$182,108
Christopher A. Twomey	\$ 87,500	\$51,536	\$49,998	\$ 2,348	\$191,382

Unless a director otherwise elected to convert a portion or all of his or her annual retainers into shares of our (1) common stock under our Amended and Restated 2010 Plan, annual retainers were paid in cash in four quarterly installments at the beginning of each fiscal quarter.

(2) On November 3, 2014, 835 shares of our common stock were granted to each non-employee director with the calculation based on the average of the closing prices of our common stock, as reported on the NYSE, during the three months prior to the grant, which was \$59.88. However, the amount reported in the table represents the grant

date fair value, computed in accordance with Financial Accounting

23

Standards Board (FASB) Accounting Standard Codification (ASC) Topic 718. The closing price on the grant date of \$61.72 was used in calculating the grant date fair value. The automatic grant of stock awards on November 3, 2014, were the only stock awards granted to directors during fiscal 2015. As of October 31, 2015, no directors held any restricted stock or other unvested stock awards.

On November 3, 2014, a stock option to purchase 2,596 shares of our common stock was granted to each non-employee director. The amount reported in the table represents the grant date fair value computed in accordance with FASB ASC Topic 718. The grant date fair value is based on a Black-Scholes model valuation of \$19.26 per share. The following assumptions were used in the Black-Scholes calculation: a risk-free interest rate of 1.8%; expected life of 6 years; expected volatility of 34.42%; and an expected dividend yield of 1.27%. The exercise price per share is equal to 100% of the fair market value of one share of our common stock on the date of grant, as determined by the closing price for our common stock, as reported on the NYSE, which was \$61.72 on November 3, 2014. The actual value of the stock option awards, if any, to be realized by a director depends upon whether the price of our common stock at exercise is greater than the exercise price of the stock options. The automatic grant of stock option awards on November 3, 2014, were the only stock options granted to directors during fiscal 2015.

As of October 31, 2015, the aggregate number of stock options (exercisable and unexercisable) held by each director was as follows: Mr. Buhrmaster—44,245; Ms. Cooper—37,689; Mr. Ellis—44,245; Mr. Ettinger—18,215; Ms. Harless—32,443; Mr. O’Rourke—8,569; Mr. Steinhafel—18,215; and Mr. Twomey—37,689. These numbers are different from the numbers set forth in the “Stock Options” column in footnote (2) to the “Directors and Executive Officers” stock ownership table beginning on page 6 which (i) sets forth information as of January 15, 2016 and (ii) does not include options that will become exercisable more than 60 days after January 15, 2016.

We generally do not provide perquisites and other personal benefits to our non-employee directors other than Company products for personal use. The amount reported for each of Messrs. Buhrmaster, O’Rourke, Steinhafel and Twomey represents the value of products, parts, service or accessories, as described under “Company Products” on page 22. The amount reported for Ms. Harless represents both products, parts, services or accessories and a charitable donation under our director matching gift program, as described under “Charitable Giving” on page 22.

Mr. Ellis elected to defer receipt of his calendar 2014 and calendar 2015 retainers earned for fiscal 2015 under the Deferred Plan for Directors.

Mr. Ettinger elected to convert his calendar 2014 and calendar 2015 retainers into shares of our common stock under the Amended and Restated 2010 Plan. On December 15, 2015, based on that day’s closing stock price of \$76.98, as reported on the NYSE, Mr. Ettinger received 1,118 shares of our common stock in lieu of \$86,064 cash that would have been paid in calendar 2015. The amount shown in the “Fees Earned or Paid in Cash” column represents the amount he earned for fiscal 2015.

Ms. Harless elected to defer receipt of her calendar 2014 and calendar 2015 retainers earned in fiscal 2015 under the Deferred Plan for Directors.

Related Person Transactions and Policies and Procedures Regarding Related Person Transactions

On November 14, 2014, we acquired substantially all of the assets (excluding accounts receivable) of the BOSS® professional snow and ice management business of privately held Northern Star Industries, Inc., or Northern Star. BOSS designs, manufactures, markets and sells a broad line of snowplows, salt and sand spreaders, and related parts and accessories for light and medium duty trucks, all-terrain vehicles, utility terrain vehicles, skid steers, and front-end loaders. We paid the purchase price of \$229.5 million in cash, except for \$30 million which was paid in the form of an unsecured promissory note, or Note. Under the terms of the Note, interest will accrue at the rate of 4.0% per year and principal payments of \$10 million each, together with accrued interest, will be payable on the first, second and third anniversaries of the closing date of the acquisition, subject to certain conditions. The Note will serve as the first, but not the exclusive, source to secure Northern Star's and its shareholders' indemnification and other obligations under the purchase agreement for the transaction. The President and Chief Executive Officer of Northern Star is David J. Brule. Mr. Brule is also the majority shareholder of Northern Star. Effective as of the closing of the acquisition on November 14, 2014, we hired David J. Brule II, Mr. Brule's son and a minority shareholder of Northern Star, as President, BOSS, and as of that date Mr. Brule II became an executive officer of Toro.

Our Corporate Governance Guidelines set forth in writing our policies and procedures regarding the review, approval and ratification of related person transactions. All reportable related person transactions must be reviewed, approved or ratified by the Nominating & Governance Committee. In determining whether to approve or ratify such transactions, the Committee will take into account, among other factors and information it deems appropriate:

- the related person's relationship to our Company and interest in the transaction;

- the material facts of the transaction;

- the benefits to our Company of the transaction; and

an assessment of whether the transaction is (to the extent applicable) in the ordinary course of business, at arm's length, at prices and on terms customarily available to unrelated third party vendors or customers generally, and whether the related person had any direct or indirect personal interest in, or received any personal benefit from, such transaction.

Transactions in the ordinary course of business, between us and an unaffiliated corporation of which one of our non-employee directors serves as an officer, that are at arm's length, at prices and on terms customarily available to unrelated third party vendors or customers generally, in which the non-employee director had no direct or indirect personal interest, nor received any personal benefit, and in amounts that are not material to our business or the business of such unaffiliated corporation, are deemed conclusively pre-approved. In addition, the full Board reviewed and approved the acquisition of the BOSS business described previously.

Board of Directors Business Ethics Policy Statement

It is our policy to maintain the highest level of moral, ethical and legal standards in the conduct of our business. Pursuant to our Corporate Governance Guidelines, the Board has adopted, and each director annually signs, a Business Ethics Policy Statement. The policy can be found on our website at www.thetorocompany.com (select the "Investor Information" link and then the "Corporate Governance" link).

Code of Conduct and Code of Ethics for our CEO and Senior Financial Officers

All of our directors and employees are required to comply with our Code of Conduct to help ensure that our business is conducted in accordance with the highest level of moral, ethical and legal standards. We also have a Code of Ethics for our CEO and Senior Financial Officers applicable to our Chairman and CEO (our principal executive officer), our Vice President, Treasurer and Chief Financial Officer (our principal financial officer), our Vice President, Corporate Controller (our principal accounting officer and controller), and to all business unit controllers and senior accounting personnel identified by our Vice President, Corporate Controller who are also bound by the provisions set forth in the Code of Conduct relating to ethical conduct, conflicts of interest and compliance with the law. Our Code of Conduct and Code of Ethics for our CEO and Senior Financial Officers can be found on our website at www.thetorocompany.com (select the “Investor Information” link and then the “Corporate Governance” link). If necessary, we intend to satisfy the disclosure requirements of Item 5.05 of the Current Report on Form 8-K regarding amendments to or waivers from any provision of our Code of Ethics for our CEO and Senior Financial Officers by posting such information on our website at www.thetorocompany.com (select the “Investor Information” link and then the “Corporate Governance” link).

Communications with Directors; Complaint Procedures

Shareholders and other interested parties may communicate directly with our Board of Directors, our Board committees, our non-employee directors as a group, our Lead Director, or any other specified individual director in writing by (i) sending a letter addressed to The Toro Company Board of Directors, c/o Vice President, Secretary and General Counsel, 8111 Lyndale Avenue South, Bloomington, Minnesota, 55420-1196, or (ii) sending an email to boardofdirectors@toro.com. Substantive communications, such as corporate governance matters or potential issues relating to accounting, internal controls or other auditing matters, are forwarded by our Vice President, Secretary and General Counsel to the relevant director(s) as appropriate. Communications not requiring the substantive attention of our Board, such as employment inquiries, sales solicitations, donation requests, questions about our products, and other such matters, are handled directly by our Management.

We maintain procedures to receive, retain and treat complaints regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. A 24-hour, toll-free confidential ethics hotline and a confidential web-based reporting tool are available for the submission of concerns regarding these and other matters by any employee. Concerns and questions received through these methods relating to accounting, internal accounting controls or auditing matters are promptly brought to the attention of the Chair of the Audit Committee and are handled in accordance with procedures established by the Audit Committee. Complete information regarding our complaint procedures is contained within our Code of Conduct, which may be accessed on our website as noted above.

PROPOSAL TWO—RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Selection of Independent Registered Public Accounting Firm

The Audit Committee selects our independent registered public accounting firm, or external auditor. In this regard, the Audit Committee evaluates the qualifications, performance and independence of our external auditor and determines whether to re-engage the current external auditor. As part of its evaluation, the Audit Committee considers, among other factors, the quality and efficiency of the services provided by the external auditor, including the performance, technical expertise, and industry knowledge of the lead audit partner and the audit team assigned to our account; the overall strength and reputation of the external audit firm; the external auditor's global capabilities relative to our business; and the external auditor's knowledge of our operations. Upon consideration of these and other factors, the Audit Committee has selected KPMG LLP, or KPMG, to serve as our external auditor for fiscal 2016. Although it is not required to do so, the Board, as it traditionally has done in the past, is asking our shareholders to ratify the Audit Committee's selection of KPMG. If our shareholders do not ratify the selection of KPMG, the Audit Committee may reconsider its selection. Even if the selection is ratified by our shareholders, the Audit Committee in its discretion may change the appointment at any time during the year if it determines that such a change would be in the best interests of our Company and our shareholders.

Representatives of KPMG will be present at the annual meeting to answer appropriate questions. They also will have the opportunity to make a statement if they wish to do so.

Audit, Audit-Related, Tax and Other Fees

The following table sets forth the aggregate fees billed to us for professional services rendered by KPMG for fiscal 2015 and fiscal 2014 by category, as described in the footnotes to the table.

	Fiscal 2015	Fiscal 2014
Audit Fees ⁽¹⁾	\$1,170,764	\$1,501,870
Audit-Related Fees ⁽²⁾	\$54,265	\$62,434
Tax Fees ⁽³⁾	\$300,526	\$243,150
All Other Fees	\$0	\$0

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Consist of aggregate fees billed, or expected to be billed, for fiscal 2015 and fiscal 2014, respectively, for professional services rendered by KPMG in connection with the audit of our consolidated financial statements (1) included in our Annual Report on Form 10-K, review of our condensed consolidated financial statements included in our Quarterly Reports on Form 10-Q, statutory audits of certain of our international subsidiaries and the audit of internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002.

Consist of aggregate fees billed for KPMG's services related to audits of employee benefit plans, issuance of a (2) consent for a Form S-8 registration statement filed with the SEC on May 20, 2015, and various other attestation procedures.

(3) Consist of aggregate fees billed for professional services rendered by KPMG for permissible domestic and international tax consulting, planning and compliance services.

Pre-Approval Policies and Procedures

The Audit Committee Charter requires that the Audit Committee review and approve in advance the retention of our external auditor for all types of audit and non-audit services to be performed for us by our external auditor and approve the fees for such services, other than de minimus non-audit services allowed by relevant rules and regulations. All of the services provided to us by KPMG for which we paid Audit Fees, Audit-Related Fees and Tax Fees, as shown in the table above, were pre-approved by the Audit Committee in accordance with this pre-approval policy and procedures.

The Board of Directors Recommends a Vote FOR Ratification of the Selection of KPMG LLP as Our Independent Registered Public Accounting Firm for Fiscal 2016

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Audit Committee Report

This report is furnished by the Audit Committee with respect to our financial statements for fiscal 2015.

Ultimate responsibility for good corporate governance rests with our Board, whose primary roles and responsibilities involve oversight, counseling and providing direction to our Management in the best long-term interests of Toro and our shareholders. As set forth in its charter, the Audit Committee assists our Board by, among other things, providing oversight of our accounting and financial reporting processes, the audits of our annual financial statements and internal control over financial reporting. A copy of our Audit Committee Charter, which further describes the role and responsibilities of the Audit Committee, is available online at www.thetorocompany.com (click on “Investor Information” and “Corporate Governance”).

Management is primarily responsible for the establishment and maintenance of our accounting and financial reporting processes, including our internal controls, and for the preparation and presentation of complete and accurate financial statements. Our independent registered public accounting firm, KPMG LLP, is responsible for performing an independent audit of our financial statements and internal controls over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (U.S.), or PCAOB, expressing an opinion as to the conformity of the financial statements with generally accepted accounting principles, and expressing an opinion on the effectiveness of our internal control over financial reporting.

In performing its oversight role, the Audit Committee has (i) reviewed and discussed with Management our audited financial statements for fiscal 2015, (ii) discussed with representatives of KPMG the matters required to be discussed by PCAOB Auditing Standard 1301 (Communications with Audit Committees), (iii) received the written disclosures and the letters from KPMG required by applicable requirements of the PCAOB regarding KPMG’s communications with the Audit Committee concerning KPMG’s independence, and (iv) discussed with representatives of KPMG its independence and concluded that it is independent from Toro and its Management.

Based on the review and discussions referred to in the foregoing paragraph and subject to the limitations on its responsibilities set forth in its charter, the Audit Committee recommended to our Board that our audited financial statements for fiscal 2015 be included in our Annual Report on Form 10-K for the fiscal year ended October 31, 2015, for filing with the SEC.

Audit Committee:

Janet K. Cooper (Chair)

Explanation of Responses:

Gary L. Ellis

Jeffrey M. Ettinger

Katherine J. Harless

James C. O'Rourke

PROPOSAL THREE—ADVISORY APPROVAL OF EXECUTIVE COMPENSATION

The Board is providing our shareholders with an advisory vote on executive compensation pursuant to the Dodd-Frank Wall Street Consumer Protection Act, or the Dodd-Frank Act, and Section 14A of the Exchange Act. This advisory vote, commonly known as a say-on-pay vote, is a non-binding vote on the compensation paid to our named executive officers as set forth in the “Executive Compensation” section of this proxy statement beginning on page 31, including in the “Compensation Discussion and Analysis,” the accompanying compensation tables and the corresponding narrative discussion and footnotes. At the 2015 Annual Meeting of Shareholders held on March 17, 2015, 97% of the votes cast by our shareholders were in favor of the say-on-pay vote. The Compensation & Human Resources Committee believes that such results affirmed shareholder support of our approach to executive compensation.

Our executive compensation program is generally designed to attract, retain, motivate and reward highly qualified and talented executive officers, including our named executive officers, who will enable us to perform better than our competitors and drive long-term shareholder value. The underlying core principles of our executive compensation program include (i) aligning the interests of our executives with those of our shareholders and linking pay to performance by providing compensation opportunities that are tied directly to the achievement of financial performance goals and long-term stock price performance and (ii) providing competitive compensation opportunities targeted at the market 50th percentile for both individual elements of compensation and total direct compensation at target levels of financial performance, which we believe allows us to attract and retain the necessary executive talent while motivating and rewarding the accomplishment of annual and long-term financial performance goals and maintaining an appropriate cost structure. The “Compensation Discussion and Analysis,” beginning on page 31, describes our executive compensation program and the executive compensation decisions made by the Compensation & Human Resources Committee in fiscal 2015 in more detail. Important considerations include:

A significant portion of the total compensation paid or awarded to our named executive officers in fiscal 2015 was “performance-based” or “at-risk” compensation tied directly to the achievement of financial performance goals or long-term stock price performance.

Annual cash incentive awards and three-year performance share awards granted in fiscal 2015 are “performance-based” in that certain threshold, or minimum, levels of financial performance must be achieved in order for there to be any payout for a specified performance measure and, in particular, for the annual cash incentive awards, the threshold level of diluted net earnings per share, or EPS, performance must have been achieved in order for there to be any corporate payout or any corporate portion payout to division participants.

All incentive compensation awards, including annual and long-term equity and incentive awards, are subject to a “clawback” mechanism.

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Explanation of Responses:

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None of our named executive officers have employment or severance agreements or arrangements, except as provided for in our change in control severance compensation policy, or CIC policy.

• We do not provide tax “gross-up” payments under our CIC policy or in connection with any annual or long-term compensation, benefits or perquisites provided to our named executive officers.

• Our executive officers receive only modest perquisites.

• We maintain stock ownership guidelines for each of our executive officers.

• Our insider trading policy prohibits executive officers and directors from purchasing Toro securities on margin, borrowing against any account in which Toro securities are held, or pledging Toro securities as collateral for a loan.

