

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 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ 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 THE TIMKEN COMPANY PENSION PLAN FOR BARGAINING UNIT ASSOCIATES IN LOCAL 1645	1b Three-digit plan number (PN) ▶ 023
	1c Effective date of plan 02/16/2003
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) THE TIMKEN COMPANY 1835 DUEBER AVENUE, SW CANTON, OH 44706-2798	2b Employer Identification Number (EIN) 34-0577130 2c Sponsor's telephone number 330-438-3000 2d Business code (see instructions) 333200

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.	10/13/2010	PHILIP FRACASSA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") THE TIMKEN COMPANY 1835 DUEBER AVENUE, SW CANTON, OH 44706-2798	3b Administrator's EIN 34-0577130 3c Administrator's telephone number 330-438-3000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	139
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1B 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic 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
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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)

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 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **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 TIMKEN COMPANY PENSION PLAN FOR BARGAINING UNIT ASSOCIATES IN LOCAL 1645</u>	B Three-digit plan number (PN) ▶ <u>023</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>THE TIMKEN COMPANY</u>	D Employer Identification Number (EIN) <u>34-0577130</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>01</u> Day <u>01</u> Year <u>2009</u>
2	Assets:
a	Market value 2a <u>1134560</u>
b	Actuarial value 2b <u>1247387</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>70</u> <u>488441</u>
b	For terminated vested participants 3b <u>84</u> <u>680034</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>0</u>
(2)	Vested benefits 3c(2) <u>5105</u>
(3)	Total active 3c(3) <u>1</u> <u>5105</u>
d	Total 3d <u>155</u> <u>1173580</u>
4	If the plan is at-risk, check the box and complete items (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 at-risk for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>8.27</u> %
6	Target normal cost 6 <u>124919</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>10/05/2010</u>
Signature of actuary	Date
<u>ROBERT P MAST</u>	<u>08-01461</u>
Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON DELAWARE, INC.</u>	<u>216-937-4000</u>
Firm name	Telephone number (including area code)
<u>1001 LAKESIDE AVENUE, SUITE 100</u> <u>CLEVELAND, OH 44114-1172</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 ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

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 (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8).....	0	0
10 Interest on item 9 using prior year's actual return of <u>-21.31</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		252417
b Interest on (a) using prior year's effective rate of <u>6.04</u> %		15256
c Total available at beginning of current plan year to add to prefunding balance		267673
d Portion of (c) to be added to prefunding balance.....		267673
12 Reduction in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	267673

Part III Funding percentages		
14 Funding target attainment percentage.....	14	83.48 %
15 Adjusted funding target attainment percentage.....	15	106.28 %
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	84.72 %
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) 0

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 contribution 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	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If 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
0	0	0
		(4) 4th 0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 3
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ 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 eligible for (and is using) 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 contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	124919
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	193866	38644
b Waiver amortization installment		
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 (item 31 + item 32a + item 32b – item 33).....	34	163563
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	163563
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	0
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan THE TIMKEN COMPANY PENSION PLAN FOR BARGAINING UNIT ASSOCIATES IN LOCAL 1645	B Three-digit plan number (PN) ▶ 023
C Plan sponsor's name as shown on line 2a of Form 5500 THE TIMKEN COMPANY	D Employer Identification Number (EIN) 34-0577130

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	40286	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ERNST & YOUNG LLP

34-6565596

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	20000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BENESCH FRIEDLANDER COPLAN & ASSOC

34-6596918

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17	NONE	44273	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A Name of plan <u>THE TIMKEN COMPANY PENSION PLAN FOR BARGAINING UNIT ASSOCIATES IN LOCAL 1645</u>	B Three-digit plan number (PN) <u>023</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE TIMKEN COMPANY</u>	D Employer Identification Number (EIN) <u>34-0577130</u>

Part I Asset and Liability Statement			
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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	<u>20000</u>	<u>0</u>
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
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)	<u>1111049</u>	<u>0</u>
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	1131049	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	27011	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	27011	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1104038	0
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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.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	0	
(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)		
(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)		0

(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)		0

(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)		0

		(a) Amount	(b) Total
2b (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)		0
(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)		252808
(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)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		252808

