

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2018 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2018 or fiscal plan year beginning <u>08/01/2018</u> and ending <u>07/31/2019</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. ☐	
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>THE TORO COMPANY UNION PENSION PLAN</u>	1b Three-digit plan number (PN) ▶	<u>003</u>	
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>THE TORO COMPANY</u> <div style="display: flex; justify-content: space-between;"> <div> <u>8111 LYNDAL AVE S</u> <u>BLOOMINGTON, MN 55420-1136</u> </div> <div> <u>8111 LYNDAL AVE S</u> <u>BLOOMINGTON, MN 55420-1136</u> </div> </div>		1c Effective date of plan <u>07/01/1969</u>	
		2b Employer Identification Number (EIN) <u>41-0580470</u>	
		2c Plan Sponsor's telephone number <u>952-887-8449</u>	
		2d Business code (see instructions) <u>333310</u>	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	05/01/2020	CLAUDINE WEILER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	05/01/2020	CLAUDINE WEILER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name THE TORO COMPANY c Plan Name WHEEL HORSE PRODUCTS, INC. EMPLOYEES' RETIREMENT PLAN	4b EIN 41-0580470 4d PN 003
5 Total number of participants at the beginning of the plan year	5 154
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 73 6a(2) 0 6b 102 6c 74 6d 176 6e 36 6f 212 6g 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 1I b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (4)** ☐ **C** (Service Provider Information)
- (5)** ☐ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 08/01/2018 and ending 07/31/2019

▶ **Round off amounts to nearest dollar.**
▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>THE TORO COMPANY UNION PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>THE TORO COMPANY</u>	D Employer Identification Number (EIN) <u>41-0580470</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>08</u> Day <u>01</u> Year <u>2018</u>	
2 Assets:	
a Market value.....	2a <u>4653577</u>
b Actuarial value	2b <u>4799828</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>90</u> (2) Vested Funding Target <u>1891591</u> (3) Total Funding Target <u>1891591</u>
b For terminated vested participants	<u>64</u> <u>865817</u> <u>865817</u>
c For active participants	<u>0</u> <u>0</u> <u>0</u>
d Total	<u>154</u> <u>2757408</u> <u>2757408</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>5.57 %</u>
6 Target normal cost	6 <u>39206</u>

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	
<u>KYLE W. ANDERSON</u>	<u>08/21/2019</u>
Signature of actuary	Date
<u>AON CONSULTING, INC.</u>	<u>17-05674</u>
Type or print name of actuary	Most recent enrollment number
<u>5600 WEST 83RD STREET 8200 TOWER, SUITE 1100 MINNEAPOLIS, MN 55437</u>	<u>952-886-8000</u>
Firm name	Telephone number (including area code)
<u></u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	1086946	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	1086946	0
10 Interest on line 9 using prior year's actual return of <u>0.73</u> %	7935	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.76</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	1094881	0

Part III Funding Percentages

14 Funding target attainment percentage	14	134.36%
15 Adjusted funding target attainment percentage	15	174.07%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	167.90%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)		18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21	Discount rate:			
a	Segment rates:	1st segment: 3.92%	2nd segment: 5.52%	3rd segment: 6.29%
		☐ N/A, full yield curve used		
b	Applicable month (enter code)			21b
22	Weighted average retirement age			22
		62		
23	Mortality table(s) (see instructions)	Prior regulation:	☐ Prescribed - combined	☐ Prescribed - separate
		Current regulation:	☒ Prescribed - combined	☐ Prescribed - separate
			☐ Substitute	☐ Substitute

Part VI Miscellaneous Items

24	Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
25	Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
26	Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
27	If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28	Unpaid minimum required contributions for all prior years	28	0
29	Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	
30	Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31	Target normal cost and excess assets (see instructions):		
a	Target normal cost (line 6)	31a	39206
b	Excess assets, if applicable, but not greater than line 31a	31b	39206
32	Amortization installments:	Outstanding Balance	Installment
a	Net shortfall amortization installment	0	0
b	Waiver amortization installment	0	0
33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0
	Carryover balance	Prefunding balance	Total balance
35	Balances elected for use to offset funding requirement		0
36	Additional cash requirement (line 34 minus line 35)	36	0
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	
38	Present value of excess contributions for current year (see instructions)		
a	Total (excess, if any, of line 37 over line 36)	38a	0
b	Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0
39	Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40	Unpaid minimum required contributions for all years	40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41	If an election was made to use PRA 2010 funding relief for this plan:			
a	Schedule elected	☐ 2 plus 7 years	☐ 15 years	
b	Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010
		☐ 2011		

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection

For calendar plan year 2018 or fiscal plan year beginning 08/01/2018 and ending 07/31/2019		
A Name of plan THE TORO COMPANY UNION PENSION PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 THE TORO COMPANY	D Employer Identification Number (EIN) 41-0580470	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	1295464
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	17972	1227
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	4635605	8741728
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1)	
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	4653577 10038419
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	12062 28432
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	12062 28432
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	4641515 10009987

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	
	(B) Participants	2a(1)(B)	
	(C) Others (including rollovers)	2a(1)(C)	
(2)	Noncash contributions	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	0
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1957
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans	2b(1)(E)	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	1957
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	386070 386070
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		768365
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		1156392

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	685582	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		685582
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	197223	
(2) Contract administrator fees.....	2i(2)	8117	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)	1225	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		206565
j Total expenses. Add all expense amounts in column (b) and enter total	2j		892147

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		264245
l Transfers of assets:			
(1) To this plan.....	2l(1)		5104227
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: KPMG LLP

(2) EIN: 13-5565207

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☒ Yes ☐ No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4133609. (See instructions.)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 08/01/2018 and ending 07/31/2019

A Name of plan <u>THE TORO COMPANY UNION PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE TORO COMPANY</u>	D Employer Identification Number (EIN) <u>41-0580470</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3795042</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2018
v. 171027

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****14c**

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year

b The corresponding number for the second preceding plan year

15a**15b**

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers

16a**16b**

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____ % Investment-Grade Debt: _____ % High-Yield Debt: _____ % Real Estate: _____ % Other: _____ %

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

THE TORO COMPANY UNION PENSION PLAN

Financial Statements and Supplemental Schedules

July 31, 2019 and 2018

(With Independent Auditors' Report)