Our insider trading policy prohibits employees, executive officers and directors from purchasing any financial instruments (including without limitation collars, equity swaps, prepaid variable forward contracts, and exchange funds) that are designed to hedge or offset any decrease in the market value of Toro securities.

• We have an independent Compensation & Human Resources Committee.

• We utilize an independent compensation consultant.

We believe that our executive compensation objectives and core principles have resulted in an executive compensation program and related decisions that have appropriately incentivized the achievement of financial goals and produced financial results that have benefited our Company and our shareholders and are expected to drive long-term shareholder value over time. For example:

• Our fiscal 2015 net sales reached a record \$2.39 billion, an increase of approximately 10% over fiscal 2014 net sales;

• Our fiscal 2015 diluted net EPS of \$3.55 represented an increase of approximately 17.5% over fiscal 2014 diluted net EPS of \$3.02;

We continued our history of paying quarterly cash dividends in fiscal 2015 and we increased our fiscal 2015 quarterly cash dividend by 25 percent to \$0.25 per share compared to our quarterly cash dividend in fiscal 2014 of \$0.20 per share; and

• Our stock repurchase program returned over \$100 million in cash to our shareholders in fiscal 2015, which reduced the number of shares of common stock outstanding.

Accordingly, the Board recommends that our shareholders vote in favor of the say-on-pay vote as set forth in the following resolution:

RESOLVED, that our shareholders approve, on an advisory basis, the compensation paid to our named executive officers, as disclosed pursuant to the compensation disclosure rules of the SEC, including in the “Compensation Discussion and Analysis,” the accompanying compensation tables and the corresponding narrative discussion and footnotes, and any related material disclosed in this proxy statement.

Shareholders are not ultimately voting to approve or disapprove the Board’s recommendation. As this is an advisory vote, the outcome of the vote is not binding on us with respect to future executive compensation decisions, including those relating to our named executive officers, or otherwise. Our Compensation & Human Resources Committee and Board expect to take into account the outcome of the vote when considering future executive compensation decisions.

In accordance with the result of the advisory vote on the frequency of the say-on-pay vote, which was conducted at the Company’s 2011 Annual Meeting of Shareholders, the Board of Directors has determined that the Company will conduct an executive compensation advisory vote on an annual basis. Accordingly, the next say-on-pay vote will occur in 2017 in connection with our 2017 Annual Meeting of Shareholders.

**The Board of Directors Recommends a Vote FOR Approval, on an Advisory Basis,
of our Executive Compensation, or Say-On-Pay Vote.** R

30

EXECUTIVE COMPENSATION

Compensation & Human Resources Committee Report

The Compensation & Human Resources Committee has reviewed and discussed the “Compensation Discussion and Analysis” with Management and, based on such review and discussion, the Committee recommended to the Board that the “Compensation Discussion and Analysis” be included in this proxy statement and in our Annual Report on Form 10-K for the fiscal year ended October 31, 2015.

Compensation & Human Resources Committee:

Christopher A. Twomey (Chair)

Jeffrey M. Ettinger

Katherine J. Harless

Gregg W. Steinhafel

Compensation Discussion and Analysis

Overview. In this Compensation Discussion and Analysis, or CD&A, we describe the key principles and approaches used to determine elements of compensation paid to, awarded to and earned by the following named executive officers whose compensation is set forth in the “Summary Compensation Table” on page 47:

• Michael J. Hoffman, our Chairman and CEO;

• Renee J. Peterson, our Vice President, Treasurer and Chief Financial Officer;

• Michael J. Happe, our former Group Vice President, Residential and Contractor Businesses;

• William E. Brown, Jr., our Group Vice President, Commercial and Irrigation Businesses; and

- Timothy P. Dordell, our Vice President, Secretary and General Counsel.

Mr. Happe resigned as an officer and employee of Toro, which was effective as of January 1, 2016.

This CD&A should be read in conjunction with the accompanying compensation tables, corresponding footnotes and narrative discussion, as they provide information and context to the compensation disclosures. Additionally, this CD&A should be read in conjunction with our advisory vote on executive compensation, which can be found under “Proposal Three—Advisory Approval of Executive Compensation” beginning on page 29.

Executive Compensation Program Objectives. Our guiding compensation philosophy is to maintain an executive compensation program that allows us to attract, retain, motivate and reward highly qualified and talented executive officers that will enable us to perform better than our competitors and drive long-term shareholder value. The following core principles provide a framework for our executive compensation program:

- Align interests of executive officers with shareholder interests;
- Link pay to performance; and
- Provide competitive target total direct compensation opportunities.

Highlights of Compensation Practices. At our 2015 Annual Meeting of Shareholders, our shareholders had the opportunity to provide a say-on-pay vote. Of the votes cast by our shareholders, 97% were in favor of our say-on-pay vote. Accordingly, the Compensation & Human Resources Committee believes that such results affirmed shareholder support of our approach to executive compensation and did not believe it was necessary to, and, therefore, did not, make any significant changes to our executive compensation program.

What We Do:

- We link a substantial portion of total executive compensation directly to performance and require that minimum, or threshold, levels of performance be met in order for there to be any payout.
- We utilize a mix of performance measures for our annual cash incentive awards and performance share awards.
- Our annual cash incentive award and performance share award payouts are capped at 200% of the target award.
- Time-based equity awards have a minimum vesting requirement over three years.
- We utilize three-year performance share awards, the payouts of which vary based on financial performance and are contingent upon the achievement of three-year performance goals.
- We utilize stock options, the value of which is contingent upon long-term stock price performance since stock options only have value if the stock price at the time of exercise exceeds the exercise price established at the time of grant.
- We maintain stock ownership guidelines for our executive officers.
- We include clawback provisions within our annual cash incentive and long-term incentive awards.
- We have an independent Compensation & Human Resources Committee which is advised by an independent external compensation consultant.
- We provide our shareholders with the opportunity to cast a say-on-pay vote on an annual basis.

What We Do Not Do:

- We do not allow repricing or exchange of any equity awards without shareholder approval.
- We do not have individual employment agreements with any named executive officer.
- We do not provide excessive perquisites.
- We do not provide gross-up payments to cover personal income taxes or excise taxes that pertain to executive or severance benefits.
- We do not allow hedging or pledging of Toro securities.

Pay Levels/Mix. A significant portion of our executive officers' target total direct compensation is comprised of short- and long-term variable performance-based, or "at risk", compensation to directly link their pay to performance. For fiscal 2015:

80% of the target total direct compensation for our Chairman and CEO was performance-based, and

65% of the target total direct compensation for our other named executive officers was performance-based.

Short-term variable compensation is in the form of annual cash incentive awards. Long-term variable compensation is in the form of stock options that vest over three years and three-year performance share awards. We target pay opportunities within a competitive range of the market 50th percentile for each element of compensation and in total. However, a number of factors may influence why any individual element of compensation or total direct compensation may vary from the targeted competitive range of the market 50th percentile. We also provide our executive officers with modest perquisites (see page 35) and retirement and benefit plans (see page 35).

Fiscal 2015 Financial Results and Impact On Variable Compensation. Below is a brief summary of key financial performance measures that we used in our performance-based compensation plans, as well as other financial highlights, for fiscal 2015.

Key Financial Performance	Fiscal 2014	Fiscal 2015	Change
Net sales (in millions)	\$2,172.7	\$2,390.9	+10.0%
Diluted net EPS	\$3.02	\$3.55	+17.5%
Corporate average net assets turns	2.97000	2.12180	Decrease of 0.85 points
Quarterly cash dividend	\$0.20	\$0.25	+25.0%

Additionally, our stock repurchase program returned over \$100 million to our shareholders during fiscal 2015.

Impact on Annual Cash Incentives. As described in more detail under “Annual Cash Incentives” beginning on page 36, corporate performance for fiscal 2015 exceeded the threshold and target performance goals, as applicable, established for the fiscal 2015 annual cash incentive awards, as indicated in the table below:

Corporate: Fiscal 2015 Performance Measures	Threshold (40 % payout)	Target (100 % payout)	Maximum (200 % payout)	Actual
30% corporate revenue growth	8.1%	10.1% – 11.1%	14.1%	10.0% (between threshold and target)
50% diluted net EPS	\$2.69	\$3.36	\$4.03	\$3.55 (between target and maximum)
20% corporate average net assets turns	1.81569	2.13610	2.45652	2.12180 (between threshold and target)
Corporate performance payout				113.37% of target

The annual cash incentive payout for certain of our executive officers, including Messrs. Happe and Brown, is also subject to division performance. Details on division performance and the corresponding payout percentages are described in detail under “Annual Cash Incentives” beginning on page 36.

Impact on Long-Term Incentives. As described in more detail under “Long-Term Incentives—Performance Measures for the Performance Period Ending in Fiscal 2015” on page 43, the three-year cumulative corporate performance for fiscal 2013 to fiscal 2015 exceeded the threshold and target performance goals, as applicable, established for the fiscal 2013 to fiscal 2015 performance period, as indicated in the table below:

Fiscal 2013 to Fiscal 2015 Performance Measures	Threshold (40% payout)	Target (100% payout)	Maximum (200% payout)	Actual
50% cumulative corporate net income plus after-tax interest (in thousands)	\$391,054	\$ 488,817	\$ 553,991	\$546,566 (between target and maximum)
30% cumulative corporate revenue (in thousands)	\$6,150,541	\$ 6,545,164	\$ 6,909,595	\$6,476,481 (between threshold and target)
20% cumulative corporate average net assets turns	7.88947	9.28173	10.67399	8.67278 (between threshold and target)
Fiscal 2013 to fiscal 2015 corporate performance payout				135.92% of target

How We Make Compensation Decisions. There are several elements to our executive officer compensation decision-making, which we believe allow us to most effectively implement our established compensation philosophy. Each of these elements and their roles are described briefly below.

Role of the Compensation & Human Resources Committee. The Compensation & Human Resources Committee, which is comprised solely of independent directors, oversees our executive compensation program. Within its duties, the Committee approves compensation for our Chairman and CEO, which is then submitted to the other independent directors of the Board for ratification, and for each other executive officer, who we define as any employee at or above the vice president level. In doing so, the Committee:

- Approves the total direct executive compensation package for each executive officer, including his or her base salary, annual cash incentive award and long-term incentive awards;
- Reviews and approves, as appropriate, corporate and division financial performance measures, weightings, goals and performance adjustment events, if any, related to our annual and long-term incentive awards;
- Reviews and approves annual cash incentive award payouts and performance share award payouts;
- Evaluates market competitiveness of each of our executive officer's compensation (in total and by each individual element); and
- Evaluates proposed significant changes to other elements of our executive compensation program.

During fiscal 2015, the Committee received input from Towers Watson, its external compensation consultant, and our Management, including our Chairman and CEO, Vice President, Human Resources and our Managing Director, HR and Total Rewards.

Role of the External Compensation Consultant. The Committee has sole authority to hire consultants, approve their fees and determine the nature and scope of their work. The Committee may replace consultants or hire additional consultants at any time.

A representative from Towers Watson attended each Committee meeting in fiscal 2015 and generally communicated with the Chair of the Committee in advance of, or following, such Committee meetings. During fiscal 2015, Towers Watson reviewed and discussed executive compensation trends with Management and the Committee and provided market data for all of our executive officers, including our named executive officers, along with a comparison of those executive officers' current base salaries, target total cash compensation and total direct compensation to the market 25th, 50th and 75th percentiles. Additionally, during fiscal 2015, Towers Watson reviewed and discussed executive officer compensation recommendations made by Management in advance of the Committee meeting and participated in discussions at the Committee meeting regarding those recommendations.

Towers Watson was engaged by the Committee from time to time to perform other compensation consulting services, which in fiscal 2015 included a review of non-employee director compensation. Effective as of January 6, 2016, Towers Watson merged with Willis Group Holdings and is now known as Willis Towers Watson.

Role of Management. Management's role is to provide current compensation information and information regarding executive officer duties and responsibilities to Towers Watson and provide analysis and recommendations on executive officer compensation to the Committee based on the comparison to market; the executive's level of professional experience; the executive's duties and responsibilities; individual performance; tenure; historic corporate

and division performance; and internal pay comparisons. None of our executive officers, including our Chairman and CEO, provides input or recommendations with respect to his or her own compensation.

Use of Market Data. Since one of the objectives of our executive compensation program is to provide market competitive compensation opportunities, during fiscal 2015 the Committee used market data provided by Towers Watson to help evaluate and make compensation decisions. Market data provided by Towers Watson for fiscal 2015 compensation was derived from the executive database within the Towers Watson Compensation Data Bank, which is a published compensation survey. There were 465 participating companies in the 2015 survey. The data in the compensation survey is size adjusted, using a regression analysis, for our revenue size. If regression data is not available, data is provided for a sub-set of companies with annual revenue between \$1 billion and \$3 billion (there were 142 participating companies in the 2015 survey in this revenue range). For executive officers with divisional responsibilities, the data is size adjusted for specific division revenue. We believe that the market for our executive officer talent is not limited to the manufacturing industry; therefore, we do not focus specifically on manufacturing companies within the database, nor do we identify a separate group of peer companies within the manufacturing industry. The market data provided by Towers Watson was in aggregate form and individual data for participating companies in the survey was not provided and, therefore, was not considered when determining executive officer compensation in total or for any individual element.

Elements of Our Executive Compensation Program. During fiscal 2015, our executive compensation program consisted of the following key elements: base salary, annual cash incentive, long-term incentives primarily in the form of stock options and performance share awards, health and welfare benefits, retirement plans and perquisites. The following table provides some of the key characteristics of and purpose for each element along with some key actions taken during fiscal 2015.

Element	Key Characteristics	Purpose	Key Fiscal 2015 Actions
Base Salary	A fixed amount, paid in cash and reviewed annually and, if appropriate, adjusted.	Provide a source of fixed income that is market competitive and reflects scope and responsibility of the position held.	Our named executive officers received base salary increases effective as of November 1, 2014, the first day of fiscal 2015, ranging from 3.3% to 5.3% of their then current annual base salaries. Target awards as a percent of base salary for our named executive officers were established at 55% to 120% of fiscal year base salary earnings. We maintained the same corporate and division performance measures and weightings for our fiscal 2015 annual cash incentives as in fiscal 2014 since we believed such performance measures and weightings continued to be appropriate.
Annual Cash Incentive	A variable, short-term element of compensation that is payable in cash based on achievement of key pre-established annual corporate financial goals and for division participants, division financial goals.	Motivate and reward our executive officers for achievement of annual financial business goals intended to drive overall company and division performance.	Our named executive officers were granted stock options and performance share awards. We established corporate performance measures and weightings for all of our executive officers for our fiscal 2015 to fiscal 2017 performance period to strengthen alignment to overall corporate goals and performance. As a result, we eliminated division performance measures and goals for the fiscal 2015 to fiscal 2017 performance period.
Long-Term Incentives	A variable, long-term element of compensation that is provided in the form of stock options and performance share awards. Stock options are time-based and vest ratably over three years and performance share awards are payable based on achievement of cumulative financial goals after three years and are paid out in shares of our common stock.	Align the interests of our executive officers with our shareholders; encourage focus on long-term company financial performance measures that are deemed strategically and operationally important to our company; promote retention of our executive officers; and encourage significant ownership of our common stock. Attract new executive officers, reward promoted executive officers, or retain existing executive officers, especially during transition periods.	Messrs. Happe and Brown were granted restricted stock units on September 15, 2015. See additional details on page 44.
Health and Welfare Benefits	Includes medical and dental insurance; life, accidental death and dismemberment insurance; and disability insurance.	Provide competitive health and welfare benefits.	No significant changes were made.

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Retirement Plans	Includes a defined contribution retirement plan and certain nonqualified retirement plans.	Provide an opportunity for employees to save and prepare financially for retirement.	No significant changes were made.
Perquisites	Includes a company-leased automobile, financial planning allowance, company products and executive physicals.	Assist in promoting the health and personal financial security of our executive officers; promote the personal use of our products by our executive officers; and promote the attraction and retention of our executive officers.	No significant changes were made.

We describe each key element of our executive compensation program in more detail in the following pages, along with the compensation decisions made in fiscal 2015.

Base Salary.

General. We review base salaries for our executive officers on an annual basis to ensure that they remain market competitive and reflect the scope and responsibility of their positions. Specifically, the base salaries for our executive officers are reviewed and discussed at the regular meeting of the Compensation & Human Resources Committee held in November or December of each year and base salary increases, if any, for our executive officers are approved at that meeting and are effective November 1, the first day of our fiscal year. Additionally, base salaries for executive officers are reviewed upon a change in an executive officer's responsibilities or role within our Company.

