



To All MTD Suppliers:

MTD sets the highest ethical standards for itself, its associates and its suppliers. While we believe that all of our associates and suppliers follow these standards, and while MTD values the relationships it has established with its suppliers, we would like to take this time to reemphasize MTD's expectations and to provide an avenue for direct contact to the executive level of MTD should you have concerns about the ethical conduct of any MTD associate. In the spirit of continuing to build our relationships, we attach a document which outlines our guiding principles.

Our Supplier Relationships & Business Conduct Policy (attached) is critical to running our business and maintaining the highest ethical standards. This policy establishes the standards of ethical behavior between associates of MTD and MTD's suppliers. (Note: An example of entertainment that is not in line with our policy would be an expense-paid fishing trip. Gifts of a reasonable or nominal value which are customarily offered to all customers are acceptable.)

MTD expects that its associates and its suppliers will conduct business in a manner that is honest, ethical, and consistent with the business principles and management practices of MTD. MTD also expects its suppliers to comply with all applicable laws, regulations and industry standards.

All suppliers are expected to conduct themselves in accordance with this policy. We call upon you to assist us in complying with the ethical business conduct standards documented in our policy. Your awareness of and cooperation with this policy will foster the continuation of fair business practices and continue to build our business relationship.

Please sign one copy of the final page of this document and return it to us in the enclosed self addressed envelope.

Very truly yours,

A handwritten signature in black ink, appearing to read "John H. H.", is written over the typed name.

Vice President of Procurement

SUPPLIER RELATIONSHIPS AND BUSINESS CONDUCT POLICY

POLICY: MTD expects its associates (employees and representatives) to conduct business using the highest moral and ethical standards and to comply with all applicable laws and regulations. These same standards apply to its suppliers and their associates when dealing with MTD Purchasing associates on a daily basis. This policy gives direction to MTD associates and their suppliers for maintaining the Company's reputation for business integrity and high ethical standards.

RESPONSIBLE OFFICER: Vice President of Procurement

PROCEDURE:

GENERAL GUIDELINES AND EXPECTATIONS

- A. MTD maintains and practices the highest possible standards of business ethics, professional courtesy and competence in all of our dealings with suppliers. At all times, applicable laws must be scrupulously observed.
- B. It is expected that associates of Companies that supply MTD with goods and/or services will conduct business with MTD in a manner that is honest and ethical, and that is consistent with the business principles and management practices of MTD.
- C. MTD adopts the strictest ethical principles in order to maintain a reputation of the highest ethics. MTD expects its suppliers to comply with all applicable laws, regulations and industry standards.
- D. Suppliers are also expected to conduct themselves in accordance with this policy.

II. GIFTS AND GRATUITIES

- A. No MTD associate or any member of their family shall accept gifts, personal loans, entertainment or other special considerations from an individual or business organization doing business with the MTD that could reasonably be considered to be intended to influence your behavior toward that vendor or supplier. However, you may accept a gift of reasonable or nominal value (e.g., Logo items such as shirts, pens, mugs, etc.) when the supplier customarily offers it to others.
- B. If you are offered money or a gift that appears to be excessive, or if it either arrives at your office or home, inform your Manager or Supervisor immediately. Appropriate arrangements will be made to return or dispose of what has been received and the supplier will be reminded of the Company's policy on gifts. This process must be done in a tactful and dignified manner, advising the donor of the Company's policy prohibiting its acceptance.

- C. Entertainment should be viewed in the same way as gifts. An occasional business meal, sporting event, or golf outing at the supplier's expense is permissible if there is a valid business purpose involved and the expense is not extravagant. Travel or lodging should not be accepted under any circumstances.
- D. In summary, the frequency (non-repetitive occurrence is okay) and nature of gifts accepted should not be such that the recipient might be, or be perceived by others to have been, influenced in making a business decision as a consequence of accepting such gifts. Purchasing associates must be beyond challenge or reproach in every business transaction, and not allow them to be put into a position where their judgment can be influenced or impaired.

III. BRIBERY, KICKBACK AND FRAUD

- A. No MTD associate shall accept any bribe, kickback, funds, rebates or other assets (including those provided as preferential treatment to the MTD associate for fulfilling responsibilities), for assisting in obtaining business or for securing special concessions from the Company.
- B. No MTD associate shall influence, cause or coerce a supplier to falsify or provide inaccurate information to a third party including a state or federal agency or MTD's outside Auditor, concerning any rebates provided or due to MTD.
- C. Any MTD associate found to be receiving, accepting or condoning a bribe, kickback or other unlawful payment, or attempting to initiate such activities shall be subject to disciplinary action (up to and including termination) and possible criminal proceedings against them. Any MTD associate found to be attempting fraud or engaging in fraud will also be subject to disciplinary action (up to and including termination) and possible criminal proceedings against them.

IV. CONFLICT OF INTEREST

- A. Purchasing associates shall be free of Conflicts of Interest. Conflicts of Interest shall mean any interests or relationships, which are or may have the appearance of actually or potentially being not in the best interests of the Company. Such Conflicts of Interest impair an individual's ability to make impartial decisions.
- B. Purchasing associates shall not engage or participate in any commercial transaction involving a Company in which they have a financial interest (excluding financial interests in MTD affiliated companies).
- C. Purchasing associates who have assumed, or are about to assume a personal, financial or other business relationship that might involve a Conflict of Interest, must **immediately** inform the MTD VP of Human Resources in writing. This information is to be reviewed at an appropriate level for decision on whether a Conflict of Interest is present and, if so, what course of action is to be taken.

V. QUESTIONABLE BEHAVIOR BY A MTD ASSOCIATE

- A. Suppliers must communicate and disclose any gifts or favors requested, or other questionable behavior exhibited by MTD associates.

B. Such disclosure can be made by calling one of the following MTD executive officers.

John Petz	Vice President of Procurement	(330) 558-4805
Phil Clouse	Executive Vice President Global Supply Chain and Operations	(330) 558-3237
Jeff Deuch	Chief Financial Officer	(330) 558-7575
Mike Griffith	Senior Vice President & Treasurer	(330) 558-7184

VI. CONFIDENTIALITY

A. All information or knowledge that a supplier may gain from MTD while conducting business with MTD is confidential in nature and is not to be disclosed to third parties (except as agreed in writing by the parties).

VII. PURCHASE ORDERS

A. Purchase orders, in most cases, are to be issued by MTD for all purchases of goods and services. If applicable, a purchase order number must appear on the supplier's invoice.

VIII. ACKNOWLEDGEMENTS

A. An authorized MTD representative must acknowledge the receipt of all goods and services either expressly in writing or through the MTD MAPICS system.

IX. INVOICING

A. Properly and fully completed invoices will be required from vendors or suppliers for purchases of goods and services.

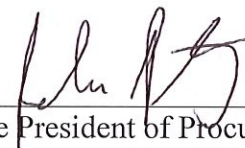
X. CONCLUSION

A. MTD Managers and Supervisors must ensure conformity to this policy by insisting on compliance from their subordinates.

B. Any MTD associate not complying with this policy shall be subject to appropriate disciplinary action (up to and including termination).

C. When there are any questions regarding this policy or any questions regarding acceptable or unacceptable purchasing relationships or behavior, please contact the Internal Audit Manager at the MTD Corporate Office.

Approved by: _____


Vice President of Procurement

Acknowledged By: _____

Company: _____

Date: _____