THE TORO COMPANY UNION PENSION PLAN

Table of Contents

Description	Page Number
Independent Auditors' Report	<u>1</u>
Statements of Net Assets Available for Benefits	<u>3</u>
Statements of Changes in Net Assets Available for Benefits	<u>4</u>
Notes to Financial Statements	<u>5</u>
Supplemental Schedules:	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	<u>10</u>
Schedule H, Line 4j – Schedule of Reportable Transactions	<u>11</u>



KPMG LLP
4200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402

Independent Auditors' Report

To the Plan Administrator
The Toro Company
Union Pension Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Toro Company Union Pension Plan (formerly Wheel Horse Products, Inc. Employees' Retirement Plan) (the Plan), which comprise the statements of net assets available for benefits as of July 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of July 31, 2019 and 2018, and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of (1) Schedule H, line 4i – Schedule of Assets (Held at End of Year) and (2) Schedule H – line 4j – Schedule of Reportable Transactions as of or for the year ended July 31, 2019 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the



Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

KPMG LLP

Minneapolis, Minnesota
May 1, 2020

THE TORO COMPANY UNION PENSION PLAN

Statements of Net Assets Available for Benefits

July 31, 2019 and 2018

	2019	2018
Assets held by trustee, at fair value:		
Investments at fair value	\$ 10,037,192	\$ 4,635,605
Other receivables	1,227	17,972
Total assets held by trustee, at fair value	10,038,419	4,653,577
Liabilities:		
Accrued liabilities	28,432	12,062
Total liabilities	28,432	12,062
Net assets available for benefits	\$ 10,009,987	\$ 4,641,515

See accompanying Notes to Financial Statements.

THE TORO COMPANY UNION PENSION PLAN
Statements of Changes in Net Assets Available for Benefits
Fiscal Years Ended July 31, 2019 and 2018

	2019	2018
Investment income on assets held by trustee:		
Net appreciation/(depreciation) in the fair value of investments	\$ 768,365	\$ (132,450)
Interest and dividends	386,800	169,484
Other	1,227	—
Net investment income	1,156,392	37,034
Benefit payments	(685,582)	(679,905)
Trustee fees	(206,565)	(29,177)
Total deductions from net assets	(892,147)	(709,082)
Increase/(decrease) in net assets available for benefits	264,245	(672,048)
Transfer of assets from another plan	5,104,227	—
Net assets available for benefits:		
Beginning of year	4,641,515	5,313,563
End of year	\$ 10,009,987	\$ 4,641,515

See accompanying Notes to Financial Statements.

THE TORO COMPANY UNION PENSION PLAN

Notes to Financial Statements
July 31, 2019 and 2018

Note 1 — Description of the Plan

General Description

The Toro Company (the "Plan Administrator" or "Plan Sponsor") is in the business of designing, manufacturing, and marketing professional turf maintenance equipment and services; turf irrigation systems; landscaping equipment and lighting products; snow and ice management products; agricultural irrigation systems; rental, specialty, and underground construction equipment; and residential yard and snow thrower products. The Toro Company sells its products worldwide through a network of distributors, dealers, mass retailers, hardware retailers, equipment rental centers, home centers, as well as online (direct to end-users).

Effective July 1, 1969, a defined benefit retirement plan was established by Wheel Horse Products, Inc. called the Wheel Horse Products, Inc. Employees' Retirement Plan (the "Wheel Horse Plan"). On March 26, 1993, the Wheel Horse plant closed, which eliminated future service for all employees and all employees became 100% vested in the Wheel Horse Plan. Effective August 2, 2018 (the "merger date"), The Toro Company Plymouth Union Employee's Pension Plan (the "Plymouth Plan") merged with, and into, the Wheel Horse Plan. As of the merger date, all assets, including in-kind investments, of the Plymouth Plan were transferred into the Wheel Horse Plan in the amount of \$5,104,227. Effective on the merger date, the name of the merged plan was changed to The Toro Company Union Pension Plan (the "Plan"). As of October 31, 2018, the Plan Administrator froze all remaining benefits in the Plan. Plan assets are held by Wells Fargo Bank, N.A., the trustee. As of July 31, 2019, the Plan covered 285 former hourly employees of the Plan Sponsor who were in a class of employee subject to a collective bargaining unit.

Plan Termination

On November 12, 2018, the Plan Administrator's Management Investment Committee, pursuant to authority delegated to it by the Board of Directors of the Plan Administrator, approved and adopted a resolution to terminate The Toro Company Union Pension Plan (the "Plan of Termination"). Termination of the Plan was effective January 31, 2019, subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Under this Plan of Termination, participants who have not yet started receiving benefits have the ability to elect to receive a lump sum distribution of their entire Plan benefit or elect to have the same payment options currently available under the Plan through purchased annuity contracts. For participants currently receiving monthly benefit payments, an annuity contract will be purchased by the Plan Administrator on their behalf and payments will continue to be paid in the same amount and in the same form as initially elected. As of July 31, 2019, the Plan has sufficient assets to satisfy all benefits accumulated and expected to be distributed in accordance with the Plan of Termination. If, however, the Plan has insufficient assets to satisfy all benefits accumulated to the date of the plan's termination, the Plan Sponsor will be required to pay to the Plan an amount that, together with the Plan's assets, will satisfy all benefits accumulated to the date of the Plan's termination. After the Plan of Termination is finalized, Plan assets that remain after satisfying all accumulated benefit obligations will be returned to, or for the benefit of, the Plan Sponsor.

On May 3, 2019, the Plan Administrator received a favorable determination letter from the Internal Revenue Service ("IRS") regarding its Plan of Termination. On July 29, 2019, the Plan Administrator submitted to the Pension Benefit Guaranty Corporation ("PBGC") a Standard Termination Notice on Form 500. As of July 31, 2019, however, the Plan Administrator had not received approval from the PBGC, a regulator with the authority to nullify the Plan of Termination, and accordingly, determined that liquidation of The Toro Company Union Pension Plan was not imminent.