Discussion and Analysis. When we recommended fiscal 2015 base salaries for our named executive officers, the following factors were considered: current base salary, positioning relative to competitive market data, scope and complexity of the position, historical and current levels of individual performance and internal pay comparisons. Fiscal 2015 annual base salaries, fiscal 2015 annual base salary increases compared to fiscal 2014 and fiscal 2015 annual base salaries compared to the market 50th percentile are provided in the table below for our named executive officers:

Name	Fiscal 2015 Annual Base Salary	Fiscal 2015 Annual Base Salary Increase Compared to Fiscal 2014	Fiscal 2015 Annual Base Salary Compared to Market 50 th Percentile
Mr. Hoffman	\$ 960,000	3.8 %	8% above
Ms. Peterson	\$ 475,000	3.3 %	At market
Mr. Happe	\$ 395,000	5.3 %	2% below
Mr. Brown	\$ 390,000	4.0 %	At market
Mr. Dordell	\$ 397,500	3.5 %	2% below

The base salaries for our named executive officers are at or close to the market 50th percentile. The base salary increase of 3.8% for Mr. Hoffman resulted in his base salary being slightly above the market 50th percentile, which the Committee believes is appropriate given Mr. Hoffman's experience, performance and tenure in the role. In fiscal 2015, the base salary increases for all other named executive officers were intended to bring their respective annual base salaries to, or closer to, the market 50th percentile. The fiscal 2015 annual base salaries are set forth in the "Summary Compensation Table" on page 47 in the "Salary" column.

Annual Cash Incentives.

General. To help ensure we meet our compensation program objective of linking pay to performance, we provide the opportunity for our executive officers to earn an annual cash incentive, which is designed to motivate attainment and reward accomplishment of annual financial business goals. This is done by establishing financial goals for our annual incentive plan that link closely to our annual financial plan.

At the beginning of each fiscal year, during its regular meeting held in November or December, the Compensation & Human Resources Committee approves a target award expressed as a percentage of base salary for each executive officer, including our named executive officers. Additionally, the Committee approves specific performance measures, weightings, goals and performance adjustment events, if any, at the corporate and division level, as applicable, for the new fiscal year. The performance measures are derived from a list of performance measures in our Amended and Restated 2010 Plan. For each performance measure, a threshold, target and maximum level of performance is defined, which have corresponding payout percentages. During the fiscal year, the Committee reviews progress against the established goals. Following the end of the fiscal year, at its regular meeting held in November or December, Management presents a summary of, and the Committee certifies, actual performance in comparison to the established corporate and division goals along with a corresponding payout percentage, which is expressed as a percent of target performance. Annual cash incentive awards are contingent upon and paid out to the executive officers in December following our earnings release for the recently completed fiscal year.

Target Awards. When determining the target award, as a percent of base salary, for each named executive officer, the Committee reviews the market 50th percentile for target total cash compensation (sum of base salary and target annual cash incentives) for the positions in which such executive officer serves. Our objective is that when we achieve target levels of performance, resulting total cash compensation paid to our executive officers is within a reasonable range of the market 50th percentile. Actual total cash compensation will generally exceed the market 50th percentile if actual performance exceeds established target annual financial business goals and will generally be less than the market 50th percentile if actual performance is below established target annual financial business goals. In addition to considering the market data, the Committee also considers experience, scope and complexity of the executive officer's position, individual contributions and performance, as well as internal pay equity. Actual awards can range from 0% (if threshold levels of performance are not met) to 200% of the target award (if maximum levels of performance are met for all of the performance measures) and the resulting competitiveness of total cash compensation will also vary accordingly.

In December 2014, the Committee approved the fiscal 2015 target awards shown below for our named executive officers. The change in the target award percentage, the fiscal 2015 target annual cash incentive award and resulting fiscal 2015 target total cash compensation (sum of fiscal 2015 annual base salary and fiscal 2015 target annual cash incentive award) and the comparison to the market 50th percentile are also provided.

Name	Fiscal 2015 Annual Base Salary	Fiscal 2015 Award at Target (% of base salary)	Fiscal 2015 Target Award Percentage Change	Fiscal 2015 Target Annual Cash Incentive Award	Fiscal 2015 Target Total Cash Compensation	Fiscal 2015 Target Total Cash Compensation Compared to Market 50th Percentile
Mr. Hoffman	\$ 960,000	120 %	+5%	\$ 1,152,000	\$ 2,112,000	14% above
Ms. Peterson	\$ 475,000	70 %	No change	\$ 332,500	\$ 807,500	At market
Mr. Happe	\$ 395,000	60 %	No change	\$ 237,000	\$ 632,000	8% below
Mr. Brown	\$ 390,000	60 %	No change	\$ 234,000	\$ 624,000	3% below
Mr. Dordell	\$ 397,500	55 %	No change	\$ 218,625	\$ 616,125	6% below

We believe that the fiscal 2015 target annual cash incentive awards reflect market competitive annual cash incentive opportunities and that the differentiation of target awards among our named executive officers is appropriate given the scope and responsibility of their respective positions. The change in the target award for Mr. Hoffman was intended to compensate him for his experience, performance and tenure in the role.

The target awards resulted in fiscal 2015 target total cash compensation being at or slightly below the market 50th percentile for our named executive officers, with the exception of Mr. Hoffman, whose fiscal 2015 target total cash compensation was above the market 50th percentile. Details regarding actual total cash compensation for fiscal 2015

can be found under “Annual Cash Incentives—Actual Cash Compensation Discussion and Analysis” on page 40.

Performance Measures, Weightings and Goals. Each year, the Committee determines performance measures, weightings, goals and performance adjustment events, if any, for the annual cash incentive awards. We believe that in order to motivate our executive officers to achieve annual financial business goals, it is important to select performance measures designed to motivate our named executive officers to achieve our annual financial plan, as well as drive shareholder value. Key drivers in our annual financial plan for fiscal 2015 included revenue growth, profitability and asset efficiency. Accordingly, the corporate performance measures for fiscal 2015 were corporate revenue growth, diluted net EPS and corporate average net assets turns, and the division performance measures were division revenue growth, division controllable profit contribution, or CPC, and division working capital as a percent of sales.

The Committee determined that the corporate and division measures and weightings that were in effect for fiscal 2014 were still appropriate and, therefore, did not change the corporate and division performance measures and weightings for fiscal 2015. The corporate and division performance measures and weightings for fiscal 2015, as approved by the Committee, were therefore as follows:

Corporate Performance Measures	Division Performance Measures
30% corporate revenue growth	50% division revenue growth
50% diluted net EPS	40% division CPC
20% corporate average net assets turns	10% division working capital as a percent of sales

Our executive officers with all corporate responsibilities had 100% of their annual cash incentive tied to corporate performance. Our executive officers with divisional responsibility generally had 50% of their annual cash incentive tied to division performance and the remaining portion tied to corporate performance.

For fiscal 2015, threshold, target and maximum goals were established for each corporate and division performance measure. Target levels of performance were established based on our annual financial business plan, which takes into account our prior fiscal year financial business results, our competitive situation and the general outlook for our business during the current fiscal year. Additionally, the following thresholds affect whether or not a corporate and/or division payout is made:

- The diluted net EPS threshold goal, which was set at 80% of plan, must have been met in order for there to be any payout for corporate participants and any corporate portion of the payout for division participants; and

- For division participants to receive a division payout for the respective individual divisions over which they have responsibility, CPC for the respective division must have been at least 80% of the plan established for that division, or the threshold level of performance.

As provided for and in accordance with our Amended and Restated 2010 Plan, the Committee also established specific adjustment events for determining corporate performance payouts and division performance payouts under the fiscal 2015 annual cash incentive awards. With respect to corporate adjustment events, the impact of an acquisition on the fiscal 2015 annual cash incentive award payouts was determined by the size of the acquisition based on projected annual revenue for the first twelve months following the closing of an acquisition, as follows:

- The impact of any acquisition greater than \$10 million was to be excluded from the payout calculation, unless such acquisition was included in the fiscal 2015 goals; and
- The impact of any acquisition less than \$10 million was to be included in the payout calculation.

Additionally, any externally driven changes in accounting principles and standards were to be excluded if the cumulative net impact on the payout of all such accounting adjustments affected the award payout by more than 2%. With respect to division adjustment events, the impact of any acquisition was excluded from the payout calculation and the impact of any currency fluctuations from assumed foreign currency exchange rate plan levels was excluded from the payout calculation.

Corporate Performance Measures and Goals. The table below summarizes the fiscal 2015 corporate performance measures and goals applicable to our named executive officers. The BOSS acquisition met the \$10 million threshold for an adjustment event; however, the BOSS acquisition was included in the fiscal 2015 goals and, therefore, was included in the payout calculation. In fiscal 2015, there were no corporate adjustment events. For our named executive officers with divisional responsibility, 50% of their annual cash incentive award was based on the achievement of the corporate goals listed in the table below. The remaining 50% was based on the achievement of division goals, which are discussed later in this section.

Corporate: Fiscal 2015 Performance Measures	Threshold (40% payout)	Target (100% payout)	Maximum (200% payout)	Actual
30% corporate revenue growth	8.1%	10.1% – 11.1%	14.1%	10.0% (between threshold and target)
50% diluted net EPS	\$2.69	\$3.36	\$4.03	\$3.55 (between target and maximum)
20% corporate average net assets turns	1.81569	2.13610	2.45652	2.12180 (between threshold and target)
Corporate performance payout				113.37% of target

Corporate Performance Discussion and Analysis. When applying the weightings of the performance measures to actual results, the resulting corporate performance payout for fiscal 2015 was 113.37% of target. Since Mr. Hoffman, Ms. Peterson and Mr. Dordell had 100% of their annual cash incentive awards tied to corporate performance, their annual cash incentive award payouts were at 113.37% of target. Applying their individual target awards as a percent of base salary, this translated to payouts of approximately 136%, 79% and 62% of fiscal year base salary earnings for Mr. Hoffman, Ms. Peterson and Mr. Dordell, respectively.

Division Performance Measures and Goals. In addition to corporate performance, our executives with division responsibility had 50% of their annual cash incentive award based on actual division performance against division performance goals established for the individual divisions over which they have responsibility. As a result, in fiscal 2015, Messrs. Happe and Brown had 50% of their annual cash incentive award tied to division performance.

The division performance measures for fiscal 2015 included division revenue growth, division CPC and division working capital as a percent of sales. Threshold, target and maximum goals were established for each of these performance measures for each division at the beginning of the fiscal year. The specific performances for each of the revenue growth, CPC and working capital as a percent of sales for each division are maintained as proprietary and confidential. The Committee believes that disclosure of these specific performance goals would represent competitive harm to us as division goals and results are not publicly disclosed and are competitively sensitive.

Reflected below are the payout percentages associated with various levels of performance.

Level of Performance	Payout %
Threshold	40% of target
Target	100%
Maximum	200% of target

For each performance measure, the target goal reflects the annual financial business plan goal set for each respective division. Based on historical performance, the Committee believes the attainment of the target performance level, while uncertain, could be reasonably anticipated. Threshold goals represent the minimum level of performance necessary for there to be a payout for that performance measure and the Committee believes the threshold goals are likely to be achieved. The threshold goal for CPC represented 80% of the plan set for each respective division. Threshold goals for revenue growth and working capital as a percent of sales represented the minimum level of performance that the Committee determined would be appropriate in order to receive a payout. Maximum goals represented the level of performance at which payouts are 200% of the target award. Even if actual results exceed the maximum goals, the payouts are capped at 200% of the target award. The maximum goal for CPC represents 120% of the plan set for each respective division. Maximum goals for revenue growth and working capital as a percent of sales represent levels of performance at which the Committee determines a payout of 200% of target would be appropriate. The Committee believes that the maximum goals established for each division performance measure are more

aggressive goals.

Discussion and Analysis of Division Performance Applicable to Mr. Happe. The annual cash incentive for Mr. Happe was based 50% on corporate performance and 50% on division performance. The division performance was based on the divisions over which Mr. Happe had responsibility during fiscal 2015. Division performance for Mr. Happe was weighted to generally reflect the difference between the size and profitability of these divisions, as well as the time that Mr. Happe devoted to these divisions.

The table below reflects how the Residential, Exmark, Landscape Contractor Equipment and Sitework Systems divisions performed against the three performance measures.

Performance Measure	Residential	Exmark	Landscape Contractor Equipment	Sitework Systems
Division revenue growth	Above Maximum	Between Target and Maximum	Below Threshold	Between Threshold and Target
Division CPC	Between Target and Maximum	Between Target and Maximum	Between Threshold and Target	Between Threshold and Target
Division working capital as a percent of sales	Between Threshold and Target	Between Target and Maximum	Below Threshold	Below Threshold

When applying the weightings assigned to each division to the division payout percentages, the resulting division payout percent and overall payout percent for Mr. Happe is reflected below. These resulted in a payout to Mr. Happe of just under 74% of his fiscal 2015 base salary earnings.

Weighted division payout for Mr. Happe (50% weighting)	132.43% of target
Corporate payout (50% weighting)	113.37% of target
Overall payout to Mr. Happe	122.90% of target

Discussion and Analysis of Division Performance Applicable to Mr. Brown. The annual cash incentive for Mr. Brown was based 50% on corporate performance and 50% on division performance. The division performance was based on the divisions over which Mr. Brown had responsibility during fiscal 2015. Division performance for Mr. Brown was weighted to generally reflect the difference between the size and profitability of these divisions, as well as the time that Mr. Brown devoted to these divisions.

The table below reflects how the Commercial, Irrigation and BOSS divisions performed against the three performance measures.

Performance Measure	Commercial	Irrigation	BOSS
Division revenue growth	Below Threshold	Below Threshold	Above Maximum
Division CPC	Between Threshold and Target	Between Threshold and Target	Above Maximum
Division working capital as a percent of sales	Below Threshold	Between Threshold and Target	Above Maximum

When applying the weightings assigned to each division to the division payout percentages, the resulting division payout percent and overall payout percent for Mr. Brown is reflected below. These resulted in a payout to Mr. Brown of just over 52% of his fiscal 2015 base salary earnings.

Weighted division payout for Mr. Brown (50% weighting)	61.48% of target
Corporate payout (50% weighting)	113.37% of target
Overall payout to Mr. Brown	87.43% of target

Actual Cash Compensation Discussion and Analysis. Fiscal 2015 actual total cash compensation and its position relative to the market 50th percentile is reflected in the table below. The corporate performance payout of the annual cash incentive award of 113.37% of target resulted in actual total cash compensation being above the market 50th percentile for Mr. Hoffman and Ms. Peterson and slightly below the market 50th percentile for Mr. Dordell. The

overall payout of 122.90% of target for Mr. Happe resulted in actual total cash compensation being at market 50th percentile. The overall payout of 87.43% of target for Mr. Brown resulted in actual total cash compensation being slightly below the market 50th percentile.

Name	Fiscal 2015 Base Salary Earnings	Fiscal 2015 Actual Total Annual Cash Incentive Award Payout	Fiscal 2015 Actual Total Cash Compensation	Fiscal 2015 Actual Total Cash Compensation Compared to Market 50th Percentile
Mr. Hoffman	\$ 960,000	\$ 1,305,981	\$ 2,265,981	23% above
Ms. Peterson	\$ 475,000	\$ 376,943	\$ 851,943	6% above
Mr. Happe	\$ 395,000	\$ 291,263	\$ 686,263	At market
Mr. Brown	\$ 390,000	\$ 204,571	\$ 594,571	7% below
Mr. Dordell	\$ 397,500	\$ 247,847	\$ 645,347	1% below

Long-Term Incentives.

General. We believe that our use of long-term incentives tied to our common stock, along with our stock ownership guidelines, help align the interests of our executive officers with the interest of our shareholders. Therefore, we provide the opportunity for our executive officers to earn market competitive long-term incentives in the form of both stock options and performance share awards that are granted annually. With respect to annual grants of long-term incentive awards, in addition to considering market data, we also consider for each executive officer the scope and complexity of the position, tenure, internal pay comparisons, individual performance and historical targeted grant levels.

Generally, one-half of the long-term incentive value is delivered in the form of stock options and one-half of the long-term incentive value is delivered in the form of performance share awards. We believe

this mix of equity strikes the appropriate balance between rewarding increases in the market value of our common stock and the achievement of company specific performance measures. Actual value realized from our long-term incentive awards may exceed or be less than the market 50th percentile based on actual performance against established three-year cumulative financial business goals for performance share awards and the price of our common stock for stock options. In addition to stock options and performance share awards, we also occasionally use awards of restricted stock or restricted stock units in connection with the hiring of new executive officers, mid-year promotions of existing executive officers, leadership transition or retention purposes.

Stock Options. Each year at its regular meeting held in November or December, the Compensation & Human Resources Committee approves the annual grant of stock options to our executive officers. If we deliver strong shareholder returns, our stock price presumably will increase, thereby increasing the value of the stock options and resulting total compensation. If shareholder value is not delivered and our stock price does not increase, the options will have no value. Annual stock options are generally granted on the date of the Committee's meeting or, if held before the issuance of our earnings release announcing prior fiscal year results, on the second business day following the issuance of the earnings release, with the day of such earnings release being the first day, and have a per share exercise price equal to the closing price of our common stock, as reported on the NYSE, on the date of grant.