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	53991	
(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)		53991
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)	104755	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	5086	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		109841
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		163832

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		88976
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		1193014

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: ERNST & YOUNG LLP

(2) EIN: 34-6565596

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 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
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.).....		X	
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.).....		X	
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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		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?		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.).....		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.).....		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?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 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)
THE TIMKEN-LATROBE-MPB-TORRINGTON RETIREMENT PLAN	34-0577130	020

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 section 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 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>THE TIMKEN COMPANY PENSION PLAN FOR BARGAINING UNIT ASSOCIATES IN LOCAL 1645</u>	B Three-digit plan number (PN) ▶ <u>023</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE TIMKEN COMPANY</u>	D Employer Identification Number (EIN) <u>34-0577130</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	<u>0</u>
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): _____ 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)
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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	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 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
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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(es). 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.
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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 and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

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 items 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 items 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 items 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 items 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 items 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 items 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	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	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	15a	
b The corresponding number for the second preceding plan year	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	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	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 items (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 item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Report of Independent Auditors

The Timken Company, Administrator of
The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

We have audited the accompanying statements of net assets available for benefits of The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645 (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the net assets available for benefits of the Plan at December 31, 2009, and the changes in its net assets available for benefits for the year then ended, and the financial status of the Plan at December 31, 2008, and the changes in its financial status for the year then ended, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

October 8, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2009

See Schedule SB, Part V Statement of Actuarial Assumptions/Methods for retirement age. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

Age of Retirement (A)	Rates of Retirement (B)	% Retiring (C)	Weighted Ages (A)*(C)
50	3.00%	3.00%	1.5000
51	3.00%	2.91%	1.4841
52	3.00%	2.82%	1.4678
53	3.00%	2.74%	1.4512
54	3.00%	2.66%	1.4342
55	3.00%	2.58%	1.4169
56	3.00%	2.50%	1.3994
57	3.00%	2.42%	1.3817
58	3.00%	2.35%	1.3637
59	3.00%	2.28%	1.3456
60	5.00%	3.69%	2.2123
61	5.00%	3.50%	2.1367
62	20.00%	13.31%	8.2525
63	5.00%	2.66%	1.6771
64	5.00%	2.53%	1.6186
65	45.00%	21.62%	14.0549
66	100.00%	26.43%	17.4425

Average Retirement Age 62

Plan Name:	The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN:	34-0577130 / 023
Plan Sponsor:	The Timken Company
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24 Change in Actuarial Assumptions

Other than the prescribed changes in the discount rate and mortality, no changes in assumptions were made as part of this valuation.

Plan Name: The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN: 34-0577130 / 023
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 25 Change in Method

In addition to the required mortality and interest rate updates, the valuation recognizes the following method changes as of January 1, 2009:

- This valuation is based on full yield curve for the month of October. Results for the 2008 plan year were based on three-segment rates for the month of November. For 2009, a change in the yield curve and timing of selecting the interest rate does not require IRS approval.
- The 2009 funding results reflect a smoothed asset value based on the annual asset values as of the current and two prior valuation dates. This method was adopted effective January 1, 2009 pursuant to IRS Notice 2009-22 which grants automatic approval for this change.
- As required by the Worker, Retiree and Employer Recovery Act of 2008 (WRERA), the Target Normal Cost includes expenses assumed to be paid from the plan during 2009 (\$124,919).
- For the PBGC premium Funding Target, the method was changed from the Standard in 2008 to the Alternative in 2009.
- The valuation software used to produce the actuarial information submitted on this schedule has been refined to reflect the evolving understanding of PPA requirements, and such modifications may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore, the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

Plan Name: The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN: 34-0577130 / 023
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2009

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.	No.	Avg. Ben.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 – 29	0		0		0		0		0		0		0		0		0		0	
30 – 34	0		0		0		0		0		0		0		0		0		0	
35 - 39	0		0		0		0		0		0		0		0		0		0	
40 - 44	0		0		0		0		0		0		0		0		0		0	
45 - 49	0		0		0		0		0		0		0		0		0		0	
50 - 54	0		1		0		0		0		0		0		0		0		0	
55 - 59	0		0		0		0		0		0		0		0		0		0	
60 - 64	0		0		0		0		0		0		0		0		0		0	
65 - 69	0		0		0		0		0		0		0		0		0		0	
70 & Over	0		0		0		0		0		0		0		0		0		0	

Plan Name: The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
 EIN / PN: 34-0577130 / 023
 Plan Sponsor: The Timken Company
 Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2009

Type of Base		Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2009	6	7	6	1
2	Shortfall	01/01/2008	231,156	6	193,860	38,643
Total					193,866	38,644

Plan Name: The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN: 34-0577130 / 023
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Sponsor

The Timken Company

EIN/PN

34-0577130 / 023

Effective Date

February 16, 2003.