Payment of Benefits

Benefits are paid to participants when their retirement dates are reached. A normal retirement date is the later of the date of a participant's 65th birthday or the date a participant completes five years of credited service. An election can be made for an early, late, or disability retirement date. Normal retirement benefits are paid monthly to the retiree or the surviving spouse of the retiree. Maximum benefits are limited to the lesser of \$220,000 or 100% of the participant's highest average compensation. A participant who terminates employment and who is not eligible for normal retirement benefits will become eligible for vested termination benefits after five years of vesting service and will become eligible for early retirement benefits after attainment of age 60 with five years of vesting service or attainment of age 55 with 30 years of vesting service. A participant may elect to receive benefit payments in the form of a lump sum or other form of benefit payment.

Administrative Costs

Administrative costs of the Plan are shared by the Plan Administrator and Plan participants, depending upon the type of administrative cost. Investment management fees are netted against investment income.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Financial Statements of the Plan are prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") and are presented on the accrual basis of accounting.

Accounting Estimates

The preparation of the Financial Statements and any Supplemental Schedules in conformity with U.S. GAAP requires the Plan's Administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits, accumulated Plan benefits, and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of changes in net assets available for benefits and changes in accumulated Plan benefits during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan has investments in a variety of investment funds that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits. Additionally, Plan contributions are made, and the actuarial present value of accumulated Plan benefits are reported, based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in these estimates and assumptions, it is reasonably possible that changes in these estimates and assumptions will occur in the near term and that such changes could be material to the Financial Statements.

Valuation of Investments

The Plan's investments are held by the trustee and are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The Plan categorizes its assets and liabilities into one of three levels based on the assumptions and inputs used in valuing the asset or liability. Level 1 provides the most reliable measure of fair value, while Level 3 generally requires significant management judgment. The three levels are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs reflecting management's assumptions about the inputs used in pricing the asset or liability.

Investments in units of participation in bank deposit accounts or money market funds, when applicable, are stated at cost, which approximates fair value. Investments in mutual funds are classified as Level 1 within the fair value hierarchy and are stated at fair market value based on quoted market prices of the underlying securities as determined by the trustee. There have been no changes in fair value methodologies used as of July 31, 2019 and 2018.

The Plan's assets measured at fair value are summarized below:

July 31, 2019	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,295,464	\$ 1,295,464	\$ —	\$ —
Diversified mutual funds	8,741,728	8,741,728	—	—
Investments at fair value	\$ 10,037,192	\$ 10,037,192	\$ —	\$ —

July 31, 2018	Fair Value	Level 1	Level 2	Level 3
Diversified mutual funds	\$ 4,635,605	\$ 4,635,605	\$ —	\$ —
Investments at fair value	\$ 4,635,605	\$ 4,635,605	\$ —	\$ —

Income Recognition

Purchases and sales of investments are recorded on a trade-date basis. Net appreciation, or depreciation, includes the Plan's gains, or losses, respectively, on investments bought and sold, as well as held during the year and is reflected in the Statements of Changes in Net Assets Available for Benefits. Interest is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

Note 3 — Party-In-Interest Transactions

The trustee is a party-in-interest with respect to the Plan. The Plan's investments are held by the trustee, and some of the Plan's investment funds include bank deposit accounts managed by the trustee. In the opinion of the Plan's legal counsel, certain transactions between the Plan and the trustee are exempt from being considered as "prohibited transactions" under the ERISA Section 408(b). The Plan had no prohibited transactions with parties-in-interest during fiscal 2019 and 2018.

Note 4 — Actuarial Present Value of Accumulated Plan Benefits, Actuarial Assumptions, and Methods

Accumulated Plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the services employees have rendered. Accumulated Plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries and beneficiaries of employees who have died. Benefits under the Plan are based on each participant's number of credited years of service and normal retirement date, as defined in the Plan.

The actuarial present value of accumulated Plan benefits is the amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal, or retirement) between the valuation date and expected date of payment. Actuarial calculations were made using the standard unit credit cost method.

The actuarial present value of accumulated Plan benefits, as determined by third party consulting actuaries, was:

	August 1, 2018
Actuarial present value of accumulated Plan benefits:	
Participants currently receiving benefits	\$ 1,899,542
Other participants	971,109
Total actuarial present value of accumulated Plan benefits	\$ 2,870,651

The total actuarial present value of accumulated Plan benefits decreased \$547,909 from \$3,418,560 the prior year due to benefit payments of \$679,905, a decrease related to assumption changes of \$8,476, and other decreases of \$5,949, partially offset by an accumulation of interest of \$146,421.

The significant assumptions underlying the actuarial computations are as follows:

Discount rate	4.75%
Mortality basis	RP-2014 Blue Collar mortality table adjusted back to 2006 using MP-2014 and projected forward using projection scale MP-2018
Retirement age	Age 65 with five years of service
Valuation method	Standard Unit Credit Cost Method

The foregoing actuarial assumptions and calculations, as of August 1, 2018, do not reflect the merger of assets from the Plymouth Plan that occurred on August 2, 2018. If these assets were included in the calculation as of August 1, 2018, using the same foregoing actuarial assumptions, the actuarial present value of accumulated Plan benefits would increase by approximately \$5,339,986.

Note 5 — Trust Fund Investments and Investment Income

The trustee provided the Plan Administrator with certifications as to the completeness and accuracy of investment assets of the trust aggregating to \$10,038,419 and \$4,653,577 as of July 31, 2019 and 2018, respectively, and the related investment income on such assets of \$1,156,392 and \$37,034, respectively, for the years then ended.

During fiscal 2019, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$768,365. During fiscal 2018, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$132,450. These amounts are included in the accompanying Financial Statements and Supplemental Schedules based on such certifications from the trustee.

Note 6 — Federal Income Taxes

The Plan Administrator received a favorable determination letter dated May 3, 2019 from the IRS stating that the Plan constitutes a qualified plan under Section 401(a) of the Internal Revenue Code (the "Code" or "IRC") and that the trust created under the Plan is exempt from federal income tax under Section 501(a) of the Code. The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

U.S. GAAP requires the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability or tax asset if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has concluded that as of July 31, 2019, there are no uncertain tax positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes that the Plan is no longer subject to income tax examinations for years prior to 2015.

Note 7 — Funding Policy

The Plan Sponsor's contributions to the Plan are designed to annually fund the prior service costs (present value of accumulated Plan benefits), less net assets available, over approximately 30 years, which is in compliance with the minimum funding requirements under the ERISA. Because of the funding status, the Plan Sponsor did not make any contributions during fiscal 2019 or 2018.