To determine the number of options to award to our executive officers, we start with a total target value of stock options and divide that value by the expected value of an option to purchase a share of our common stock, using a Black-Scholes option pricing method. The calculation of the expected value is based on the average closing price of our common stock, as reported on the NYSE, over the last three months of the prior fiscal year. The three-month average allows for smoothing of any volatility that may be associated with a particular date's stock price.

Stock options granted to our executive officers, including our named executive officers, vest ratably in three equal installments on each of the first, second and third year anniversaries of the date of grant and are exercisable for a period of ten years following the date of grant. The three-year vesting schedule is consistent with the three-year performance period for our performance share awards. We believe the three-year period for both stock options and performance share awards provides retention value and focuses our executive officers on attainment of longer-term performance. The Compensation & Human Resources Committee periodically reviews option vesting schedules and terms.

Performance Share Awards. Each year at its regular meeting held in November or December, the Compensation & Human Resources Committee approves the annual grant of performance share awards to our executive officers, including our named executive officers. Performance share awards are paid out in shares of our common stock following completion of a three-year performance period if certain performance goals are achieved. The performance goals are derived from performance measures contained in our Amended and Restated 2010 Plan.

To determine the number of target performance share awards to be granted to our executive officers, we start with a total target value of performance share awards to be delivered. That value is divided by an expected value per share to determine the number of performance share awards to grant at target. The expected value per share is equal to the average closing price of our common stock, as reported on the NYSE, over the last three months of the prior fiscal year.

At the beginning of the first fiscal year in the three-year period, the Compensation & Human Resources Committee establishes performance measures, weightings, goals and performance adjustment events, if any, for the entire three-year performance period, as well as thresholds and maximums. Similar to the process used for establishing performance goals for annual cash incentive awards, our prior fiscal year financial business results, our competitive situation and the general state of our business, including any anticipated business opportunities, are considered by the Committee when establishing performance goals for the three-year performance period. During the fiscal year, the Committee reviews progress against the performance goals for performance share awards for all outstanding performance periods. At the end of the three-year performance period, at the Committee's regular meeting in November or December, Management presents a summary of, and the Committee certifies, performance against the performance goals, and a corresponding payout, which is expressed as a percent of target. Shares of our common stock are paid out to the executive officers in December and are contingent on our earnings release for the recently completed fiscal year. Actual payouts for performance share awards can range from 0% (if the

threshold levels of performance are not met) to 200% of the target award (if maximum levels of performance are met).

Restricted Stock Awards and Restricted Stock Unit Awards. Occasionally, the Committee will approve awards of restricted stock or restricted stock units for use in certain situations, including hiring of new executive officers, mid-year promotions of existing executive officers, leadership transition or retention purposes. Vesting may be either performance-based or time-based. Performance-based awards are derived from one or more of the performance measures described in our Amended and Restated 2010 Plan. Under our Amended and Restated 2010 Plan, restricted stock and restricted stock units with time-based vesting can vest no more rapidly than ratably over three years.

Fiscal 2015 Grants. The number of stock options granted to our named executive officers for fiscal 2015 can be found in the “Grants of Plan-Based Awards for Fiscal 2015” table on page 50. The per share exercise price of the options is \$62.75, which is equal to the closing price of our common stock, as reported on the NYSE, on the date of grant, which for fiscal 2015 was December 5, 2014. The grant date fair value of those awards can be found in the “Summary Compensation Table” on page 47 in the “Option Awards” column and in the “Grants of Plan-Based Awards for Fiscal 2015” table on page 50 in the “Grant Date Fair Value of Stock and Option Awards” column.

On December 2, 2014, the Committee granted performance share awards for the fiscal 2015 through fiscal 2017 performance period. The number of performance shares at threshold, target and maximum levels of performance granted to our named executive officers for the fiscal 2015 through fiscal 2017 performance period can be found in the “Grants of Plan-Based Awards for Fiscal 2015” table on page 50 in the “Estimated Future Payouts Under Equity Incentive Plan Awards” columns. The grant date fair value of those awards at target can be found in the “Grants of Plan-Based Awards for Fiscal 2015” table on page 50 in the “Grant Date Fair Value of Stock and Option Awards” column.

Performance Measures for the Performance Period Beginning in Fiscal 2015. For the fiscal 2015 to fiscal 2017 performance share awards, the following corporate performance measures and weightings were established for all of our executive officers:

- 50% cumulative corporate net income plus after-tax interest;
- 30% cumulative corporate revenue; and
- 20% cumulative corporate average net assets turns.

The specific performance goals for the three-year award period are maintained by us as proprietary and confidential. The Committee believes that disclosure of these specific performance goals would represent competitive harm to us as

such cumulative corporate goals and results are not publicly disclosed and are competitively sensitive. For grants of performance shares for prior performance periods, division performance measures, goals and weightings were established for executive officers with division responsibility. To strengthen alignment to overall corporate performance, the Committee decided to eliminate the division performance measures, goals and weightings for the fiscal 2015 to fiscal 2017 performance share awards and establish corporate performance measures, goals and weightings for all of our executive officers.

For each performance measure, the target goal reflects the cumulative three-year financial plan goal set at the corporate level. Based on historical performance, the Committee believes the attainment of the target performance level, while uncertain, could be reasonably anticipated. Threshold goals represent the minimum level of performance necessary for there to be a payout for that performance measure and the Committee believes the threshold goals are likely to be achieved. Maximum goals represent the level of performance at which payouts are 200% of the target award. Even if actual results exceed the maximum goals, the payouts are capped at 200% of the target award. The maximum goals represent levels of performance at which the Committee determined a payout of 200% of target would be appropriate. The Committee believes that the maximum goals established for each performance measure are more aggressive goals.

In addition to approving performance measures, goals and weightings, the Committee also established, in accordance with our Amended and Restated 2010 Plan, specific corporate adjustment events for determining payouts under the fiscal 2015 to fiscal 2017 performance share awards. The impact of acquisitions on the evaluation of performance will be determined based on the size of the acquisition as

determined by projected annual revenue for the first twelve months after the closing of an acquisition as follows:

- The entire impact of any acquisition greater than \$50 million will be excluded from the payout calculation for the entire performance period unless the acquisition was built into the annual financial plan and cumulative goals;
- All impacts for acquisitions less than \$10 million will be included in the payout calculation for the entire performance period; and
- For acquisitions between \$10 million and \$50 million:

— the impact will be excluded from the payout calculation if the transaction closes during the third year of the three-year term; and

— if the transaction closes in the first or second year of the performance period, the impact will be included in the payout calculation with the exception of any transaction costs incurred.

Additionally, any externally driven changes in accounting principles and standards will be excluded from the evaluation of performance if the cumulative net impact on the payout of all such accounting adjustments affects the award payout by more than 2%.

Performance Measures for the Performance Period Ending in Fiscal 2015. The performance share awards that were granted in fiscal 2012 for the fiscal 2013 to fiscal 2015 performance period were paid out upon the completion of fiscal 2015. A summary of the performance shares awarded to our named executive officers for the fiscal 2013 to fiscal 2015 performance period, and the value realized on vesting for those awards, can be found in the “Option Exercises and Stock Vested for Fiscal 2015” table on page 53 in the “Number of Shares Acquired on Vesting” and “Value Realized on Vesting” columns, respectively.

The table below outlines the corporate performance measures and weightings, as well as threshold, target and maximum goals, along with actual levels of performance, for the fiscal 2013 to fiscal 2015 performance share awards.

Fiscal 2013 to Fiscal 2015 Performance Measure	Threshold (40% payout)	Target (100% payout)	Maximum (200% payout)	Actual
50% cumulative corporate net income plus after-tax interest (in thousands)	\$391,054	\$ 488,817	\$ 553,991	\$546,566 (between target and maximum)
	\$6,150,541	\$ 6,545,164	\$ 6,909,595	

Explanation of Responses:

30% cumulative corporate revenue (in thousands)				\$6,476,481 (between threshold and target)
20% cumulative corporate average net assets turns	7.88947	9.28173	10.67399	8.67278 (between threshold and target)
Corporate performance payout				135.92% of target

Corporate Performance Discussion and Analysis. When applying the actual performance against the weightings of the performance measures, the fiscal 2013 to fiscal 2015 corporate payout was 135.92% of target. As a result, Messrs. Hoffman and Dordell and Ms. Peterson received a performance share payout that was 135.92% of target. Based on the adjustment events approved by the Compensation & Human Resources Committee in fiscal 2013, the actual results and corresponding payout were adjusted for our acquisition of BOSS which occurred during fiscal 2015.

Discussion and Analysis of Division Performance Applicable to Mr. Happe. The fiscal 2013 to fiscal 2015 performance share award for Mr. Happe was based 75% on corporate performance and 25% on division performance. The division performance was based on the divisions over which Mr. Happe had responsibility at the time the award was granted in fiscal 2013. Division performance for Mr. Happe was weighted to generally reflect the difference between the size and profitability of these divisions, as well as the time that Mr. Happe devoted to these divisions.

The table below reflects the division performance measures and applicable weightings for the fiscal 2013 to fiscal 2015 performance share awards granted to Mr. Happe, as well as how the Residential, Exmark, Landscape Contractor Equipment and Sitework Systems divisions performed against the two performance measures.

Performance Measure	Residential	Exmark	Landscape Contractor Equipment	Sitework Systems
60% cumulative division CPC	Between Target and Maximum	Above Maximum	Between Target and Maximum	Below Threshold
40% cumulative division revenue	Above Maximum	Above Maximum	Above Maximum	Below Threshold

When applying the weightings assigned to each division to the division payout percentages, the resulting division payout percent and overall payout percent for Mr. Happe is reflected below.

Weighted division payout for Mr. Happe (25% weighting)	169.26% of target
Corporate payout (75% weighting)	135.92% of target
Overall payout to Mr. Happe	144.26% of target

Discussion and Analysis of Division Performance Applicable to Mr. Brown. The fiscal 2013 to fiscal 2015 performance share award for Mr. Brown was based 75% on corporate performance and 25% on division performance. The division performance was based on the divisions over which Mr. Brown had responsibility at the time the award was granted in fiscal 2013. Division performance for Mr. Brown was weighted to generally reflect the difference between the size and profitability of these divisions, as well as the time that Mr. Brown devoted to these divisions.

The table below reflects the division performance measures and applicable weightings for the fiscal 2013 to fiscal 2015 performance share awards granted to Mr. Brown, as well as how the Commercial and International divisions performed against the two performance measures.

Performance Measure	Commercial	International
60% cumulative division CPC	Between Threshold and Target	Between Target and Maximum
40% cumulative division revenue	Between Threshold and Target	Between Threshold and Target

When applying the weightings assigned to each division to the division payout percentages, the resulting division payout percent and overall payout percent for Mr. Brown is reflected below.

Weighted division payout for Mr. Brown (25% weighting)	109.48% of target
Corporate payout (75% weighting)	135.92% of target
Overall payout to Mr. Brown	129.31% of target

Restricted Stock Unit Grants. Richard M. Olson was promoted to the position of President and COO on September 1, 2015. After Mr. Olson's promotion we made a grant of restricted stock units to each of Messrs. Happe and Brown on September 15, 2015 to enhance retention. These restricted stock units vest and become payable in the form of shares of our common stock on September 15, 2018 if Messrs. Happe and Brown are employed with us on such date. The number of restricted stock units granted was determined based on the Committee's subjective belief of the amounts that would encourage the retention of such officers. As the restricted stock units were granted pursuant to our Amended and Restated 2010 Plan, the terms of these awards are the same as other restricted stock unit grants made under the Amended and Restated 2010 Plan. The number and grant date fair value of the restricted stock units can be found in the "Grants of Plan-Based Awards for Fiscal 2015" table on page 50 in the "All Other Stock Awards: Number of Shares of Stock or Units" column and the "Grant Date Fair Value of Stock and Option Awards" column, respectively. As a result of Mr. Happe's resignation as an officer and employee of Toro, which was effective as of January 1, 2016, all of the restricted stock units that were granted to him on September 15, 2015 were forfeited.

Target Total Direct Compensation. As described previously, when analyzing compensation, we look at base salary, target total cash compensation and target total direct compensation in comparison to the market 50th percentile when establishing new base salary levels, target annual cash incentive awards and long-term incentive awards. Actual value realized from long-term incentives is dependent on stock price at the time of exercise for stock option grants and actual payout of performance share awards at the end of the three-year term, which is dependent on actual cumulative performance against established performance goals. Therefore, it is difficult to assess actual total direct compensation on an annual basis in comparison

to the market since the market data may have changed significantly when actual long-term incentive results are fully realized. We believe it is important to continue to review target total direct compensation when establishing long-term incentive grants. The fiscal 2015 target total direct compensation, which is the sum of actual base salary, target annual cash incentive and target value of equity awards, for each named executive officer is compared to the market 50th percentile in the table below.

Name	Fiscal 2015 Target Total Direct Compensation	Comparison to Market 50 th Percentile
Mr. Hoffman	\$ 4,762,000	8% above
Ms. Peterson	\$ 1,522,500	At Market
Mr. Happe	\$ 1,117,000	5% below
Mr. Brown	\$ 1,049,000	1% above
Mr. Dordell	\$ 1,066,125	6% below

Health, Welfare and Retirement Benefits and All Other Compensation.

Health and Welfare Benefits. We believe that providing competitive health and welfare benefits at a reasonable cost is an important part of any employee's compensation package and promotes employee health. Our executive officers participate in the same health and welfare benefits as our full-time office salaried employees. These health and welfare benefits for fiscal 2015 included medical and dental insurance; life, accidental death and dismemberment insurance; and disability insurance. These benefits, including plan design and cost, are analyzed annually.

Retirement Benefits. We believe that it is important to allow our employees, including our executive officers, the opportunity to save for retirement through our IS&ESOP, which is our defined contribution plan. This is the plan in which the majority of our U.S.-based employees participate. This plan includes a 401(k) plan with a company match and two other annual discretionary company contributions, an investment savings contribution and an ESOP contribution. Company contributions for fiscal 2015 to our defined contribution plan on behalf of our named executive officers can be found under "All Other Compensation for Fiscal 2015" beginning on page 48.

Our named executive officers' compensation exceeds the IRS compensation limit; therefore, they are limited in terms of what they can contribute and what we can match in our qualified defined contribution plan. To help ensure our executive officers' ability to provide financial security and save for retirement, we maintain three nonqualified deferred compensation plans, which include: The Toro Company Deferred Compensation Plan, or Deferred Plan, the Deferred Plan for Officers and The Toro Company Supplemental Benefit Plan, or Supplemental Benefit Plan. These plans, which are unsecured and unfunded, are described under "Nonqualified Deferred Compensation for Fiscal 2015" beginning on page 54.

Perquisites. The perquisites, as well as the value of such perquisites, provided during fiscal 2015 to our named executive officers are described in greater detail in “All Other Compensation for Fiscal 2015” beginning on page 48. We believe these perquisites are an important part of our overall compensation package and help us attract, retain and reward top executive talent. Specifically, we believe that these perquisites assist in promoting the financial security and health of our executive officers and encourage the use and promotion of our products.

Charitable Giving. We support charitable organizations for our employees, including our named executive officers, through our matching gift program. The program for our executive officers provides that a gift or gifts by an executive officer and his/her spouse to one or more tax exempt 501(c)(3) charitable organizations located in the United States will be matched by us in an aggregate amount of up to \$3,000 per year.

Nonqualified Deferred Compensation Plans. As mentioned previously, we maintain three nonqualified deferred compensation plans in which our named executive officers are eligible to participate. Greater detail on these plans is provided under “Nonqualified Deferred Compensation for Fiscal 2015” beginning on page 54.

Employment, Severance and Change in Control Arrangements. Our named executive officers do not have any employment or severance agreements or arrangements other than as provided for in our CIC policy and other than certain change in control provisions in our equity plans. Accordingly, our named executive officers do not have the right to cash severance or additional benefits in connection with a

termination of employment except in connection with a change in control of our Company as described under “Change in Control” beginning on page 59. Each named executive officer is a party to our standard confidentiality, invention and non-compete agreement.

We believe that our CIC policy and other change in control arrangements are important because they provide retention incentives and additional monetary motivation to complete a transaction that the Board believes is in the best interests of our Company and our shareholders. We believe that it is in the best interests of our Company and our shareholders to assure that we will have the continued dedication of our executives, notwithstanding the possibility, threat or occurrence of a change in control. We also believe it is imperative to diminish any distraction of our executives by virtue of the personal uncertainties and risks, including personal financial risks, created by a pending or threatened change in control of the Company.