Plan Year

The twelve-month period ending December 31.

Normal Retirement

Age 65.

Normal Monthly Pension

\$19.00 per month per year of service (\$20.00 per month effective October 25, 2003). Service under the Ingersoll-Rand Pension Plan Number One as of February 15, 2003 is included. This benefit is offset by the accrued benefit under the Ingersoll-Rand Pension Plan Number One as of February 15, 2003.

Disability

If disabled after age 45 with 15 years of service or any age with 20 years of service, the associate is eligible for an immediate pension as determined above.

Early Retirement

Permitted after age 55 with 15 or more years of service (age 55 with 10 or more years of service for associates who attained both age 55 and completed at least 10 years of service as of December 31, 2004). The benefit will be reduced 6% for each year commencement precedes age 65.

Plan Name:	The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN:	34-0577130 / 023
Plan Sponsor:	The Timken Company
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Solely with respect to the portion of the accrued benefit attributable to years of service prior to January 1, 2005, early retirement is permitted after age 55 with 10 or more years of service. The benefit will be reduced 6% for each year commencement precedes age 65.

An associate with 30 years of service may retire with an unreduced benefit at age 62, or reduced 6% for each year commencement precedes age 62.

Vested Benefits

Associates terminating with at least 5 years of service are eligible for normal pension and payable without reduction commencing at age 65. If an associate has at least 10 years of service at termination, benefits can commence at any time after age 55 but will be reduced 6% for each year commencement precedes age 65.

Optional Benefits

Survivorship options are available at appropriate actuarial factors. Benefits for married associates are payable in the form of a 50% joint and survivor option unless the associate elects otherwise.

Surviving Spouse's Benefit/Death Benefit

Associates eligible for normal retirement, early retirement, or at least age 50 with 25 years of service at the time of their death are eligible for a pre-retirement spouse's benefit payable based on the option elected by the associate as though the associate retired on the date of death. The benefit is reduced for form of payment and early commencement (6% per year prior to the associate's age 65). Associate may elect a beneficiary, with spousal consent, instead of the spouse to receive the benefit. If no option is elected by the associate, the 100% joint and survivor option is the default. Only the spouse can elect to begin receiving the benefit after the earliest payment date.

If a married associate dies with at least 5 years of service, his spouse is entitled to a benefit for her lifetime, assuming the associate had elected the 50% joint and survivor option, commencing the first of the month following the date the associate would have attained age 65. If the associate had at least 10 years of service, his spouse may commence the benefit on the first of the month following the date the associate would have attained age 55. The benefit is reduced for the 50% joint and survivor option and early commencement (.5% per month prior to the associate's age 65).

Plan Changes Since Previous Valuation

There have been no changes since the preceding valuation.

Plan Name:	The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN:	34-0577130 / 023
Plan Sponsor:	The Timken Company
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Plan Sponsor

The Timken Company

EIN/PN

34-0577130 / 023

Discount rates

Current plan year PPA effective interest rate: 8.27%

Prior plan year PPA effective interest rate: 6.04%

Full Yield Curve

Applicable month: October 2008

Transition election: Do not apply phase-in

SFAS 35 discount interest rate: 8.75%

Assumed cost of living adjustments

None.

Inclusion date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Administrative expenses

The amount included this year for plan-related expenses is \$124,919.

Plan Name:	The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN:	34-0577130 / 023
Plan Sponsor:	The Timken Company
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Healthy Mortality

The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

For SFAS 35 present value of accumulated benefits, however, the RP-2000 mortality tables for males and females are used.