Note 8 — Subsequent Events

Plan Termination

On July 29, 2019, the Plan Administrator submitted to the PBGC a Standard Termination Notice on Form 500. From this date, the PBGC had 60 days to review the Plan of Termination to determine whether it would issue a Notice of Noncompliance. On September 27, 2019, the 60-day term in which the PBGC was able to nullify the Plan of Termination lapsed without the issuance of a Notice of Noncompliance, and liquidation became imminent. As of July 31, 2019, however, the Plan Administrator had not received approval from the PBGC, a regulator with the authority to nullify the Plan of Termination, and accordingly, determined that liquidation of The Toro Company Union Pension Plan was not imminent.

In accordance with the Plan of Termination, distributions in the amount of \$3,573,522 were paid on November 1, 2019 to participants who elected to receive a lump sum payout of their entire Plan benefit. On February 5, 2020, the Plan Administrator executed a group annuity contract with an insurance carrier in the amount of \$5,073,855 to provide benefits to all other participants. This group annuity contract had a benefit commencement date of April 1, 2020, the completion date for the Plan of Termination. As of April 14, 2020, Plan assets that remained after satisfying accumulated benefit obligations, in the amount of \$1,584,007, had been returned for the benefit of the Plan Administrator.

COVID-19 Pandemic

On January 30, 2020, the World Health Organization declared the outbreak of COVID-19 as a "public emergency of international concern," and on March 13, 2020, the President of the United States declared a state of national emergency. As a result of the outbreak, there has been instability in the capital markets. The ultimate impact of the COVID-19 outbreak on investment values and capital markets is highly uncertain. Based on the timing of the Plan of Termination, however, COVID-19 did not have an impact on the fair value of Plan assets.

The Plan Administrator evaluated all additional subsequent events through May 1, 2020 and concluded that no additional subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

THE TORO COMPANY UNION PENSION PLAN
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
July 31, 2019

The below data is based on information that has been certified as complete and accurate by Wells Fargo Bank, N.A., the trustee:

Description	Par Value Number of Shares	Cost	Fair Value
Wells Fargo Bank Collateralized Institutional Bank Deposit Account ¹	1,295,464	\$ 1,295,464	\$ 1,295,464
Delaware Extended Duration Bond Fund Class R6	628,299	4,082,851	4,291,283
PIMCO Investment Grade Corporate Bond Fund Institutional Class	358,041	4,185,156	4,450,445
Other receivables		1,227	1,227
Total		\$ 9,564,698	\$ 10,038,419

¹ Party-in-interest

See accompanying Independent Auditors' Report.

THE TORO COMPANY UNION PENSION PLAN
Schedule H, Line 4j – Schedule of Reportable Transactions
Fiscal year ended July 31, 2019

The below data is based on information that has been certified as complete and accurate by Wells Fargo Bank, N.A., the trustee.

5% series of transactions by Rule 2520.103-6(c):

	Number of Purchase Transactions	Number of Sale Transactions	Total of Purchase Transactions	Total of Sale Transactions	Net Gain
Wells Fargo Bank Collateralized Institutional Bank Deposit Account ¹	1	1	\$ 1,456,642	\$ 161,218	\$ —
Vanguard Total Stock Market Index Fund Admiral Shares	3	27	\$ 15,300	\$ 1,090,141	\$ 249,900

¹ Party-in-interest

See accompanying Independent Auditors' Report.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Schedule SB, line 25—Change in Method

As a result of the merger of The Toro Company Plymouth Union Plan on August 2, 2018, the following methods have been changed pending IRS approval:

- A change in the valuation date to August 1 (with assets, liabilities, and funding shortfall merged in as of August 2, 2018 for the Plymouth Union Plan).
- A change to the segment interest rates with no lookback period (i.e., August) each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA.
- A change in the value of plan assets using the average of the fair market value on the valuation date and the adjusted fair market value of assets from the two immediately preceding valuation dates. The value of plan assets for the legacy Plymouth Union Plan was determined on an August 1 plan year basis using historical asset values as of July 31, 2017 and July 31, 2016 as well as contributions and benefit payments during the 12-month period beginning August 1, 2016 and August 1, 2017. A 90%–110% corridor around fair market value is used.

The Change in Funding Method request was filed on January 24, 2019 and approval is pending. Details of the funding method changes, and applicable calculations are included in the Change in Funding Method request.

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
*	Wells Fargo Bank Collateralized Institutional Bank Deposit Account	Mutual Fund	\$ 1,295,464.42	\$ 1,295,464.42
	Delaware Extended Duration Bond Fund Class R6	Mutual Fund	\$ 4,082,851.11	\$ 4,291,282.76
	Pimco Long-Term Credit Bond Fund Class Institutional Class	Mutual Fund	\$ 4,185,155.92	\$ 4,450,444.82

Schedule H, Line 4j - Schedule of Reportable Transactions

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Wells Fargo Bank, N.A.	Wells Fargo Bank Collateralized Institutional Bank Deposit Account	\$ 1,456,642.00					\$ 1,456,642.00	
Wells Fargo Bank, N.A.	Vanguard Total Stock Market Index Fund Admiral Shares	\$ 15,300.00					\$ 15,300.00	
Wells Fargo Bank, N.A.	Wells Fargo Bank Collateralized Institutional Bank Deposit Account		\$ 161,218.00			\$ 161,218.00		\$ -
Wells Fargo Bank, N.A.	Vanguard Total Stock Market Index Fund Admiral Shares		\$ 1,090,141.00			\$ 840,241.00		\$ 249,900.00

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 08/01/2018 and ending 01/31/2019

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan THE TORO COMPANY UNION PENSION PLAN	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">B Three-digit plan number (PN) ►</td> <td style="width: 30%; text-align: center;">003</td> </tr> </table>	B Three-digit plan number (PN) ►	003
B Three-digit plan number (PN) ►	003		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF THE TORO COMPANY	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>D Employer Identification Number (EIN) 41-0580470</td> </tr> </table>	D Employer Identification Number (EIN) 41-0580470	
D Employer Identification Number (EIN) 41-0580470			
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B			
F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500			