Our CIC policy incorporates a “double trigger” mechanism and provides for a severance payment for an executive officer if within three years after a change in control an executive officer’s employment is terminated by us without just cause or the executive officer terminates his or her employment for good reason, or if such termination occurs at the request of a third party who had taken steps reasonably calculated to effect the change in control. Our CIC policy does not provide a “gross-up” for 280G excise taxes and, as a condition to the payment of any severance payment, the executive officer must execute a release of claims against us.

In addition to our CIC policy, we also have change in control provisions in our Amended and Restated 2010 Plan and prior equity plans and individual award agreements that apply to our executives, including our named executive officers, as well as other employees, that provide for immediate vesting acceleration upon a change in control. More information regarding these provisions is also provided under “Change in Control” beginning on page 59. Because the immediate vesting of stock options, restricted stock, restricted stock units and certain other awards is triggered by the change in control itself, and is not dependent upon a termination of employment within a certain protection period, these acceleration provisions are known as a “single trigger” change in control arrangements. We believe these “single trigger” change in control arrangements for equity awards granted provide important retention incentives during what can often be an uncertain time for employees and provide executives with additional monetary motivation to focus on and complete a transaction that our Board believes is in the best interests of our shareholders rather than seeking new employment opportunities. If an executive were to leave prior to the completion of the change in control, non-vested options or other awards held by the executive would terminate.

The Compensation & Human Resources Committee reviews our change of control arrangements periodically to ensure that they remain appropriate.

Stock Ownership Guidelines. We maintain stock ownership guidelines that enable us to meet our compensation objective of aligning the interests of our executive officers with those of our shareholders. Our stock ownership

guidelines are described in more detail in “Stock Ownership Guidelines” on page 8. As of October 31, 2015, each of our named executive officers required to meet the stock ownership guidelines had met such guideline.

Hedging and Pledging. Our insider trading policy prohibits officers and directors from purchasing Toro securities on margin, borrowing against any account in which Toro securities are held, or pledging Toro securities as collateral for a loan. In addition, our insider trading policy prohibits employees (including executive officers) and directors from purchasing any financial instruments (including, without limitation, prepaid variable forward contracts, equity swaps, collars and exchange funds) that are designed to hedge or offset any decrease in the market value of Toro securities.

Tax Deductibility of Compensation. In designing our executive compensation program, we consider the deductibility of executive compensation under Code Section 162(m), which provides that we may not deduct more than \$1 million paid to certain executive officers, other than “performance-based” compensation meeting certain requirements. Our compensation plans and the annual cash incentive award payouts, stock option grants and performance share award payouts made under these plans have been designed with the intention of satisfying the requirements for “performance-based” compensation as defined in Code Section 162(m). While we design these plans to operate in a manner intended to qualify as “performance-based” under Code Section 162(m), the Committee may administer the plans in a manner that does not satisfy the requirements of Code Section 162(m) in order to achieve a result that the Committee determines to be appropriate. All performance-based compensation awarded to, earned by or

paid to our named executive officers in fiscal 2015 was intended to be deductible under Code Section 162(m). The restricted stock units granted to Messrs. Happe and Brown were not designed to be performance-based compensation under Code Section 162(m).

Assessment of Risk Related to Compensation Programs

We determined that our compensation policies, practices and programs and related compensation governance structure work together to minimize exposure to excessive risk while appropriately pursuing growth strategies that emphasize shareholder value creation. In reaching such determination, we noted that (i) base salaries for all employees are targeted within a competitive range of the market 50th percentile, are not subject to performance risk and, for non-executive employees, constitute the largest part of their total compensation; (ii) incentive or variable compensation awarded to our executive officers, which constitutes the largest part of their total compensation, is appropriately balanced between annual and long-term performance and cash and equity compensation, and utilizes performance measures and goals that are drivers of long-term success for our Company and our shareholders; and (iii) caps on performance-based awards are used.

Summary Compensation Table

The following table summarizes compensation for each of the last three fiscal years awarded to, earned by or paid to our Chairman and CEO; Vice President, Treasurer and CFO, and each of the other three most highly compensated executive officers. We collectively refer to the executive officers listed as our “named executive officers.” The “Compensation Discussion and Analysis” beginning on page 31 provides additional information about compensation paid to our named executive officers. Amounts in this Summary Compensation Table are not reduced to reflect elections, if any, by the named executive officers to defer receipt of base salary, annual cash incentive award payouts or performance share award payouts. Elections to defer these forms of compensation are described in more detail under “Nonqualified Deferred Compensation for Fiscal 2015” beginning on page 54. Earnings on nonqualified deferred compensation are not on a basis that is considered to be above-market or preferential.

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards ⁽²⁾ (\$)	Option Awards ⁽³⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Michael J. Hoffman, Chairman and CEO	2015	\$960,000	\$ 0	\$1,451,528	\$1,255,936	\$1,305,981	\$228,543	\$5,201,988
	2014	\$925,000	\$ 0	\$1,402,427	\$1,408,863	\$1,252,034	\$231,890	\$5,220,214

Explanation of Responses:

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	2013	\$900,000	\$ 0	\$1,236,564	\$1,254,834	\$ 1,189,980	\$ 208,413	\$4,789,791
Renee J. Peterson,	2015	\$475,000	\$ 0	\$394,080	\$338,960	\$ 376,943	\$ 103,435	\$1,688,418
VP, Treasurer and	2014	\$460,000	\$ 0	\$361,140	\$362,974	\$ 378,994	\$ 100,012	\$1,663,120
CFO	2013	\$445,000	\$ 0	\$332,274	\$335,142	\$ 347,679	\$ 106,626	\$1,566,721
Michael J. Happe,	2015	\$395,000	\$ 0	\$979,720	\$230,136	\$ 291,263	\$ 92,064	\$1,988,183
Former Group VP,	2014	\$375,000	\$ 0	\$252,798	\$254,456	\$ 309,212	\$ 66,924	\$1,258,390
Residential and								
Contractor Businesses ⁽⁶⁾	2013	\$355,000	\$ 0	\$214,506	\$218,232	\$ 209,625	\$ 62,751	\$1,060,114
William E. Brown, Jr.,	2015	\$390,000	\$ 0	\$516,680	\$201,592	\$ 204,571	\$ 84,943	\$1,397,786
Group VP, Commercial	2014	\$375,000	\$ 0	\$222,703	\$224,520	\$ 218,081	\$ 69,369	\$1,109,673
and Irrigation Businesses	2013	\$355,000	\$ 0	\$214,506	\$218,232	\$ 232,992	\$ 66,278	\$1,087,008
Timothy P. Dordell,	2015	\$397,500	\$ 0	\$249,584	\$212,296	\$ 247,847	\$ 103,600	\$1,210,827
VP, Secretary and	2014	\$384,000	\$ 0	\$222,703	\$224,520	\$ 248,582	\$ 87,379	\$1,167,184
General Counsel	2013	\$371,000	\$ 0	\$197,682	\$201,345	\$ 222,971	\$ 85,404	\$1,078,402

- We generally do not pay discretionary bonuses or bonuses that are subjectively determined; we did not pay any such bonuses to any of our named executive officers in any of the last three most recently completed fiscal years.
- (1) Annual cash incentive award payouts based on performance against pre-established financial performance goals are reported in the “Non-Equity Incentive Plan Compensation” column.

- Amounts reported for fiscal 2015 for our named executive officers represent the grant date fair value, computed in accordance with FASB ASC Topic 718, of performance share awards granted for the fiscal 2015 to fiscal 2017 three-year performance period assuming target levels of performance. In addition, amounts for Messrs. Happe and
- (2) Brown include the grant date fair value of restricted stock units granted to them on September 15, 2015 for retention purposes. Amounts reported for each named executive officer and each award for fiscal 2015 are set forth in the “Grants of Plan-Based Awards for Fiscal 2015”

table on page 50 in the “Grant Date Fair Value of Stock and Option Awards” column. Provided below is the fiscal 2015 grant date fair value of performance share awards for the fiscal 2015 to fiscal 2017 performance period assuming maximum levels of performance. The maximum value is calculated using the number of shares reflected in the “Maximum” column of the “Estimated Future Payouts Under Equity Incentive Plan Awards” section of the “Grants of Plan-Based Awards for Fiscal 2015” table on page 50 and the closing price of our common stock, as reported by the NYSE, on December 2, 2014, the grant date, of \$65.68.

Name	Grant Date Fair Value at Maximum Levels of Performance
Mr. Hoffman	\$ 2,903,056
Ms. Peterson	\$ 788,160
Mr. Happe	\$ 525,440
Mr. Brown	\$ 459,760
Mr. Dordell	\$ 499,168

Amounts reported represent the grant date fair value, computed in accordance with FASB ASC Topic 718, of (3) option awards granted each fiscal year. Summarized in the table below are the specific assumptions used in the valuation of the option awards previously granted.

Grant Date	Risk Free Rate	Expected Life	Expected Volatility	Expected Dividend	Yield	Per Share Black-Scholes Value
12/05/2014	1.57 %	6.2 years	31.12 %	1.28	%	\$ 17.84
12/06/2013	1.93 %	6.0 years	34.28 %	1.25	%	\$ 18.71
12/01/2012	0.87 %	6.0 years	35.19 %	1.07	%	\$ 12.99

Amounts reported represent annual cash incentive awards earned for each fiscal year, but paid during the following fiscal year or deferred. Annual cash incentive awards are calculated and paid based on performance against (4) financial performance goals that are established and communicated at the beginning of each fiscal year. Additional detail regarding our annual cash incentives is set forth in the “Annual Cash Incentives—Actual Cash Compensation Discussion and Analysis” on page 40.

(5) Amounts for fiscal 2015 are set forth below under “All Other Compensation for Fiscal 2015”.

(6) Mr. Happe resigned as an officer and employee of Toro, which was effective as of January 1, 2016.

All Other Compensation for Fiscal 2015

All other compensation for fiscal 2015 includes the value of Company contributions to our retirement plan(s), the value of modest perquisites provided and the matching portion by the Company for charitable donations by our named executive officers, all of which are described below.

Element	Description
Retirement Benefits	Under our IS&ESOP, we currently match \$0.50 for each employee dollar contribution, up to an employee maximum of 4%, although we retain the discretion to amend the match. Employees are eligible to contribute to the plan and receive company matching contributions after 30 days of service. Additionally, there may be an annual Company discretionary investment savings and ESOP contribution. Employees are eligible for this contribution after 30 days of service. For certain employees whose compensation exceeds the IRS limit, we also provide a contribution into our nonqualified deferred compensation plans, the Supplemental Benefit Plan or the Deferred Plan, as applicable. Our nonqualified deferred compensation plans are described under “Nonqualified Deferred Compensation for Fiscal 2015” beginning on page 54.
Perquisites	We provide our executive officers, including our named executive officers, with the following modest perquisites: Company-leased automobile—We pay all costs associated with leasing, operating, maintaining and insuring a company-leased automobile up to certain thresholds. Our executive officers are generally eligible for a new vehicle after 30 months and may choose to purchase the existing vehicle at book value plus payment of any miscellaneous expenses charged by our leasing company.

Element	Description
Perquisites (continued)	Financial planning—We encourage our executive officers to receive professional advice regarding their financial, tax and estate planning needs. Therefore, we pay up to a maximum defined amount for our Chairman and CEO and each other named executive officer to cover tax planning, tax return preparation, financial counseling and estate planning. Every three years, we will pay up to an additional 50% of the annual allowance. Annual allowance ranges from \$5,000 for certain executives to \$15,000 for our Chairman and CEO. Annual executive physical—To help ensure the health of our executive officers, we generally pay up to \$2,000 for approved physical exam expenses not covered by the executive officer's health insurance. Company products—To enable our executive officers the opportunity to become more familiar with our products and use those products on a regular basis, we provide certain Company products and related parts and accessories for personal use at no cost; provided, however, that executive officers are responsible for applicable taxes attributable to the value of such products. The value of a product, part or accessory is generally deemed to be our distributor net price or its equivalent, which is also the price at which products are available to employees for purchase.
Charitable Giving	We support charitable organizations for our employees, including our named executive officers, through our matching gift program. The program for our executive officers provides that a gift or gifts by an executive officer and/or his or her spouse to one or more tax exempt 501(c)(3) charitable organizations located in the United States will be matched by us in an aggregate amount of up to \$3,000 per year.

Specific amounts included in the fiscal 2015 "All Other Compensation" column of the "Summary Compensation Table" are in the table below.

Name	IS&ESOP Contributions	Nonqualified Plan Contributions ⁽¹⁾	Automobile ⁽³⁾	Financial Planning ⁽⁴⁾	Executive Physical ⁽⁵⁾	Company Products ⁽⁶⁾	Charitable Giving ⁽⁷⁾	Total
Mr. Hoffman	\$ 23,599	\$ 169,331	\$ 24,411	\$ 7,300	\$ 651	\$ 251	\$ 3,000	\$228,543
Ms. Peterson	\$ 23,599	\$ 49,931	\$ 19,161	\$ 7,225	\$ 519	\$ 0	\$ 3,000	\$103,435
Mr. Happe	\$ 23,599	\$ 36,487	\$ 20,818	\$ 4,600	\$ 0	\$ 3,560	\$ 3,000	\$92,064
Mr. Brown	\$ 18,758	\$ 34,185	\$ 17,148	\$ 1,750	\$ 1,412	\$ 8,690	\$ 3,000	\$84,943
Mr. Dordell	\$ 18,980	\$ 37,018	\$ 21,720	\$ 7,678	\$ 676	\$ 14,528	\$ 3,000	\$103,600

(1) Amounts reported represent Company (i) matching contributions, (ii) investment savings contributions, and (iii) ESOP contributions to the IS&ESOP.

(2) Amounts reported represent Company contributions to the Deferred Plan and Supplemental Benefit Plan.

(3) Amounts reported represent Company paid automobile lease plus reportable income for personal use of the automobile.

Explanation of Responses:

- (4) Amounts reported represent Company paid amounts for financial planning expenses.
- (5) Amounts reported represent Company paid amounts for executive physical expenses or co-pays for executive physicals.
- (6) Amounts reported represent value of Company products received for personal use.
- (7) Amounts reported represent matching contributions for charitable donations made by our executive officers.

Grants of Plan-Based Awards for Fiscal 2015

We currently grant cash and equity awards under our Amended and Restated 2010 Plan. During fiscal 2015, plan-based awards granted to our named executive officers included annual cash incentive awards, performance share awards, restricted stock units and stock option awards. More details on these grants can be found within the “Compensation Discussion and Analysis.”

The following table summarizes all plan-based awards granted to our named executive officers during fiscal 2015. Specifically, the table includes the following:

- Range of annual cash incentive award payouts for annual cash incentive awards granted in fiscal 2015 from threshold to maximum levels of performance;
- Range of performance share award payouts granted in fiscal 2015 for the fiscal 2015 to fiscal 2017 performance period from threshold to maximum levels of performance;
- Restricted stock units granted to certain named executive officers in fiscal 2015 for retention purposes;
- Stock options granted in fiscal 2015 and the exercise price of those stock options; and
- Grant date fair value of all stock and option awards.

Name	Grant Date	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units ⁽³⁾ (#)	All Other Option Awards: Number of Securities Underlying Options ⁽⁴⁾ (#)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Michael J. Hoffman Annual Cash Incentive Award Performance	—	—	\$460,800	\$1,152,000	\$2,304,000					
Share Award	12/02/14	12/02/14				8,840	22,100	44,200		
Stock Options	12/05/14	12/02/14								70,400
Renee J. Peterson Annual Cash	—	—	\$133,000	\$332,500	\$665,000					

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Incentive Award Performance						
Share	12/02/14	12/02/14		2,400	6,000	12,000
Award						
Stock	12/05/14	12/02/14				19,000
Options						
Michael J. Happe ⁽⁸⁾						
Annual Cash	—	—	\$94,800	\$237,000	\$474,000	
Incentive Award Performance						
Share	12/02/14	12/02/14		1,600	4,000	8,000
Award						
Restricted	09/15/15	09/15/15				10,000
Stock Units						
Stock	12/05/14	12/02/14				12,900
Options						
William E. Brown, Jr.						
Annual Cash	—	—	\$93,600	\$234,000	\$468,000	
Incentive Award Performance						
Share	12/02/14	12/02/14		1,400	3,500	7,000
Award						
Restricted	09/15/15	09/15/15				4,000
Stock Units						
Stock	12/05/14	12/02/14				11,300
Options						
Timothy P. Dordell						
Annual Cash	—	—	\$87,450	\$218,625	\$437,250	
Incentive Award Performance						
Share	12/02/14	12/02/14		1,520	3,800	7,600
Award						
Stock	12/05/14	12/02/14				11,900
Options						

Amounts reported represent the range of payouts of annual cash incentive awards for fiscal 2015. Actual payouts 1) for fiscal 2015 are included in the “Summary Compensation Table” on page 47 in the “Non-Equity Incentive Plan Compensation” column.