Retirement

It was assumed that participants will retire upon becoming eligible for retirement, based on the following rates:

Percentage retiring during the year	
Age	Percent Retiring
50-59	3%
60-61	5%
62	20%
63-64	5%
65	45%
66 and over	100%

It was assumed that participants with deferred benefits will retire upon becoming eligible for unreduced retirement.

Disability rates

Wyatt 1985 Disability Study Class 1, male and female rates.

Disability Mortality

The 1985 Pension Disability Mortality. However, Healthy Mortality is used for funding purposes.

Future increases in Maximum Benefits and Plan Compensation Limitations

It is assumed that maximum benefit and plan compensation limitations under the Internal Revenue Code will not increase in the future.

Plan Name: The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN: 34-0577130 / 023
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Representative termination rates (per 100 employees) not due to disability, retirement or mortality

The rates at the following ages indicate the ultimate withdrawal incidence assumption (after 3 or more years of service) for participants not eligible to retire.

Attained Age	Percentage leaving during the year	
	Males	Females
20	14.951	24.963
25	9.936	14.951
30	6.914	9.936
35	4.878	6.914
40	2.819	4.878
45	1.672	2.819
50	0.399	1.672
55	0.000	0.399
60 and over	0.000	0.000

For employees with less than three years of service on the valuation date, the incidence of withdrawal in a particular year is determined as follows:

Past Service	Withdrawal Rate
0 – 1	30.00
1 – 2	25.00
2 – 3	20.00

Form of payment

Participants are assumed to elect the normal form.

Marriage

80% of male and 50% of female participants are assumed to be married. In addition, male spouses are assumed to be three years older than female spouses.

Employees

It is assumed that there will be no new or rehired employees.

Plan Name: The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN: 34-0577130 / 023
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Asset method

Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date. The assumed rate of return on plan assets for the prior plan year (pursuant to IRS Notice 2009-22) was 6.40%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.75%, and the applicable limitation for the plan year, equal to 6.40%. The assumed rate of return on plan assets for the second prior plan year (pursuant to IRS Notice 2009-22) was 6.09%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.75%, and the applicable limitation for the plan year, equal to 6.09%. The algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.4. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Participant data

Data was supplied by The Timken Company in an electronic file as of the valuation date.

Tax policy

The actuarial valuation performed for the plan year ending December 31, 2009 is used to determine the maximum deductible contribution for the tax year ending December 31, 2009.

Benefits not included in valuation

None.

PBGC Premium Funding Target

For purposes of determining the PBGC Premium Funding Target in Section 2.2D, the Alternative Premium Funding Target was determined using the assumptions described above.

Plan Name: The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN: 34-0577130 / 023
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Nature of actuarial calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed immaterial and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

The assumptions selected for this valuation other than those prescribed by law, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. It is beyond the scope of this actuarial valuation to analyze potential range of future pension contributions, but we can do so upon request.

Plan Name:	The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN:	34-0577130 / 023
Plan Sponsor:	The Timken Company
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Statement by Enrolled Actuary

Plan Sponsor	The Timken Company
EIN/PN	34-0577130 / 023
Plan Name	The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
Valuation Date	January 1, 2009
Enrolled Actuary	Robert P. Mast
Enrollment Number	08-01461

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

Plan Name:	The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645
EIN / PN:	34-0577130 / 023
Plan Sponsor:	The Timken Company
Valuation Date:	January 1, 2009

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 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning _____ and ending _____

▶ **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 Timken Company Local 1645 Pension Plan	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">B Three-digit plan number (PN) ▶</td> <td style="width:40%; text-align: center;">023</td> </tr> </table>	B Three-digit plan number (PN) ▶	023
B Three-digit plan number (PN) ▶	023		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF The Timken Company	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>D Employer Identification Number (EIN) 34-0577130</td> </tr> </table>	D Employer Identification Number (EIN) 34-0577130	
D Employer Identification Number (EIN) 34-0577130			
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:40%;"> E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B </td> <td style="width:60%;"> F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500 </td> </tr> </table>		E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500
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>1</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value.....	2a		1,134,560
b Actuarial value.....	2b		1,247,387
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	70	488,441
b For terminated vested participants	3b	84	680,034
c For active participants:			
(1) Non-vested benefits.....	3c(1)		0
(2) Vested benefits.....	3c(2)		5,105
(3) Total active	3c(3)	1	5,105
d Total.....	3d	155	1,173,580
4 If the plan is at-risk, check the box and complete items (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 at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate.....	5	8.27 %	
6 Target normal cost.....	6	124,919	