Part I Basic Information				
1 Enter the valuation date: Month <u>08</u> Day <u>01</u> Year <u>2018</u>				
2 Assets:				
a Market value.....	2a	4,653,577		
b Actuarial value.....	2b	4,799,828		
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target	
a For retired participants and beneficiaries receiving payment	90	1,891,591	1,891,591	
b For terminated vested participants	64	865,817	865,817	
c For active participants	0	0	0	
d Total	154	2,757,408	2,757,408	
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐				
a Funding target disregarding prescribed at-risk assumptions.....	4a			
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b			
5 Effective interest rate.....	5	5.57%		
6 Target normal cost	6	39,206		

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	KYLE W. ANDERSON <i>KWA</i> _____ Signature of actuary	08/21/2019 _____ Date
	KYLE W. ANDERSON _____ Type or print name of actuary	1705674 _____ Most recent enrollment number
	AON CONSULTING, INC. _____ Firm name	952-886-8000 _____ Telephone number (including area code)
	5600 WEST 83RD STREET 8200 TOWER, SUITE 1100 MINNEAPOLIS MN 55437 _____ Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2018
v. 171027

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	1,086,946	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	1,086,946	0
10 Interest on line 9 using prior year's actual return of <u>0.73%</u>	7,935	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.76%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	1,094,881	0

Part III Funding Percentages

14	Funding target attainment percentage	14	134 . 36%
15	Adjusted funding target attainment percentage.....	15	174 . 07%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	167 . 90%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ►	18(b)	0 18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

C If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 3.92 %	2nd segment: 5.52 %	3rd segment: 6.29 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 0
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions)	Prior regulation:	☐ Prescribed - combined	☐ Prescribed - separate	☐ Substitute
	Current regulation:	☒ Prescribed - combined	☐ Prescribed - separate	☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	39,206	
b Excess assets, if applicable, but not greater than line 31a	31b	39,206	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	0		0
b Waiver amortization installment	0		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
58.5	5.00%	1.0000	2.93
59.5	5.00%	0.9500	2.83
60.5	10.00%	0.9025	5.46
61.5	10.00%	0.8123	5.00
62.5	33.00%	0.7310	15.08
63.5	20.00%	0.4898	6.22
64.5	20.00%	0.3918	5.05
65.5	65.00%	0.3135	13.35
66.5	50.00%	0.1097	3.65
67.5	50.00%	0.0549	1.85
68.5	50.00%	0.0274	0.94
69	100.00%	0.0137	0.95
Weighted Average			63.31

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with no lookback (as of August 2018), each adjusted as needed to fall within the 25-year average interest rate stabilization corridor
1st Segment Rate	3.92%.
2nd Segment Rate	5.52%.
3rd Segment Rate	6.29%.
Interest Rates for Maximum Tax Purposes	Based on segment rates with no lookback (as of August 2018), without regard to interest rate stabilization
1st Segment Rate	2.21%.
2nd Segment Rate	3.77%.
3rd Segment Rate	4.45%.
Retirement Age	
Active Participants	See Table 1.
Terminated Vested Participants	Age 65.
Mortality Rates	
Healthy and Disabled	2018 static mortality table for annuitants and non-annuitants per section 1.430(h)(3)-1(e) (new basis adopted).
Withdrawal Rates	See Table 2.
Disability Rates	See Table 3.
Decrement Timing	Middle-of-year decrements (except that retirement is assumed to occur at the beginning of the year for ages where the assumed retirement rate is 100%).
Surviving Spouse Benefit	It is assumed that 85% of males (90% for Plymouth) and 85% of females (70% for Plymouth) have an eligible spouse, and that males are three years older than their spouses.
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of \$220,000.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Valuation of Plan Assets

Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.

A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).

Expected Return on Assets

2016 Plan Year

4.75% (6.50% for Plymouth).

2017 Plan Year

4.75% (6.25% for Plymouth).

2018 Plan Year

4.75%.

Trust Expenses Included in Target Normal Cost

None.

Actuarial Method

Standard unit credit cost method.

Valuation Date

August 1, 2018.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Table 1

Retirement Rates

<u>Age</u>	<u>Rate</u>
55	0.00%
56	0.00%
57	0.00%
58	5.00%
59	5.00%
60	10.00%
61	10.00%
62	33.00%
63	20.00%
64	20.00%
65	65.00%
66	50.00%
67	50.00%
68	50.00%
69+	100.00%

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Table 2

Withdrawal Rates

Age	Male	Female	Age	Male	Female
15	30.00%	35.10%	45	3.00%	4.50%
16	27.80%	33.00%	46	2.80%	4.20%
17	25.60%	30.90%	47	2.60%	3.90%
18	23.40%	28.80%	48	2.40%	3.60%
19	21.20%	26.70%	49	2.20%	3.30%
20	19.00%	24.60%	50	2.00%	3.00%
21	16.80%	22.50%	51	1.80%	2.70%
22	14.60%	20.40%	52	1.60%	2.40%
23	13.20%	18.30%	53	1.40%	2.10%
24	11.80%	16.20%	54	1.20%	1.80%
25	10.40%	14.10%	55	1.00%	1.50%
26	9.00%	12.00%	56	0.80%	1.20%
27	7.60%	9.90%	57	0.60%	0.90%
28	7.20%	9.60%	58	0.40%	0.60%
29	6.80%	9.30%	59	0.20%	0.30%
30	6.40%	9.00%	60+	0.00%	0.00%
31	6.00%	8.70%			
32	5.60%	8.40%			
33	5.40%	8.10%			
34	5.20%	7.80%			
35	5.00%	7.50%			
36	4.80%	7.20%			
37	4.60%	6.90%			
38	4.40%	6.60%			
39	4.20%	6.30%			
40	4.00%	6.00%			
41	3.80%	5.70%			
42	3.60%	5.40%			
43	3.40%	5.10%			
44	3.20%	4.80%			