Explanation of Responses:

Amounts reported represent the range of performance share award payouts for the fiscal 2015 to fiscal 2017
(2) performance period. Information regarding the performance share awards is set forth under “Long-Term Incentives—Performance Share Awards” beginning on page 41.

Amounts reported represent restricted stock units granted to Messrs. Happe and Brown on September 15, 2015 for
(3) retention purposes. The restricted stock units accrue share dividend equivalents. Information regarding the restricted stock units is set forth under “Restricted Stock Unit Grants” on page 44.

Amounts reported represent stock options granted during fiscal 2015. Options have a ten-year term and vest ratably
(4) in three equal installments on each of the first, second and third year anniversaries of the date of grant. Additional information regarding stock options is set forth under “Long-Term Incentives—Stock Options” on page 41.

Amounts reported represent the closing price of our common stock, as reported on the NYSE, on December 5,
(5) 2014, the date of grant.

Amounts reported represent the grant date fair value of performance share awards at target granted for the fiscal
(6) 2015 to fiscal 2017 performance period based on the closing price of our common stock, as reported on the NYSE, on December 2, 2014, the date of grant, of \$65.68. These amounts are also set forth in the “Summary Compensation Table” on page 47 in the “Stock Awards” column. Amounts

reported for Mr. Happe's and Mr. Brown's restricted stock unit grant represents the grant date fair value on September 15, 2015, the date of grant, based on the closing price of our common stock, as reported on the NYSE, of \$71.70.

(7) Amounts reported for option awards represent the grant date fair value of \$17.84 per share, computed in accordance with FASB ASC Topic 718, of option awards made for fiscal 2015. These amounts are also set forth in the "Summary Compensation Table" on page 47 in the "Option Awards" column. The specific assumptions used in the valuation of the options are included in footnote 3 to the "Summary Compensation Table."

(8) As a result of his resignation as an officer and employee of Toro, which was effective as of January 1, 2016, Mr. Happe forfeited the unvested portion of stock options granted to him in fiscal 2015 and all other equity awards granted to him in fiscal 2015.

Outstanding Equity Awards at Fiscal Year-End for 2015

The following table summarizes all outstanding equity awards previously granted to our named executive officers that were outstanding on October 31, 2015, the last day of fiscal 2015. Specifically, it reflects exercisable and unexercisable stock options, unvested restricted stock awards and unvested performance share awards.

Name	Option Awards		Option Exercise Price (\$)	Option Expiration Date	Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable ⁽¹⁾ (#)			Number of Shares or Units that Have Not Vested (#) ⁽²⁾	Market Value of Shares or Units of Stock that Have Not Vested (\$) ⁽³⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested ⁽⁴⁾ (#)	Equity Incentive Plan Award: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ⁽⁵⁾ (\$)
Michael J. Hoffman Stock Options	151,800	0	\$ 22.450	11/30/2016				
	125,600	0	\$ 27.465	11/28/2017				
	184,400	0	\$ 14.310	12/03/2018				

Explanation of Responses:

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	170,000	0	\$ 20.365	12/01/2019		
	126,600	0	\$ 31.760	12/08/2020		
	132,600	0	\$ 28.225	12/07/2021		
	64,400	32,200	\$ 42.060	12/11/2022		
	25,100	50,200	\$ 59.500	12/06/2023		
	0	70,400	\$ 62.750	12/05/2024		
F'14-F'16 Performance Shares					25,217	\$ 1,898,08
F'15-F'17 Performance Shares					24,915	\$ 1,875,35
Renee J. Peterson Stock Options	28,200	0	\$ 28.225	12/07/2021		
	17,200	8,600	\$ 42.060	12/11/2022		
	6,466	12,934	\$ 59.500	12/06/2023		
	0	19,000	\$ 62.750	12/05/2024		
F'14-F'16 Performance Shares					6,493	\$ 488,72
F'15-F'17 Performance Shares					6,764	\$ 509,12
Michael J. Happe ⁽⁶⁾ Stock Options	7,800	0	\$ 27.465	11/28/2017		
	9,000	0	\$ 20.365	12/01/2019		
	13,000	0	\$ 31.760	12/08/2020		
	11,800	0	\$ 28.225	12/07/2021		
	11,200	5,600	\$ 42.060	12/11/2022		
	4,533	9,067	\$ 59.500	12/06/2023		
	0	12,900	\$ 62.750	12/05/2024		
					10,034	\$755,259

Restricted
Stock Units

F' 14-F' 16
Performance
Shares
F' 15-F' 17
Performance
Shares

5,126 \$ 385,83

4,509 \$ 339,39

Name	Option Awards		Option Exercise Price (\$)	Option Expiration Date	Stock Awards		Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested ⁽⁴⁾ (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ⁽⁵⁾ (\$)
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable ⁽¹⁾ (#)			Number of Shares or Units that Have Not Vested (#) ⁽²⁾	Market Value of Shares or Units of Stock that Have Not Vested (\$) ⁽³⁾		
William E. Brown, Jr. Stock Options	5,600	0	\$ 22.450	11/30/2016				
	13,200	0	\$ 27.465	11/28/2017				
	16,600	0	\$ 14.310	12/03/2018				
	19,000	0	\$ 20.365	12/01/2019				
	12,400	0	\$ 31.760	12/08/2020				
	11,800	0	\$ 28.225	12/07/2021				
	11,200	5,600	\$ 42.060	12/11/2022				
	4,000	8,000	\$ 59.500	12/06/2023				
	0	11,300	\$ 62.750	12/05/2024				
Restricted Stock Units					4,013	\$302,059		
F' 14-F' 16 Performance Shares							3,657	\$ 275,262
F' 15-F' 17 Performance Shares							3,945	\$ 296,940

Explanation of Responses:

Timothy P.
Dordell

Stock Options	21,000	0	\$ 27.465	11/28/2017
	35,000	0	\$ 14.310	12/03/2018
	32,000	0	\$ 20.365	12/01/2019
	23,000	0	\$ 31.760	12/08/2020
	22,400	0	\$ 28.225	12/07/2021
	10,333	5,167	\$ 42.060	12/11/2022
	4,000	8,000	\$ 59.500	12/06/2023
	0	11,900	\$ 62.750	12/05/2024

F'14-F'16
Performance
Shares
F'15-F'17
Performance
Shares

4,004 \$ 301,381

4,284 \$ 322,457

Stock options have a ten-year term and vest ratably in three equal installments on each of the first, second and third (1)year anniversaries of the date of grant. The vesting schedule for options unexercisable as of October 31, 2015 is as follows:

Name	Grant Date	12/05/2015	12/06/2015	12/11/2015	12/05/2016	12/06/2016	12/05/2017	Option Expiration Date
Mr. Hoffman	12/11/2012			32,200				12/11/2022
	12/06/2013		25,100			25,100		12/06/2023
	12/05/2014	23,466			23,467		23,467	12/05/2024
Ms. Peterson	12/11/2012			8,600				12/11/2022
	12/06/2013		6,467			6,467		12/06/2023
	12/05/2014	6,333			6,333		6,334	12/05/2024
Mr. Happe	12/11/2012			5,600				12/11/2022
	12/06/2013		4,533			4,534		12/06/2023
	12/05/2014	4,300			4,300		4,300	12/05/2024
Mr. Brown	12/11/2012			5,600				12/11/2022
	12/06/2013		4,000			4,000		12/06/2023
	12/05/2014	3,766			3,767		3,767	12/05/2024

Explanation of Responses:

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Mr. Dordell	12/11/2012		5,167			12/11/2022
	12/06/2013	4,000		4,000		12/06/2023
	12/05/2014	3,966		3,967	3,967	12/05/2024

Amounts reported represent the number of unvested restricted stock units (plus accrued but unvested share dividend equivalents). Restricted stock units were awarded to Messrs. Happe and Brown for retention purposes on (2) September 15, 2015. These restricted stock units vest in full and the underlying shares become issuable on the three-year anniversary of the date of grant, September 15, 2018.

- (3) Amounts reported are based on the closing price of our common stock, as reported on the NYSE, on October 30, 2015, the last business day of fiscal 2015, of \$75.27 per share.

- (4) Amounts reported represent the number of performance share awards that were in progress based on actual levels of performance for fiscal 2015 and financial plan levels of performance for fiscal 2016 and fiscal 2017. The fiscal 2014 to fiscal 2016 performance share awards will vest solely based on the accomplishment of the performance goals established for the three-year performance period, which will end on October 31, 2016. The fiscal 2015 to fiscal 2017 performance share awards will vest solely based on the accomplishment of the performance goals established for the three-year performance period, which will end on October 31, 2017.

- (5) Amounts reported represent the value of performance share awards that were in progress based on the closing price of our common stock, as reported on the NYSE, on October 30, 2015, the last business day of fiscal 2015, of \$75.27 per share.

- (6) As a result of his resignation as an officer and employee of Toro, which was effective as of January 1, 2016, Mr. Happe forfeited the unvested portion of all stock options and all unvested equity awards.

Option Exercises and Stock Vested for Fiscal 2015

The following table summarizes all of the stock options exercised during fiscal 2015, restricted stock awards that vested during fiscal 2015 and performance share awards that were paid out or deferred by our named executive officers for the fiscal 2013 to fiscal 2015 performance period.

Name	Option Awards ⁽¹⁾		Stock Awards ⁽²⁾	
	Number of Shares	Value Realized On Exercise (\$)	Number of Shares	Value Realized on Vesting (\$)
Michael J. Hoffman				
Stock Option Exercises	115,400	\$ 5,605,774		
F'13-F'15 Performance Share Award Payout			39,960	\$ 2,970,227
Renee J. Peterson				
F'13-F'15 Performance Share Award Payout			10,737	\$ 798,081
Michael J. Happe				
Stock Option Exercises	3,000	\$ 150,467		
Restricted Stock Award			3,114	\$ 216,267
F'13-F'15 Performance Share Award Payout			7,357	\$ 546,846
William E. Brown, Jr.				
Stock Option Exercises	11,200	\$ 535,832		
Restricted Stock Award			3,114	\$ 216,267

Explanation of Responses:

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F'13-F'15 Performance Share Award Payout	6,594	\$ 490,132
Timothy P. Dordell		
Stock Option Exercises	23,940	\$ 1,140,030
F'13-F'15 Performance Share Award Payout	6,388	\$ 474,820

(1) The number of shares acquired upon exercise reflects the gross number of shares acquired absent any netting for shares surrendered to pay the option exercise price and/or satisfy tax withholding requirements. The value realized on exercise represents the gross number of shares acquired on exercise multiplied by the market price of our common stock on the exercise date, as reported on the NYSE, less the per share exercise price.

(2) The number of shares acquired upon vesting reflects the gross number of shares acquired absent any netting of shares surrendered to satisfy tax withholding requirements. The value realized on vesting for restricted stock awards for Messrs. Happe and Brown represents the gross number of shares acquired, including share dividend equivalents, multiplied by the closing price of our common stock, as reported by the NYSE, on March 20, 2015 (the vesting date) of \$69.45 per share. The value realized on vesting for performance share awards represents the gross number of shares acquired multiplied by the closing price of our common stock, as reported on the NYSE, on December 3, 2015 (the payout date for the fiscal 2013 to fiscal 2015 performance share awards) of \$74.33 per share. Amounts are not

reduced to reflect any elections by our named executive officers to defer receipt of performance share award payouts. Under the Deferred Plan for Officers, Ms. Peterson deferred receipt of 100%, or 10,737 shares of her fiscal 2013 to fiscal 2015 performance share award payout, Mr. Happe deferred receipt of 100%, or 7,357 shares of his fiscal 2013 to fiscal 2015 performance share award payout and Mr. Dordell deferred receipt of 25%, or 1,597 shares of his fiscal 2013 to fiscal 2015 performance share award payout. The material terms of the Deferred Plan for Officers are described under “Nonqualified Deferred Compensation for Fiscal 2015” set forth below.

Nonqualified Deferred Compensation for Fiscal 2015

We maintain three nonqualified deferred compensation plans in which our named executive officers are eligible to participate.

The Toro Company Deferred Compensation Plan. This plan allows employees that are at a director-level and above, including our named executive officers, to defer on a pre-tax basis his or her calendar year base salary and/or fiscal year annual cash incentive payout to a date in the future. Participants can defer up to 50% of calendar year base salary and up to 100% of the fiscal year annual cash incentive award payout. Deferred amounts are placed into a participant’s account and the participant may invest such deferred amounts in an array of funds that are consistent with or comparable to funds provided in the IS&ESOP. Deferral elections are made on an annual basis, before the beginning of the new fiscal year. Participants must elect a distribution date that is at least two years later than the date the compensation otherwise would have been received. Participants elect the frequency of payments and the number of payments to receive at the time of distribution. Any payouts distributed prior to retirement are paid out in the form of a lump sum. Participants are always 100% vested in their accounts.

The Toro Company Deferred Compensation Plan for Officers. This plan allows key employees that receive performance share awards, including our named executive officers, an opportunity to defer receipt of shares of our common stock paid out under such awards to a date in the future. Participants can defer up to 100% of the common stock payout. Each year, before the third fiscal year of the three-year performance period begins, executive officers are given the opportunity to defer the receipt of those shares to some point in the future. Participants must elect a distribution date that is at least two years later than the date the shares would have been received. Participants elect the frequency of payment and the number of payments to receive at the time of distribution. Any payouts distributed prior to retirement are paid out in the form of a lump sum. Participants are always 100% vested in their accounts.

The Toro Company Supplemental Benefit Plan. This plan is maintained for the purpose of providing to a select group of management or highly compensated employees, including our named executive officers, benefits in excess of the limitations on benefits and contributions imposed by Code Sections 401(a)(17) and 415. Our contributions to this plan are made on a calendar year basis, usually in the first calendar quarter following the end of the prior calendar year. For earnings above the compensation limit, we contribute the investment savings calculation and the ESOP fund calculation into this plan. Amounts contributed are placed into a participant’s account and the participant may invest

such deferred amounts in an array of funds that are consistent with or comparable to funds provided in the IS&ESOP. Participants elect the funds into which these contributions are allocated, as well as the frequency of payments and the number of payments to receive at the time of distribution. Participants are always 100% vested in their accounts.

Nonqualified Deferred Compensation for Fiscal 2015 Table. The following table reflects any named executive officer contributions and Company contributions for fiscal 2015 to our nonqualified deferred compensation plans.

Name	Executive Contributions in Last FY ⁽¹⁾ (\$)	Registrant Contributions in Last FY ⁽²⁾ (\$)	Aggregate Earnings in Last FY ⁽³⁾ (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE ⁽⁴⁾ (\$)
Michael J. Hoffman					
Deferred Plan	\$ 0	\$ 0	\$ 119,527	\$ 0	\$ 4,368,996
Deferred Plan for Officers	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplemental Benefit Plan	\$ 0	\$ 169,331	\$ 76,618	\$ 0	\$ 3,046,698
Renee J. Peterson					
Deferred Plan	\$ 184,486	\$ 0	\$ 20,962	\$ 0	\$ 969,644
Deferred Plan for Officers	\$ 798,081	\$ 0	\$ 164,596	\$ 0	\$ 1,899,480
Supplemental Benefit Plan	\$ 0	\$ 49,931	\$ 3,020	\$ 0	\$ 189,276
Michael J. Happe					
Deferred Plan	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Deferred Plan for Officers	\$ 546,846	\$ 0	\$ 43,186	\$ 402,226	\$ 846,047
Supplemental Benefit Plan	\$ 0	\$ 36,487	\$ 5,013	\$ 0	\$ 192,167
William E. Brown, Jr.					
Deferred Plan	\$ 399,571	\$ 5,850	\$ 33,296	\$ 0	\$ 1,509,589
Deferred Plan for Officers	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Supplemental Benefit Plan	\$ 0	\$ 28,335	\$ (4,273)	\$ 0	\$ 493,483
Timothy P. Dordell					
Deferred Plan	\$ 439,972	\$ 4,619	\$ 29,358	\$ 0	\$ 2,028,630
Deferred Plan for Officers	\$ 118,705	\$ 0	\$ 606,036	\$ 0	\$ 3,277,456
Supplemental Benefit Plan	\$ 0	\$ 32,399	\$ 3,000	\$ 0	\$ 239,960

Executive contributions of base salary and annual cash incentive award payouts are included in the “Salary” column and the “Non-Equity Incentive Plan Compensation” column, respectively, of the “Summary Compensation Table” on page 47. Executive contributions of the fiscal 2013 to fiscal 2015 performance share award payouts are included in (1) the “Value Realized on Vesting” column of the “Option Exercises and Stock Vested for Fiscal 2015” table on page 53, but are not included in the “Summary Compensation Table” as that table reflects the grant of the fiscal 2015 to fiscal 2017 performance share awards at target value. Our named executive officers deferred the following components of compensation during fiscal 2015.