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	<table style="width:100%;"> <tr> <td style="width:60%;"> Robert P. Mast /  Signature of actuary </td> <td style="width:40%; text-align: center;"> <u>10/15/10</u> Date </td> </tr> <tr> <td style="vertical-align: top;"> ROBERT P. MAST Type or print name of actuary TOWERS WATSON DELAWARE, INC. Firm name 1001 LAKESIDE AVENUE, SUITE 1900 CLEVELAND OH 44114-1172 Address of the firm </td> <td style="vertical-align: top; text-align: center;"> 08-01461 Most recent enrollment number (216) 937-4000 Telephone number (including area code) </td> </tr> </table>	Robert P. Mast /  Signature of actuary	<u>10/15/10</u> Date	ROBERT P. MAST Type or print name of actuary TOWERS WATSON DELAWARE, INC. Firm name 1001 LAKESIDE AVENUE, SUITE 1900 CLEVELAND OH 44114-1172 Address of the firm	08-01461 Most recent enrollment number (216) 937-4000 Telephone number (including area code)
Robert P. Mast /  Signature of actuary	<u>10/15/10</u> Date				
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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 and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

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 (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8)	0	0
10 Interest on item 9 using prior year's actual return of (21.31)%		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		252,417
b Interest on (a) using prior year's effective rate of 6.04%		15,256
c Total available at beginning of current plan year to add to prefunding balance		267,673
d Portion of (c) to be added to prefunding balance		267,673
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	267,673

Part III Funding percentages		
14 Funding target attainment percentage	14	83.48 %
15 Adjusted funding target attainment percentage	15	106.28 %
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	84.72 %
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) 0

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 contribution 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	0

20 Quarterly contributions and liquidity shortfalls:

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

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

c If 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
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 3
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ 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 eligible for (and is using) 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 contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	124,919
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	193,866	38,644
b Waiver amortization installment		
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 (item 31 + item 32a + item 32b - item 33)	34	163,563
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	163,563
36 Additional cash requirement (item 34 minus item 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37	0
38 Interest-adjusted excess contributions for current year (see instructions)	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

AUDITED FINANCIAL STATEMENTS

The Timken Company Pension Plan for Bargaining
Unit Associates in Local 1645
Years Ended December 31, 2009 and 2008
With Report of Independent Auditors

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Audited Financial Statements

Years Ended December 31, 2009 and 2008

Contents

Report of Independent Auditors.....	1
Audited Financial Statements	
Statements of Net Assets Available for Benefits.....	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements.....	4

Report of Independent Auditors

The Timken Company, Administrator of
The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

We have audited the accompanying statements of net assets available for benefits of The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645 (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the net assets available for benefits of the Plan at December 31, 2009, and the changes in its net assets available for benefits for the year then ended, and the financial status of the Plan at December 31, 2008, and the changes in its financial status for the year then ended, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

October 8, 2010

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Statements of Net Assets Available for Benefits

	December 31	
	2009	2008
Assets		
Investments, at fair value:		
Interest in The Timken Company Collective		
Investment Trust for Retirement Trusts	\$ –	\$ 1,111,049
Contribution receivable from The Timken Company	–	20,000
Total assets	–	1,131,049
Liabilities		
Accrued administrative expenses	–	27,011
Net assets available for benefits	<u>\$ –</u>	<u>\$ 1,104,038</u>

See accompanying notes.

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2009	2008
Additions		
Net investment gain from The Timken Company Collective Investment Trust for Retirement Trusts	\$ 252,808	\$ –
Contributions from The Timken Company	–	299,990
Total additions	<u>252,808</u>	<u>299,990</u>
Deductions		
Net investment loss from The Timken Company Collective Investment Trust for Retirement Trusts	–	261,447
Benefits paid directly to participants	53,991	55,701
Administrative expenses	109,841	110,998
Transfer out	1,193,014	–
Total deductions	<u>1,356,846</u>	<u>428,146</u>
Net decrease	(1,104,038)	(128,156)
Net assets available for benefits:		
Beginning of year	1,104,038	1,232,194
End of year	<u>\$ –</u>	<u>\$ 1,104,038</u>

See accompanying notes.