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Table 3

Disability Rates

Age	Male	Female	Age	Male	Female
15	0.03%	0.03%	45	0.16%	0.24%
16	0.03%	0.03%	46	0.18%	0.27%
17	0.03%	0.03%	47	0.21%	0.30%
18	0.03%	0.03%	48	0.25%	0.33%
19	0.03%	0.03%	49	0.28%	0.36%
20	0.03%	0.03%	50	0.33%	0.40%
21	0.03%	0.03%	51	0.39%	0.44%
22	0.03%	0.03%	52	0.46%	0.49%
23	0.03%	0.03%	53	0.53%	0.54%
24	0.03%	0.03%	54	0.61%	0.59%
25	0.03%	0.03%	55	0.69%	0.64%
26	0.03%	0.03%	56	0.77%	0.69%
27	0.03%	0.03%	57	0.86%	0.74%
28	0.03%	0.04%	58	0.95%	0.80%
29	0.03%	0.04%	59	1.05%	0.85%
30	0.03%	0.04%	60	1.15%	0.90%
31	0.03%	0.05%	61	1.26%	0.96%
32	0.03%	0.05%	62	1.38%	1.01%
33	0.03%	0.06%	63	1.51%	1.05%
34	0.03%	0.06%	64	1.64%	1.09%
35	0.04%	0.07%	65+	0.00%	0.00%
36	0.04%	0.08%			
37	0.05%	0.09%			
38	0.06%	0.10%			
39	0.07%	0.12%			
40	0.08%	0.13%			
41	0.09%	0.15%			
42	0.10%	0.17%			
43	0.12%	0.19%			
44	0.14%	0.22%			

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Schedule SB, Part V—Summary of Plan Provisions
Provisions – Legacy Wheel Horse

Effective Date	The Pension Plan became effective on July 1, 1969. It was most recently amended January 1, 2007. Effective March 26, 1993, the Wheel Horse plant was closed, thereby eliminating future service for all employees.
Participation	Employees covered by the terms of the Collective Bargaining Agreement entered into with the International Union, United Automobile Aerospace, and Agricultural Implement Workers of America, UAW and its Affiliated Local Union No. 111 are covered by the plan. An employee becomes a participant upon the attainment of age 21 and the completion of his probationary period under the terms of the Collective Bargaining Agreement. The probationary period shall not require completion of more than one year of service prior to eligibility for any employee who had attained age 21.
Normal Retirement Eligibility	Age 65 and five years of service.
Benefit	\$16.00 per month multiplied by years of credited service.
Early Retirement Eligibility	Age 60 with five years of service, or age 55 with 30 years of service.
Benefit	The normal retirement benefit based on service to date of retirement but reduced 0.6% for each month in which payments begin prior to age 62. If the participant has 30 years of service, there is no reduction for early commencement.
Disability Retirement Eligibility	Five years of service.
Benefit	Normal retirement benefit based upon service at time of disability, payable immediately upon disability.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Deferred Vested

Eligibility

Five years of service.

Benefit

The accrued normal retirement benefit payable at age 65. Benefits are reduced for early commencement as shown below. Percentage is prorated for intermediate ages.

Age	Percentage
65	100.0%
64	92.5%
63	85.0%
62	77.5%
61	70.0%
60	62.5%
59	54.5%
58	49.5%
57	45.0%
56	41.5%
55	38.0%

Preretirement Surviving Spouse Benefit

Eligibility

Five years of service.

Benefit

The benefit that would have been payable if the participant had terminated, survived to their earliest retirement date, retired, elected a 50% survivor annuity option and died.

Definitions

Credited Service

Elapsed time from commencement date to termination.

Vesting Service

Equal to credited service.

Actuarial Equivalence

6.00% interest and 417(e) mortality.

Normal Form of Payment

Single Participant

Life annuity.

Married Participant

Survivor Benefit Annuity. This benefit is 95% of the benefit payable as a life annuity. The benefit payable to the beneficiary upon participant death is 60% of the reduced benefit.

Optional Forms of Payment

Five-year certain and life;
75% joint and survivor;
Lump sum.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Plan Provisions – Legacy Plymouth Union

Effective Date October 1, 1987.

Eligibility for Participation All employees of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Local No. 1291 bargaining unit.

Normal Retirement

Eligibility Age 65 with five years of Vesting Service.

Benefit The monthly benefit is the benefit unit below multiplied by years of Benefit Service, maximum 35 years.

Effective Date	Multiplier
1/1/2009	\$25.00
1/1/2010	\$27.00
1/1/2011	\$28.00
1/1/2012	\$31.00
1/1/2015	\$32.00
1/1/2016	\$33.00
1/1/2017	\$34.00
1/1/2018	\$35.00

Early Retirement

Eligibility Age 58 with 10 or more years of Vesting Service.

Benefit Accrued normal retirement benefit.

The payments are reduced 0.5% for each month that payments commence prior to the employee's age 62.

Disability Retirement

Eligibility Ten years of Vesting Service and qualification for permanent disability benefits under the federal Social Security Act.

Benefit Accrued normal retirement benefit payable immediately.

Vested Termination

Eligibility Five or more years of Vesting Service.

Benefit Accrued normal retirement benefit based on service to date of termination. Actuarially reduced for commencement before normal retirement date.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Preretirement Spouse Benefit
Eligibility

Spouses of vested participants who die and who have been married throughout the 12-month period ending on the date of the participant's death.

Benefit

The amount which would have been payable to the spouse had the participant separated from service on the date of his death, survived to his normal retirement date (or earliest retirement date if so elected), and elected a 50% joint and survivor annuity.

Normal Form of Payment

Actuarially reduced 50% joint and survivor annuity if married and life annuity if unmarried.

Optional Forms of Payment

Life annuity or 100% joint and survivor annuity if married. Lump sum.

Vesting Service

Participants are credited with service based on the table shown below:

Hours of Service	Vesting Service Credited
1000+	1.00
992-999	0.60
812-991	0.50
632-811	0.40
452-631	0.30
272-451	0.20
91-271	0.10
<91	0.00

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Benefit Service

Participants are credited with service based on the table shown below:

Hours of Service	Vesting Service Credited
1712+	1.00
1532-1711	0.90
1352-1531	0.80
1172-1351	0.70
992-1171	0.60
812-991	0.50
632-811	0.40
452-631	0.30
272-451	0.20
91-271	0.10
<91	0.00

Service is frozen as of October 31, 2018.

Actuarial Equivalence

6.00% and applicable mortality under 417(e).