Name	Deferrals	Amount
Ms. Peterson	19% of base salary for fiscal 2015	\$90,250
	25% of the fiscal 2015 annual cash incentive award	\$94,236
	100% of the fiscal 2013 to 2015 performance share award	\$798,081

Explanation of Responses:

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Mr. Happe	100% of the fiscal 2013 to 2015 performance share award	\$546,846
Mr. Brown	50% of base salary for fiscal 2015	\$195,000
	100% of the fiscal 2015 annual cash incentive award	\$204,571
Mr. Dordell	40% of base salary from November through December 2014	\$26,500
	50% of base salary from January through October 2015	\$165,625
	100% of the fiscal 2015 annual cash incentive award	\$247,847
	25% of the fiscal 2013 to 2015 performance share award	\$118,705

Amounts reported represent Company contributions to the Supplemental Benefit Plan in fiscal 2015 and Company (2) contributions to the Deferred Plan in fiscal 2015. These amounts are included in the “All Other Compensation” column of the “Summary Compensation Table” on page 47 and the related footnote.

Aggregate earnings comprise interest, dividends, capital gains and appreciation/depreciation of investment results (3) during the fiscal year based on each named executive officer’s selected fund allocation. None of these amounts are included in the “Summary Compensation Table” because earnings were not preferential or above-market. The funds listed below are consistent with or

comparable to those funds provided in our IS&ESOP and do not include any preferential or above-market interest. The rates for fiscal 2015 are provided below:

Alger Small Cap Growth Institutional I	0.53%
American Funds EuroPacific Growth R6	0.21%
American Funds Growth Fund of America R4	6.64%
Artisan Mid Cap Investor	3.87%
Fidelity Treasury Only Money Market	0.01%
Goldman Sachs Small Cap Value Fund Institutional	-1.60%
ICM Small Company	0.51%
JPMorgan Mid Cap Value Select	3.97%
JPMorgan Prime Money Market Morgan	0.01%
PIMCO Foreign Bond (Unhedged) I	-6.77%
T. Rowe Price Equity Income	-2.50%
T. Rowe Price International Discovery	6.63%
Vanguard Institutional Index Institutional	5.19%
Vanguard Total Bond Market Index Admiral	1.80%
Toro Common Stock	23.74%

Amounts reported represent the total balance at October 31, 2015, the last day of fiscal 2015, plus any named executive officer's or Company contributions for fiscal 2015 that were paid, or expected to be paid, after (4) October 31, 2015. Includes the following amounts reported in the "Summary Compensation Table" in the "Base Salary" or "Non-Equity Incentive Plan Compensation" column for fiscal years 2013 and 2014:

Mr. Hoffman	\$892,485
Ms. Peterson	\$428,197
Mr. Happe	\$0
Mr. Brown	\$607,323
Mr. Dordell	\$543,469

Includes the following amounts reported in the "Summary Compensation Table" in the "All Other Compensation" column for fiscal years 2013 and 2014.

Mr. Hoffman	\$312,930
Ms. Peterson	\$92,853
Mr. Happe	\$59,601
Mr. Brown	\$55,293
Mr. Dordell	\$59,546

Potential Payments Upon Termination or Change In Control

Overview. The following discussion describes the payments and benefits to which our named executive officers are entitled in various termination of employment and change in control situations. The intent of this discussion is to describe those payments and benefits for which the amount, vesting or time of payment is altered by the termination of employment or change in control situation. Therefore, this discussion does not describe all payments and benefits a named executive officer may receive following a termination or change in control, such as the following accrued, vested or non-forfeitable compensation and benefits:

- Payment of individual contributions to our Deferred Plan and Deferred Plan for Officers in accordance with prior distribution elections, as described under “Nonqualified Deferred Compensation for Fiscal 2015” beginning on page 54;

- Payment of Company contributions on behalf of the named executive officer under our Supplemental Benefit Plan, as described under “Nonqualified Deferred Compensation for Fiscal 2015” on page 54;

- Payment of individual contributions and vested Company investment fund and ESOP contributions on behalf of the named executive officer under our IS&ESOP, as described under “Health, Welfare and Retirement Benefits and All Other Compensation—Retirement Benefits” on page 45;

- Payment of annual cash incentive awards if employed on the last day of the fiscal year and if threshold levels are met and at the percentage of the target achieved, as described under “Annual Cash Incentives” beginning on page 36;

- Payout for performance share awards if employed on the last day of the performance period and if threshold levels are met and at the percentage of the target achieved, as described under “Long-Term Incentives—Performance Share Awards” beginning on page 41;

- Exercise of stock options that had vested prior to the date of termination; and

- Payouts under, and continuation of, health and welfare benefits under plans generally applicable to our U.S.-based office salaried employees.

Our named executive officers do not have any employment or severance agreements or arrangements other than as provided for in our CIC policy and other than certain change in control provision in our equity plans. Accordingly, our named executive officers do not have the right to cash severance or additional benefits in connection with a termination of employment except in connection with a change in control of our Company, as described under “Change in Control” beginning on page 59. Each named executive officer is a party to our standard confidentiality, invention and non-compete agreement.

Voluntary Resignation and Retirement. In the event of a named executive officer's voluntary resignation or retirement, we would not be obligated to pay or provide any additional payments or benefits, unless the named executive officer meets the criteria for "retirement" in connection with his or her voluntary resignation. For purposes of our compensation arrangements, "retirement" generally means the voluntary termination of employment at or after the age of 55 and with a number of years of service that, when added together with the named executive officer's age, equals at least 65.

If a named executive officer meets the criteria for "retirement" in connection with his or her voluntary resignation, the named executive officer generally would be entitled to or, in the case of annual cash incentive awards and performance share awards, may receive upon approval by the Compensation & Human Resources Committee, the following additional payments and benefits:

- Extended vesting and exercise period of four additional years (or the remaining term of the option, whichever is shorter) after the retirement date for all outstanding stock options held on the retirement date;

Extended perquisites consisting of reimbursement for amounts incurred for: (i) one additional year of financial planning expenses; (ii) one additional executive physical; (iii) twelve additional months, or through the end of the lease term, whichever is shorter, of lease payments for a Company-leased automobile; and (iv) certain Company products for personal use at no cost for five years following the named executive officer's retirement; provided, however, that the named executive officer is responsible for payment of applicable taxes attributed to the value of such products;

Prorated payment of an outstanding annual cash incentive award if the named executive officer retires prior to the date payment is made in settlement of the annual cash incentive award, which is typically in early December, but only (i) if threshold levels are met and at the percentage of the target achieved; and (ii) in an amount that is proportionate to the portion of the fiscal year performance period that was completed as of the retirement date; and

Prorated payment of outstanding performance share awards if the named executive officer retires after completion of at least one fiscal year of our current three-fiscal year performance period, but only (i) if threshold levels are met and at the percentage of the target achieved and (ii) in an amount that is proportionate to the portion of the performance period (a) for the fiscal 2014 to fiscal 2016 performance shares based on the full fiscal years that the named executive officer was employed or performed services during the fiscal 2014 to fiscal 2016 performance period as of the named executive officer's retirement date and (b) for the fiscal 2015 to fiscal 2017 performance shares based on the number of months or years that the named executive officer was employed or performed services during the fiscal 2015 to fiscal 2017 performance period as of the named executive officer's retirement date.

Any such payment for any prorated annual cash incentive or performance share awards would be made at the same time payments are made to our other executive officers after the certification of performance achieved by the Compensation & Human Resources Committee at the meeting following the completion of the applicable performance period.

Disability or Death. In the event of a termination as the result of the disability or death of a named executive officer, the named executive officer, or his or her beneficiary, would be entitled to or, in the case of annual cash incentive awards and performance share awards, may receive upon approval by the Compensation & Human Resources Committee, the following additional payments and benefits:

Immediate vesting of all outstanding stock options held as of the termination date and stock options may be exercised for a period of up to one year (or the remaining term of the option, whichever is shorter) after the termination date;

Prorated payment of an outstanding annual cash incentive award if the termination of the named executive officer is prior to the date payment is made in settlement of the annual cash incentive award, but only (i) if threshold levels are met and at the percentage of the target achieved; and (ii) in an amount that is proportionate to the portion of the fiscal year performance period that was completed as of the termination date; and

Prorated payment of outstanding performance share awards if the named executive officer was employed for at least one fiscal year of our current three-fiscal year performance period, but only (i) if threshold levels are met and at the percentage of the target achieved and (ii) in an amount that is proportionate to the portion of the performance period (a) for the fiscal 2014 to fiscal 2016 performance shares based on the full fiscal years that the named executive officer was employed or performed services during the fiscal 2014 to fiscal 2016 performance period as of the named executive officer's termination date and (b) for the fiscal 2015 to fiscal 2017 performance shares based on the number of months or years that the named executive officer was employed or performed services during the fiscal 2015 to fiscal 2017 performance period as of the named executive officer's termination date.

Any such payment for any prorated annual cash incentive or performance share awards would be made at the same time payments are made to our other executive officers after the certification of performance achieved by the Compensation & Human Resources Committee at the meeting following the completion of the applicable performance period.

Involuntary Termination by Toro. Since our named executive officers do not have employment or severance agreements or arrangements other than as provided for in our CIC policy, we would not be obligated to provide any additional payments or benefits to our named executive officers in the event of an involuntary termination of employment by us. Any negotiated separation arrangement typically requires that the named executive officer sign a release and waiver of claims and comply with confidentiality and non-compete restrictions.

Termination by Toro for Cause. In the event of a termination of a named executive officer's employment by us for cause, we would not be obligated to provide any additional payments or benefits to the executive. In addition, we may have certain clawback rights, as described below under "Clawback Provisions."

Change in Control. We have a CIC policy applicable to our executive officers, including our named executive officers. Our CIC policy incorporates a “double trigger” mechanism and provides for a cash severance payment and certain other benefits if within three years after a change in control a named executive officer’s employment is terminated by us without just cause or the named executive officer terminates his or her employment for good reason, or if such termination occurs at the request of a third party who had taken steps reasonably calculated to effect the change in control. The payments and benefits the named executive officer would be entitled to receive include:

- a lump sum cash severance payment equal to two times (or three times for the CEO) the sum of the named executive officer’s then current annual base salary and target annual cash incentive award;
- a lump sum cash payment in an amount equal to the named executive officer’s pro-rated target annual cash incentive award for the fiscal year in which the termination date occurs, reduced by any amounts paid under the terms of the applicable equity compensation policy for the same period of time;
- eligibility for continuation coverage under our medical, dental and other group health plans for a period of three years following the termination date and reimbursement for any costs incurred in securing such continuation coverage that are in excess of costs that would have been incurred by the named executive officer immediately prior to his or her termination date to obtain such coverage; and
- two years of outplacement services.

Our CIC policy does not provide a “gross-up” for 280G excise tax and, as a condition to the payment of any severance payment, the named executive officer must execute a release of claims against us. If a change in control, as generally defined below, has not occurred, our Board may terminate our CIC policy after two years’ advance notice of such termination.

In addition to our CIC policy, our Amended and Restated 2010 Plan and The Toro Company 2000 Stock Option Plan, as amended, or 2000 Plan, as applicable, provide that if we experience a change in control, as generally defined below, whether or not there is a qualifying termination of employment:

- all stock options immediately vest, become exercisable in full and, pursuant to the Amended and Restated 2010 Plan, remain exercisable for their remaining term following the change in control, or, pursuant to the 2000 Plan, remain exercisable for three years (provided that in no event will three years extend beyond the remaining term of the option);
- all outstanding annual cash incentive awards for performance periods in progress at the time of the change in control immediately vest and become immediately payable at target in cash;
- all outstanding performance share awards for performance periods in progress at the time of the change in control immediately vest and become payable in full in shares of our common stock, provided, however, that the CIC policy

provides that for executive officers covered by the CIC policy, any such performance share awards are payable at target (not in full or at maximum); and

- all outstanding shares of restricted stock and restricted stock unit awards immediately vest and become non-forfeitable or issuable, as the case may be.

Alternatively, the Compensation & Human Resources Committee may elect to terminate such options, restricted stock awards, restricted stock unit awards or performance share awards in exchange for a cash payment for each option, restricted stock, restricted stock unit or performance share award in an amount equal to the excess, if any, between the consideration received by shareholders of our Company for shares of our Company in connection with the change in control and the exercise or purchase price, if any, of the option, restricted stock, restricted stock unit award or performance share award, multiplied by the number of shares subject to such option or award. Our Amended and Restated 2010 Plan and 2000 Plan do not provide a “gross-up” for 280G excise tax, but do provide for a reduction of payments if such payments would result in lower after-tax income taking into consideration the 280G excise tax.

For purposes of our CIC policy, Amended and Restated 2010 Plan, 2000 Plan and 2000 Directors Stock Plan, and subject to limited exceptions, a “change in control” occurs if:

another person becomes the beneficial owner of a specified percentage of our then-outstanding common stock or the combined voting power of our then-outstanding voting stock, which is 20% under the Amended and Restated 2010 Plan and CIC policy and 15% under the 2000 Plan and 2000 Directors Stock Plan;

- a majority of our Board becomes comprised of persons other than those for whom election proxies have been solicited by our Board;

the completion of certain business combinations, including a reorganization, merger, consolidation, the sale of all or substantially all of our assets or the acquisition by us of assets or stock of another entity, where the shareholders before the business combination fail to beneficially own and have voting power for more than 50% of our Company or the resulting company after the business combination; or

- our shareholders approve a complete liquidation or dissolution of our Company.

We have established a “rabbi” trust for the benefit of our named executive officers (and certain other executives and employees) which, in the event of a change in control, must be funded in an amount equal to our accrued liability arising under our change in control arrangements. In addition, under our deferred compensation and retirement plans, upon the occurrence of a change in control, we must transfer cash or property to a trust for the benefit of plan participants in an amount equal to the present value of all accumulated or accrued benefits then payable to or on behalf of plan participants.

Potential Payments Upon Termination or Change In Control Table. The following table quantifies the payments and benefits for which the amount, vesting or time of payment is altered by each of the foregoing termination of employment or change in control situations. For purposes of quantifying payments and benefits, amounts are calculated (i) for each named executive officer as if the termination or change in control occurred following the close of business on October 30, 2015, the last business day of our 2015 fiscal year; and (ii) using a per share value of \$75.27, which represents the closing price of our common stock, as reported on the NYSE, on October 30, 2015. Material assumptions used in calculating the estimated payments and benefits are described in footnotes to the table.