The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

1. Significant Accounting Policies

Valuation of Investments

Invested assets of The Timken Company Pension Plan for Bargaining Unit Associates in Local 1645 (the Plan) are held in The Timken Company Collective Investment Trust for Retirement Trusts (Master Trust) maintained by The Northern Trust Company (the Trustee). Participation units of the Master Trust are stated at the underlying fair value of the trust investments. Cash and cash equivalents are valued at redemption value. Government and agency securities are valued at the closing price reported in the active market on which the individual securities are traded. Certain corporate bonds are valued at the closing price reported in the active market in which the bond is traded. Bonds are not traded on a daily basis, and there are multiple pricing services that provide input for closing price valuations. Equity securities (both common and preferred stock) are valued at the closing price reported in the active market in which the individual security is traded. Common collective funds and asset-backed securities are valued using the net asset value per share of the fund. When such prices are unavailable, the Trustee determines a valuation from the market maker dealing in the particular security. Management may also estimate the value of an investment if no other information is available. The value of limited partnerships is based upon the general partner's own assumptions about the assumptions a market participant would use in pricing the assets and liabilities of the partnership.

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Notes to Financial Statements (continued)

1. Significant Accounting Policies (continued)

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (see Note 3) are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries and (b) present employees or their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on employees' compensation during their highest five consecutive years of the last ten years of credited service. The accumulated plan benefits for active employees are based on their average compensation during the highest five consecutive years of the last ten years preceding the valuation date. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The statement of net assets in the master trust includes an update to the disclosure for securities lending in order to conform to the current year presentation.

2. Description of the Plan

The Plan was established on February 16, 2003. On February 18, 2003, The Timken Company acquired Ingersoll-Rand Company Limited's Engineered Solutions business, which was comprised of certain operating assets and subsidiaries including The Torrington Company. The Plan is a defined benefit pension plan which provides for retirement benefits for all employees of the Timken U.S. Corporation (the Company) who are represented by the International Union, United Automobile, Aerospace, Agricultural Implement Workers of America, and its Local No. 1645 (Union).

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Notes to Financial Statements (continued)

2. Description of Plan (continued)

The Company has agreed to voluntarily contribute such additional amounts as are necessary to provide assets sufficient to meet the benefits to be paid to plan participants. The Company's present intention is to make annual contributions in amounts sufficient to fund the Plan's current year's service cost and the initial past service cost plus interest over a period of 30 years. The Plan has met the Employee Retirement Income Security Act of 1974 (ERISA) minimum funding requirements.

Should the Plan terminate at some future time, its net assets will generally not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC) at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guarantee, while other benefits may not be provided for at all.

Effective January 1, 2005, the Company changed the Early Retirement Eligibility Date requirements from attaining age 55 with 10 years of vesting service to (a) the date on which the associate has completed 30 years of vesting service, or (b) the date on which the associate has both attained the age of 55 and completed at least 15 years of vesting service.

Effective March 28, 2005, the Company, in accordance with the provisions of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA), lowered the mandatory cash-out threshold from \$5,000 to \$1,000. In addition, an optional cash-out was added for benefit amounts greater than \$1,000 but less than \$3,500.

A Memorandum of Understanding (MOU) was entered into in April 2005 between Timken and the Union regarding the relocation of the BNF operations from the Timken Standard Plant in Torrington, Connecticut to Timken's Clinton, South Carolina plant; and the outsourcing of certain operations to Matrix. The MOU provided that employees would be terminated in phases starting in June 2005 and continuing through 2006. The MOU did not provide additional pension benefits beyond those already provided by the Plan. The Plan did not provide special benefits that were triggered by layoffs resulting from relocation/outsourcing.

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Notes to Financial Statements (continued)

2. Description of Plan (continued)

Information about the Plan agreement, the vesting and benefit provisions, and the PBGC's benefit guarantee is contained in the 2004 Pension Agreement between the International Union, United Automobile, Aerospace, Agricultural Implement Workers of America, its Local No. 1645, and the Timken U.S. Corporation.