Plan Changes Since the Prior Year

The funding and plan reporting valuations reflect the following plan changes:

- Effective August 2, 2018 The Toro Company Plymouth Union Employees' Pension Plan was merged into the Wheel Horse Products, Inc. Employees' Retirement Plan. The merged plan was renamed The Toro Company Union Pension Plan.
- A change in the mortality basis for lump-sum payments from the 2017 417(e)(3) mortality table to the 2018 417(e)(3) mortality table.
- Effective October 31, 2018, benefit service for Plymouth Plan participants is frozen.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Schedule SB, line 25—Change in Method

As a result of the merger of The Toro Company Plymouth Union Plan on August 2, 2018, the following methods have been changed pending IRS approval:

- A change in the valuation date to August 1 (with assets, liabilities, and funding shortfall merged in as of August 2, 2018 for the Plymouth Union Plan).
- A change to the segment interest rates with no lookback period (i.e., August) each adjusted as needed to fall within the 25-year average interest rate corridor under HATFA.
- A change in the value of plan assets using the average of the fair market value on the valuation date and the adjusted fair market value of assets from the two immediately preceding valuation dates. The value of plan assets for the legacy Plymouth Union Plan was determined on an August 1 plan year basis using historical asset values as of July 31, 2017 and July 31, 2016 as well as contributions and benefit payments during the 12-month period beginning August 1, 2016 and August 1, 2017. A 90%–110% corridor around fair market value is used.

The Change in Funding Method request was filed on January 24, 2019 and approval is pending. Details of the funding method changes, and applicable calculations are included in the Change in Funding Method request.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with no lookback (as of August 2018), each adjusted as needed to fall within the 25-year average interest rate stabilization corridor
1st Segment Rate	3.92%.
2nd Segment Rate	5.52%.
3rd Segment Rate	6.29%.
Interest Rates for Maximum Tax Purposes	Based on segment rates with no lookback (as of August 2018), without regard to interest rate stabilization
1st Segment Rate	2.21%.
2nd Segment Rate	3.77%.
3rd Segment Rate	4.45%.
Retirement Age	
Active Participants	See Table 1.
Terminated Vested Participants	Age 65.
Mortality Rates	
Healthy and Disabled	2018 static mortality table for annuitants and non-annuitants per section 1.430(h)(3)-1(e) (new basis adopted).
Withdrawal Rates	See Table 2.
Disability Rates	See Table 3.
Decrement Timing	Middle-of-year decrements (except that retirement is assumed to occur at the beginning of the year for ages where the assumed retirement rate is 100%).
Surviving Spouse Benefit	It is assumed that 85% of males (90% for Plymouth) and 85% of females (70% for Plymouth) have an eligible spouse, and that males are three years older than their spouses.
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of \$220,000.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Valuation of Plan Assets

Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.

A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).

Expected Return on Assets

2016 Plan Year

4.75% (6.50% for Plymouth).

2017 Plan Year

4.75% (6.25% for Plymouth).

2018 Plan Year

4.75%.

Trust Expenses Included in Target Normal Cost

None.

Actuarial Method

Standard unit credit cost method.

Valuation Date

August 1, 2018.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Table 1

Retirement Rates

<u>Age</u>	<u>Rate</u>
55	0.00%
56	0.00%
57	0.00%
58	5.00%
59	5.00%
60	10.00%
61	10.00%
62	33.00%
63	20.00%
64	20.00%
65	65.00%
66	50.00%
67	50.00%
68	50.00%
69+	100.00%

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Table 2

Withdrawal Rates

Age	Male	Female	Age	Male	Female
15	30.00%	35.10%	45	3.00%	4.50%
16	27.80%	33.00%	46	2.80%	4.20%
17	25.60%	30.90%	47	2.60%	3.90%
18	23.40%	28.80%	48	2.40%	3.60%
19	21.20%	26.70%	49	2.20%	3.30%
20	19.00%	24.60%	50	2.00%	3.00%
21	16.80%	22.50%	51	1.80%	2.70%
22	14.60%	20.40%	52	1.60%	2.40%
23	13.20%	18.30%	53	1.40%	2.10%
24	11.80%	16.20%	54	1.20%	1.80%
25	10.40%	14.10%	55	1.00%	1.50%
26	9.00%	12.00%	56	0.80%	1.20%
27	7.60%	9.90%	57	0.60%	0.90%
28	7.20%	9.60%	58	0.40%	0.60%
29	6.80%	9.30%	59	0.20%	0.30%
30	6.40%	9.00%	60+	0.00%	0.00%
31	6.00%	8.70%			
32	5.60%	8.40%			
33	5.40%	8.10%			
34	5.20%	7.80%			
35	5.00%	7.50%			
36	4.80%	7.20%			
37	4.60%	6.90%			
38	4.40%	6.60%			
39	4.20%	6.30%			
40	4.00%	6.00%			
41	3.80%	5.70%			
42	3.60%	5.40%			
43	3.40%	5.10%			
44	3.20%	4.80%			

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Table 3

Disability Rates

Age	Male	Female	Age	Male	Female
15	0.03%	0.03%	45	0.16%	0.24%
16	0.03%	0.03%	46	0.18%	0.27%
17	0.03%	0.03%	47	0.21%	0.30%
18	0.03%	0.03%	48	0.25%	0.33%
19	0.03%	0.03%	49	0.28%	0.36%
20	0.03%	0.03%	50	0.33%	0.40%
21	0.03%	0.03%	51	0.39%	0.44%
22	0.03%	0.03%	52	0.46%	0.49%
23	0.03%	0.03%	53	0.53%	0.54%
24	0.03%	0.03%	54	0.61%	0.59%
25	0.03%	0.03%	55	0.69%	0.64%
26	0.03%	0.03%	56	0.77%	0.69%
27	0.03%	0.03%	57	0.86%	0.74%
28	0.03%	0.04%	58	0.95%	0.80%
29	0.03%	0.04%	59	1.05%	0.85%
30	0.03%	0.04%	60	1.15%	0.90%
31	0.03%	0.05%	61	1.26%	0.96%
32	0.03%	0.05%	62	1.38%	1.01%
33	0.03%	0.06%	63	1.51%	1.05%
34	0.03%	0.06%	64	1.64%	1.09%
35	0.04%	0.07%	65+	0.00%	0.00%
36	0.04%	0.08%			
37	0.05%	0.09%			
38	0.06%	0.10%			
39	0.07%	0.12%			
40	0.08%	0.13%			
41	0.09%	0.15%			
42	0.10%	0.17%			
43	0.12%	0.19%			
44	0.14%	0.22%			