Name/Payment Type	Voluntary Resignation/ Retirement ⁽¹⁾	Disability or Death	Involuntary Termination by Toro	Change in Control		
				Termination by Toro for Cause	No Termination Event	Termination Without Cause by Toro or by Executive for Good Reason
Michael J. Hoffman						
Cash Severance Payment ⁽²⁾	\$0	\$0	\$0	\$0	\$0	\$6,336,000
Unvested & Accelerated Stock Options ⁽³⁾	\$0	\$2,742,424	\$0	\$0	\$2,742,424	\$2,742,424
Accelerated Performance Share Award Payouts	\$1,890,481 ⁽⁴⁾	\$1,890,481 ⁽⁴⁾	\$0	\$0	\$1,723,608 ⁽⁵⁾	\$1,723,608 ⁽⁵⁾
Welfare Plan Benefits ⁽⁶⁾	\$0	\$0	\$0	\$0	\$0	\$55,134

Explanation of Responses:

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Outplacement Services ⁽⁷⁾	\$0	\$0	\$0	\$0	\$0	\$30,000
Perquisites ⁽⁸⁾	\$40,404	\$0	\$0	\$0	\$0	\$0
Total	\$1,930,885	\$4,632,905	\$0	\$0	\$4,466,032	\$10,887,166
Renee J. Peterson						
Cash Severance Payment ⁽²⁾	\$0	\$0	\$0	\$0	\$0	\$1,615,000
Unvested & Accelerated Stock Options ⁽³⁾	\$0	\$727,455	\$0	\$0	\$727,455	\$727,455
Accelerated Performance	\$0	\$496,180 ⁽⁴⁾	\$0	\$0	\$451,620 ⁽⁵⁾	\$451,620 ⁽⁵⁾
Share Award Payouts						
Welfare Plan Benefits ⁽⁶⁾	\$0	\$0	\$0	\$0	\$0	\$53,040
Outplacement Services ⁽⁷⁾	\$0	\$0	\$0	\$0	\$0	\$30,000
Total	\$0	\$1,223,635	\$0	\$0	\$1,179,075	\$2,877,115
Michael J. Happe ⁽⁹⁾						
Cash Severance Payment ⁽²⁾	\$0	N/A	N/A	N/A	N/A	N/A
Unvested & Accelerated Stock Options ⁽³⁾	\$0	N/A	N/A	N/A	N/A	N/A
Unvested & Accelerated	\$0	N/A	N/A	N/A	N/A	N/A
Restricted Stock Units						
Accelerated Performance	\$0	N/A	N/A	N/A	N/A	N/A
Share Award Payouts						
Welfare Plan Benefits ⁽⁶⁾	\$0	N/A	N/A	N/A	N/A	N/A
Outplacement Services ⁽⁷⁾	\$0	N/A	N/A	N/A	N/A	N/A
Total	\$0	N/A	N/A	N/A	N/A	N/A

Name/Payment Type	Voluntary Resignation/ Retirement ⁽¹⁾	Disability or Death	Involuntary Termination by Toro	Termination by Toro for Cause	Change in Control	
					No Termination Event	Termination Without Cause by Toro or Executive for Good Reason
William E. Brown, Jr.						
Cash Severance Payment ⁽²⁾	\$ 0	\$0	\$ 0	\$ 0	\$0	\$ 1,248,000
Unvested & Accelerated Stock Options ⁽³⁾	\$ 0	\$453,612	\$ 0	\$ 0	\$453,612	\$453,612
Unvested & Accelerated Restricted Stock Units ⁽¹⁰⁾	\$ 0	\$0	\$ 0	\$ 0	\$302,059	\$302,059
Accelerated Performance Share Award Payouts	\$ 0	\$282,488 ⁽⁴⁾	\$ 0	\$ 0	\$273,381 ⁽⁵⁾	\$273,381 ⁽⁵⁾
Welfare Plan Benefits ⁽⁶⁾	\$ 0	\$0	\$ 0	\$ 0	\$0	\$52,674
Outplacement Services ⁽⁷⁾	\$ 0	\$0	\$ 0	\$ 0	\$0	\$30,000
Total	\$ 0	\$736,100	\$ 0	\$ 0	\$1,029,052	\$2,359,726
Timothy P. Dordell	\$	\$	\$	\$	\$	\$
Cash Severance Payment ⁽²⁾	\$ 0	\$0	\$ 0	\$ 0	\$0	\$ 1,232,250
Unvested & Accelerated Stock Options ⁽³⁾	\$ 0	\$446,744	\$ 0	\$ 0	\$446,744	\$446,744
Accelerated Performance Share Award Payouts	\$ 0	\$308,381 ⁽⁴⁾	\$ 0	\$ 0	\$280,908 ⁽⁵⁾	\$280,908 ⁽⁵⁾
Welfare Plan Benefits ⁽⁶⁾	\$ 0	\$0	\$ 0	\$ 0	\$0	\$37,383
Outplacement Services ⁽⁷⁾	\$ 0	\$0	\$ 0	\$ 0	\$0	\$30,000
Total	\$ 0	\$755,125	\$ 0	\$ 0	\$727,652	\$2,027,285

(1) Mr. Hoffman is the only named executive officer who met the retirement criteria on October 30, 2015.

Amount reported represents two times (three times for Mr. Hoffman) the sum of the named executive officer's (a) then current annual base salary (based on twelve times the highest monthly base salary paid to the named executive officer during the fiscal year ended October 31, 2015) and (b) then current target annual cash incentive award.

(3) Amount reported represents the value of the automatic acceleration of vesting of unvested stock options. All amounts are based on the difference between: (a) the market price of our common stock underlying the unvested stock options as of October 30, 2015, and (b) the exercise price of the stock options. Because Mr. Hoffman meets the retirement criteria on October 31, 2015, any unvested stock options he holds would continue to vest for four

additional years, but such extended vesting is not quantified in the above table, “Voluntary Resignation / Retirement” column.

(4) Amount reported represents the value of the future payout of two-thirds of the named executive officer’s fiscal 2014 to fiscal 2016 performance share awards (based on two years of the three year performance period completed as of October 31, 2015) and one-third of the named executive officer’s fiscal 2015 to fiscal 2017 performance share awards (based on the completion of 12 months of the 36 month performance period completed as of October 30, 2015), assuming that the Compensation & Human Resources Committee approves the payout at financial plan levels of performance.

(5) Amounts reported represents the value of the immediate payout of the target number of shares of our common stock that the named executive officer would have been entitled to receive as payout for performance share awards for each of the fiscal 2014 to fiscal 2016 performance period and the fiscal 2015 to fiscal 2017 performance period. The value is based on: (a) the number of outstanding performance share awards at target as of October 30, 2015, multiplied by (b) the market price of our common stock on October 30, 2015.

(6) Amount reported represents the estimated value of the welfare plan benefits for a three-year period based on our premium levels in effect on October 30, 2015.

(7) Amount reported is based on the assumption that we would incur a \$30,000 one-time cost for outplacement services to be provided for the two-year period.

(8) Amount reported represents the value of (a) one additional year of financial planning services, (b) one additional executive physical, and (c) twelve additional months of automobile lease payments.

- (9) Mr. Happe resigned as an officer and employee of Toro, which was effective as of January 1, 2016. As he did not meet the retirement criteria, he did not receive any additional payments or benefits. Any unvested awards as of January 1, 2016 were forfeited by Mr. Happe.

- (10) Amount reported represents the value of the automatic acceleration of the vesting of unvested restricted stock units and is based on the number of shares of common stock underlying the unvested restricted stock units multiplied by the market price of our common stock as of October 30, 2015.

Clawback Provisions. Our 2000 Plan and the related stock option agreements with our named executive officers contain a “clawback” provision which provides that if, within one year after the termination of employment of any of our named executive officers, the executive is employed or retained by or renders services to a competitor, violates any confidentiality agreement or agreement governing the ownership or assignment of intellectual property rights or engages in any other conduct or act determined to be injurious, detrimental or prejudicial to any interest of our Company, we have the right to cancel, rescind or restrict all stock options held by such executive and granted under the 2000 Plan and demand the return of the economic value of any stock option which was realized or obtained by such executive during the period beginning on the date that is 12 months prior to the date of termination to the date of the last exercise.

In addition, under the Amended and Restated 2010 Plan and related award agreements, if a named executive officer is determined by the Compensation & Human Resources Committee to have taken any adverse action similar to those actions described above, all rights of such executive under the Amended and Restated 2010 Plan and any agreements evidencing an award then held by the executive will terminate and be forfeited and the Committee may require the executive to surrender and return to our Company any shares received, and/or to disgorge any profits or any other economic value made or realized by the executive during the period beginning one year prior to the executive’s termination of employment or other service with our Company or any affiliate or subsidiary, in connection with any awards or any shares issued upon the exercise or vesting of any awards granted under such plan. In addition, if we are required to prepare an accounting restatement due to our material noncompliance, as a result of misconduct, with any financial reporting requirement under the securities laws, then any participant, including our named executive officers, who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002 must reimburse us for the amount of any award received by such individual under the Amended and Restated 2010 Plan during the 12-month period following the first public issuance or filing with the SEC, as the case may be, of the financial document embodying such financial reporting requirement. These clawback provisions are in addition to any automatic clawback or forfeiture law, rule or regulation of which our named executive officers may be subject, including under the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Act, as well as any policy that may be adopted by us.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information about shares of our common stock that may be issued under our equity compensation plans as of October 31, 2015.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	3,393,881 ⁽¹⁾	\$33.21 ⁽²⁾	3,400,896 ⁽³⁾
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	3,393,881 ⁽¹⁾	\$33.21 ⁽²⁾	3,400,896 ⁽³⁾

Amount includes: 1,113,648 outstanding stock options under the 2000 Plan; 105,236 outstanding stock options under the 2000 Directors Stock Plan; 1,695,837 outstanding stock options under the Amended and Restated 2010 Plan; 93,960 outstanding restricted stock unit awards under the Amended and Restated 2010 Plan, including share dividend equivalents that have been issued on such outstanding

restricted stock units; and 385,200 outstanding performance share awards under the 2010 Plan, assuming a maximum level of achievement. The actual number of shares that will be issued under the performance share awards is determined by the level of achievement of performance goals.

- (2) Performance share awards and restricted stock units do not have exercise prices and, therefore, have been excluded from the weighted-average exercise price calculation in column (b).

- (3) Amount represents shares available for future issuance upon awards that may be granted under the Amended and Restated 2010 Plan, which includes: 5,500,000 shares approved by our shareholders at the Annual Meeting of Shareholders held on March 16, 2010; 300,000 shares approved by our shareholders at the Annual Meeting of Shareholders held on March 17, 2015; and 398,243 shares that were subject to outstanding awards under the 2000 Plan, The Toro Company Performance Share Plan and the 2000 Directors Stock Plan (collectively, the “Prior Plans”) as of March 16, 2010, the date of adoption of the 2010 Plan, but only to the extent such outstanding awards under the Prior Plans were forfeited, expired or otherwise terminated without the issuance of such shares (the “Carryover Shares”) consisting of (a) 26,316 shares that were previously subject to awards under the 2000 Plan plus (b) 369,409 shares that were previously subject to awards under The Toro Company Performance Share Plan plus (c) 2,518 shares that were previously subject to awards under the 2000 Directors Stock Plan, less any shares issued or surrendered and not again available for issuance under the Amended and Restated 2010 Plan. The Carryover Shares may now be issued under the Amended and Restated 2010 Plan.

OTHER INFORMATION

Shareholder Proposals and Director Nominations for the 2017 Annual Meeting

The 2017 Annual Meeting of Shareholders is expected to be held on March 21, 2017. In order for a shareholder proposal to be included in our proxy statement for the 2017 Annual Meeting, (i) our Vice President, Secretary and General Counsel must receive such proposal no later than the close of business on October 5, 2016, unless the date of the 2017 Annual Meeting is delayed by more than 30 calendar days; and (ii) such proposal must satisfy all of the requirements of, and not otherwise be permitted to be excluded under, Rule 14a-8 promulgated by the SEC and our Amended and Restated Bylaws.

Under our Amended and Restated Bylaws, in order for a shareholder to nominate one or more persons for election to the Board at the 2017 Annual Meeting of Shareholders or propose any other business to be brought before the 2017 Annual Meeting, complete and timely notice must be given in writing and in proper form to our Vice President, Secretary and General Counsel not later than December 15, 2016, nor earlier than November 15, 2016. However, if the date of the 2017 Annual Meeting is advanced by more than 30 days or delayed by more than 60 days from the first anniversary date of the 2016 Annual Meeting of Shareholders, such notice must be delivered not earlier than the 120th day prior to the date of the rescheduled 2017 Annual Meeting and not later than the close of business on the later of the 90th day prior to the date of the rescheduled 2017 Annual Meeting or the 10th day following the day on which we first make a public announcement of the date of the rescheduled 2017 Annual Meeting. Any notice must contain the specific information required by our Amended and Restated Bylaws, including, among other things, information

about: any proposed nominee and his or her relationships with the shareholder submitting the nomination; any agreements, arrangements or understandings the shareholder may have with any proposed nominee or other parties relating to the nomination or other proposal; and the interests that the shareholder has related to our Company and its shares, including as a result of, among other things, derivative securities, voting arrangements or short positions. Such information must be updated as of the record date for the 2017 Annual Meeting and as of the date that is 10 business days prior to the date of the 2017 Annual Meeting. This summary information regarding our Amended and Restated Bylaws is qualified in its entirety by reference to the full text of the Amended and Restated Bylaws. A copy of our Amended and Restated Bylaws can be found on our website at www.thetorocompany.com (select the “Investor Information” link and then the “Corporate Governance” link). If a nomination or proposal is not timely and properly made in accordance with the procedures set forth in our Amended and Restated Bylaws, or does not contain the specific information required by our Amended and Restated Bylaws, such nomination or proposal will be defective and will not be brought before the 2017 Annual Meeting. If a nomination or proposal is nonetheless brought before the 2017 Annual Meeting and the Chairman does not exercise the power and duty to declare the nomination or proposal defective, the persons named in the proxy may use their discretionary voting with respect to such nomination or proposal.

Householding of Annual Meeting Materials

Some banks, brokers and other nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that only one set of these documents may have been sent to multiple shareholders at a shared address. Additional copies of this proxy statement and our Annual Report on Form 10-K are available upon request to our Vice President, Secretary and General Counsel at 8111 Lyndale Avenue South, Bloomington, Minnesota, 55420-1196, by telephone at 888-237-3054, or by e-mail to invest@toro.com. These documents also may be downloaded and printed from our website at www.thetorocompany.com/proxy. Any shareholder who wants to receive separate copies of our proxy statement and annual report in the future, or any shareholder who is receiving multiple copies and would like to receive only one copy per household, should contact his, her or its bank, broker or other nominee record holder.

Annual Report

A copy of Toro’s Annual Report on Form 10-K for the fiscal year ended October 31, 2015, as filed with the SEC, will be sent to any shareholder, without charge, upon written request to our Vice President, Secretary and General Counsel at 8111 Lyndale Avenue South, Bloomington, Minnesota, 55420-1196. You also may obtain our Annual Report on Form 10-K on the Internet at the SEC’s website, www.sec.gov, or on our website at www.thetorocompany.com/proxy. Our Fiscal Year 2015 Annual Report, which contains information about our business but is not part of our disclosure deemed to be filed with the SEC, also is available on our website at www.thetorocompany.com/proxy.

Cost and Method of Solicitation

We will pay the cost of soliciting proxies and may make arrangements with brokerage houses, custodians, nominees and other fiduciaries to send proxy materials to beneficial owners of our common stock. We will reimburse these third-parties for reasonable out-of-pocket expenses. In addition to solicitation by mail, our non-employee directors, executive officers and other employees may solicit proxies by telephone, electronic transmission and personally. Our non-employee directors, executive officers and other employees will not receive compensation for such services other than regular non-employee director or employee compensation. We have retained Morrow & Co., LLC, 470 West Avenue, Stamford, Connecticut, 06902, for an estimated fee of \$8,000, plus out of pocket expenses, to assist in distributing proxy materials and soliciting proxies in connection with our 2016 Annual Meeting of Shareholders.

Dated: February 2, 2016

BY ORDER OF THE BOARD OF DIRECTORS

TIMOTHY P. DORDELL
Vice President, Secretary
and General Counsel

64

THE TORO
COMPANY
8111 LYNDALE
AVENUE SOUTH
BLOOMINGTON,
MN 55420-1196

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions up until 11:59 P.M. Eastern Time on March 14, 2016. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by The Toro Company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on March 14, 2016. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR
BLACK INK AS FOLLOWS:

M99092-P71986-Z66976
KEEP THIS PORTION FOR
YOUR RECORDS
DETACH AND RETURN THIS
PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

THE TORO COMPANY	For Withhold All For All Except	To withhold authority to vote for any individual nominee(s), mark "For
	All	

All Except”
and write
the
number(s)
of the
nominee(s)
on the line
below.

**The Board of Directors recommends you vote
FOR
the following:**

1. Election of
Directors

Nominees:

- 01) Robert C.
Buhrmaster
02) Richard M.
Olson
03) James C.
O'Rourke
04) Christopher
A. Twomey

**The Board of Directors recommends you vote FOR proposals
2 and 3.**

For Against Abstain

Ratification of the selection of KPMG LLP as our independent
2. registered public accounting firm for our fiscal year ending
October 31, 2016.

3. Approval, on an advisory basis, of our executive compensation

NOTE: In their discretion, the proxies are authorized to vote on
any other business properly brought before the annual meeting or
any adjournment or postponement of the annual meeting.

For address changes, mark here. (see
reverse for instructions)

Please sign exactly as your name(s) appear(s) on this proxy. If
held in joint tenancy, all persons must sign. Trustees,
administrators, etc., should include title and authority.
Corporations should provide full name of corporation and title of
authorized officer signing the Proxy.

Signature
[PLEASE

Signature
(Joint

SIGN
WITHIN
BOX]

Owners)

THE TORO COMPANY

ANNUAL MEETING OF SHAREHOLDERS

Tuesday, March 15, 2016

1:30 p.m. CDT

The Toro Company

8111 Lyndale Avenue South

Bloomington, MN 55420

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice & Proxy Statement for the Annual Meeting of Shareholders on March 15, 2016, and our 2015 Annual Report are available at www.thetorocompany.com/proxy

M99093-P71986-Z66976

The Toro Company Proxy
8111 Lyndale Ave
South
Bloomington, MN
55420

**This Proxy is solicited on
behalf of the Board of
Directors for use at the
Annual Meeting on March**

Explanation of Responses:

15, 2016.

The shares of stock held in this account will be voted as you specify on the reverse side or by telephone or Internet. Shares held in employee benefit plans for which a Proxy is not received will be voted by the trustee in the same proportion as votes actually cast by plan participants.

If no choice is specified, the Proxy will be voted "For" all nominees for Director and "For" Proposals 2 and 3.

By signing, dating and returning this Proxy card, you revoke all prior proxies, including any Proxy previously given by telephone or Internet, and appoint M. J. Hoffman and T. P. Dordell, or either of them, with full power of substitution, to vote these shares on the matters shown on the reverse side and on any other business properly brought before the annual meeting or any adjournment or postponement of the annual meeting.

Address Changes

(If you noted any Address Changes above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side