Effective as of the close of business on December 31, 2009, the 1645 Plan was merged into the Timken-Latrobe-MPB-Torrington Retirement Plan, a defined benefit pension plan covering certain associates at The Timken Company, Latrobe Steel Company, MPB Corporation and Timken US Corporation. The merger did not impact any feature of the benefits under the 1645 Plan, to include the total amount of benefits that had been accrued, when eligible participants would be able to receive benefits, or the form in which such benefits are or would be paid. Total assets in the amount of \$1,193,014 were transferred on the date of the merger.

3. Accumulated Plan Benefits

Towers Watson, the Plan's actuary, estimates the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants 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 the expected date of payment.

The accumulated Plan benefit information is presented as of the beginning of each plan year because this was the best information available from the actuary.

	December 31, 2008
Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving payments	\$ 462,900
Other participants	616,800
	<u>1,079,700</u>
Nonvested benefits	—
	<u><u>\$ 1,079,700</u></u>

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

Actuarial present value of accumulated plan benefits at January 1, 2008	\$ 1,093,100
Decrease during the year attributed to:	
Actuarial loss	(48,100)
Decrease in the discount period	93,100
Actual benefits paid	(58,400)
Net decrease	<u>(13,400)</u>
Actuarial present value of accumulated plan benefits at December 31, 2008	<u>\$ 1,079,700</u>

The accumulated plan benefits information does not include the effects of the merger of the 1645 Plan into The Timken-Latrobe-MPB-Torrington Plan, which occurred as of December 31, 2009.

Significant items underlying the actuarial computations are:

Actuarial cost method	Unit Credit Cost Method
Assumed rate of return on investments	8.75% per annum, compounded annually for 2009 and 2008
Retirement	Estimated at rates based on becoming eligible for retirement at age 50 through 66 and older
Mortality basis	The RP-2000 Mortality Tables for males and females

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Notes to Financial Statements (continued)

4. Participation in Master Trust

As of December 31, 2009, the Plan is one of four defined benefit pension plans combined into the Master Trust of which The Timken Company is the sponsor. The Trustee holds the assets of the Master Trust and executes transactions therein. Each month the Master Trust investment income (loss) and appreciation (depreciation) is allocated among the participating plans based on each plan's ending assets available after contributions and distributions to participants as a percentage of total Master Trust assets available.

Investment income (loss) for the Master Trust was as follows:

	Year Ended December 31	
	2009	2008
Net appreciation (depreciation) in fair value of investments determined by quoted market price:		
United States government and agency securities	\$ (7,455,182)	\$ 9,882,283
Corporate bonds	70,870,849	(40,582,132)
Equity securities	129,244,203	(340,791,844)
Common collective funds	102,433,795	(170,308,678)
Asset backed securities	10,570,567	(9,890,915)
	<u>305,664,232</u>	<u>(551,691,286)</u>
Net appreciation (depreciation) in fair value of investments estimated by the Trustee:		
Limited partnership and real estate interests	11,444,735	(18,507,206)
Interest income	25,691,983	33,162,841
Dividend income	13,468,744	14,842,962
	<u>39,160,727</u>	<u>48,005,803</u>
Investment manager and administrative fees	(6,845,629)	(5,889,473)
	<u>\$ 349,424,065</u>	<u>\$ (528,082,162)</u>

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Notes to Financial Statements (continued)

4. Participation in Master Trust (continued)

The following table presents the fair value of assets of the Master Trust at December 31, 2009 and 2008. Purchases and sales of securities are recorded on a trade-date basis.