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Schedule SB, Part V—Summary of Plan Provisions
Provisions – Legacy Wheel Horse

Effective Date	The Pension Plan became effective on July 1, 1969. It was most recently amended January 1, 2007. Effective March 26, 1993, the Wheel Horse plant was closed, thereby eliminating future service for all employees.
Participation	Employees covered by the terms of the Collective Bargaining Agreement entered into with the International Union, United Automobile Aerospace, and Agricultural Implement Workers of America, UAW and its Affiliated Local Union No. 111 are covered by the plan. An employee becomes a participant upon the attainment of age 21 and the completion of his probationary period under the terms of the Collective Bargaining Agreement. The probationary period shall not require completion of more than one year of service prior to eligibility for any employee who had attained age 21.
Normal Retirement Eligibility	Age 65 and five years of service.
Benefit	\$16.00 per month multiplied by years of credited service.
Early Retirement Eligibility	Age 60 with five years of service, or age 55 with 30 years of service.
Benefit	The normal retirement benefit based on service to date of retirement but reduced 0.6% for each month in which payments begin prior to age 62. If the participant has 30 years of service, there is no reduction for early commencement.
Disability Retirement Eligibility	Five years of service.
Benefit	Normal retirement benefit based upon service at time of disability, payable immediately upon disability.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Deferred Vested

Eligibility

Five years of service.

Benefit

The accrued normal retirement benefit payable at age 65. Benefits are reduced for early commencement as shown below. Percentage is prorated for intermediate ages.

Age	Percentage
65	100.0%
64	92.5%
63	85.0%
62	77.5%
61	70.0%
60	62.5%
59	54.5%
58	49.5%
57	45.0%
56	41.5%
55	38.0%

Preretirement Surviving Spouse Benefit

Eligibility

Five years of service.

Benefit

The benefit that would have been payable if the participant had terminated, survived to their earliest retirement date, retired, elected a 50% survivor annuity option and died.

Definitions

Credited Service

Elapsed time from commencement date to termination.

Vesting Service

Equal to credited service.

Actuarial Equivalence

6.00% interest and 417(e) mortality.

Normal Form of Payment

Single Participant

Life annuity.

Married Participant

Survivor Benefit Annuity. This benefit is 95% of the benefit payable as a life annuity. The benefit payable to the beneficiary upon participant death is 60% of the reduced benefit.

Optional Forms of Payment

Five-year certain and life;
75% joint and survivor;
Lump sum.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Plan Provisions – Legacy Plymouth Union

Effective Date October 1, 1987.

Eligibility for Participation All employees of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Local No. 1291 bargaining unit.

Normal Retirement

Eligibility Age 65 with five years of Vesting Service.

Benefit The monthly benefit is the benefit unit below multiplied by years of Benefit Service, maximum 35 years.

Effective Date	Multiplier
1/1/2009	\$25.00
1/1/2010	\$27.00
1/1/2011	\$28.00
1/1/2012	\$31.00
1/1/2015	\$32.00
1/1/2016	\$33.00
1/1/2017	\$34.00
1/1/2018	\$35.00

Early Retirement

Eligibility Age 58 with 10 or more years of Vesting Service.

Benefit Accrued normal retirement benefit.

The payments are reduced 0.5% for each month that payments commence prior to the employee's age 62.

Disability Retirement

Eligibility Ten years of Vesting Service and qualification for permanent disability benefits under the federal Social Security Act.

Benefit Accrued normal retirement benefit payable immediately.

Vested Termination

Eligibility Five or more years of Vesting Service.

Benefit Accrued normal retirement benefit based on service to date of termination. Actuarially reduced for commencement before normal retirement date.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Preretirement Spouse Benefit
Eligibility

Spouses of vested participants who die and who have been married throughout the 12-month period ending on the date of the participant's death.

Benefit

The amount which would have been payable to the spouse had the participant separated from service on the date of his death, survived to his normal retirement date (or earliest retirement date if so elected), and elected a 50% joint and survivor annuity.

Normal Form of Payment

Actuarially reduced 50% joint and survivor annuity if married and life annuity if unmarried.

Optional Forms of Payment

Life annuity or 100% joint and survivor annuity if married. Lump sum.

Vesting Service

Participants are credited with service based on the table shown below:

Hours of Service	Vesting Service Credited
1000+	1.00
992-999	0.60
812-991	0.50
632-811	0.40
452-631	0.30
272-451	0.20
91-271	0.10
<91	0.00

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Benefit Service

Participants are credited with service based on the table shown below:

Hours of Service	Vesting Service Credited
1712+	1.00
1532-1711	0.90
1352-1531	0.80
1172-1351	0.70
992-1171	0.60
812-991	0.50
632-811	0.40
452-631	0.30
272-451	0.20
91-271	0.10
<91	0.00

Service is frozen as of October 31, 2018.

Actuarial Equivalence

6.00% and applicable mortality under 417(e).

Plan Changes Since the Prior Year

The funding and plan reporting valuations reflect the following plan changes:

- Effective August 2, 2018 The Toro Company Plymouth Union Employees' Pension Plan was merged into the Wheel Horse Products, Inc. Employees' Retirement Plan. The merged plan was renamed The Toro Company Union Pension Plan.
- A change in the mortality basis for lump-sum payments from the 2017 417(e)(3) mortality table to the 2018 417(e)(3) mortality table.
- Effective October 31, 2018, benefit service for Plymouth Plan participants is frozen.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Toro Company Union Pension Plan
EIN: 41-0580470 PN: 003

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
58.5	5.00%	1.0000	2.93
59.5	5.00%	0.9500	2.83
60.5	10.00%	0.9025	5.46
61.5	10.00%	0.8123	5.00
62.5	33.00%	0.7310	15.08
63.5	20.00%	0.4898	6.22
64.5	20.00%	0.3918	5.05
65.5	65.00%	0.3135	13.35
66.5	50.00%	0.1097	3.65
67.5	50.00%	0.0549	1.85
68.5	50.00%	0.0274	0.94
69	100.00%	0.0137	0.95
Weighted Average			63.31