	2009	2008
Assets		
Investments:		
United States government and agency securities	\$ 30,997,747	\$ 35,446,573
United States government and agency securities on loan	55,670,792	30,737,855
Corporate bonds	300,216,329	251,217,865
Corporate bonds on loan	35,204,924	50,398,686
Equity securities	526,212,809	374,218,980
Equity securities on loan	89,780,192	53,662,778
Common collective funds	571,077,109	557,505,609
Asset backed securities	12,267,828	31,276,049
Cash and cash equivalents	71,753,860	76,638,292
Securities lending collateral	186,369,257	137,997,824
Limited partnership and real estate interests	87,576,112	71,754,741
Other	735,627	—
Total assets	1,967,862,586	1,670,855,252
Liabilities		
Obligation to return securities lending collateral	186,369,257	137,997,824
Net assets	<u>\$ 1,781,493,329</u>	<u>\$ 1,532,857,428</u>

The Plan's interest in the Master Trust was 0.0% and 0.1% as of December 31, 2009 and 2008 respectively. Annually the Company reports the financial position and changes in assets of the Master Trust in accordance with Department of Labor requirements under employer identification number 34-0577130.

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Notes to Financial Statements (continued)

5. Fair Value

The following table presents the fair value hierarchy for those investments of the Plan's share of the Master Trust's assets measured at fair value on a recurring basis as of December 31, 2009:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Financial Accounting Standards Board (FASB) provides accounting rules that classify the inputs used to measure fair value into the following hierarchy:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3 – Unobservable inputs for the asset or liability.

	Total	Level 1	Level 2	Level 3
Assets:				
United States government and agency securities	\$ 86,668,539	\$ 57,466,382	\$ 29,202,157	\$ –
Corporate bonds	335,421,253	–	335,421,253	–
Equity securities	615,993,001	615,993,001	–	–
Common collective funds – equities	294,748,975	–	275,498,477	19,250,498
Common collective funds – fixed income	276,328,134	–	276,328,134	–
Asset backed securities	12,267,828	–	12,267,828	–
Cash and cash equivalents	71,753,860	71,753,860	–	–
Limited partnership and real estate interests	87,576,112	–	–	87,576,112
Other assets	735,627	–	735,627	–
Total assets	<u>\$ 1,781,493,329</u>	<u>\$ 745,213,243</u>	<u>\$ 929,453,476</u>	<u>\$ 106,826,610</u>

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Notes to Financial Statements (continued)

5. Fair Value (continued)

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2009:

Balance, beginning of year	\$ 73,741,839
Transfer in	34,621,014
Purchases and sales, net	5,626,572
Realized/unrealized loss, net	<u>(7,162,815)</u>
Balance, end of year	<u><u>\$ 106,826,610</u></u>

Government and agency securities are valued at the closing price reported in the active market on which the individual securities are traded.

Certain corporate bonds are valued at the closing price reported in the active market in which the bond is traded. Bonds are not traded on a daily basis and there are multiple pricing services that provide input for closing price valuations.

Equity securities (both common and preferred stock) are valued at the closing price reported in the active market in which the individual security is traded.

Common collective funds and asset-backed securities are valued using the net asset value per share of the fund. When such prices are unavailable, the Trustee determines a valuation from the market maker dealing in the particular security. Management may also estimate the value of an investment if no other information is available.

The value of limited partnerships is based upon the general partner's own assumptions about the assumptions a market participant would use in pricing the assets and liabilities of the partnership.

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Notes to Financial Statements (continued)

5. Fair Value (continued)

On February 12, 2009, the Company was informed of alleged irregularities in the operation of one of its equity-related investments in the Master Trust. In 2009, the Company reduced the value of this investment to its expected net realizable value of approximately \$19 million, as reflected in the Net Assets Available for Benefits at December 31, 2009. The actual value of this investment may be more or less than the expected net realizable value.

On July 26, 2010, the Company received a payment of \$20 million from one of its insurance carriers and the funds were transferred to the Master Trust. This was recorded in 2010 and had no impact on the 2009 statements.

6. Income Tax Status

The Plan received a determination letter from the Internal Revenue Service dated September 20, 2005, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

7. Transactions With Parties in Interest

Certain legal fees and administrative expenses relating to the maintenance of participant eligibility records are paid by the Company. Fees paid during the year for other services rendered by parties in interest were based on customary and reasonable rates for such services.

8. Risks and Uncertainties

The Master Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities 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.

The Timken Company Pension Plan for
Bargaining Unit Associates in Local 1645

Notes to Financial Statements (continued)

8. Risks and Uncertainties (continued)

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

9. Subsequent Events

The Plan has evaluated and disclosed all material events occurring subsequent to the date of the financial statements up to October 8, 2010, the date the financial statements were available.