

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 single-employer plan; ☐ a multiple-employer plan; or ☐ 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 1984 RETIREMENT PLAN FOR SALARIED EMPLOYEES OF THE TIMKEN COMPANY	1b Three-digit plan number (PN) ▶ 014
		1c Effective date of plan 11/01/1984
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 S.W. 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 S.W. 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	5826
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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	2271
b Retired or separated participants receiving benefits.....	6b	2101
c Other retired or separated participants entitled to future benefits.....	6c	1151
d Subtotal. Add lines 6a , 6b , and 6c	6d	5523
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	295
f Total. Add lines 6d and 6e	6f	5818
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:

1A 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)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

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 1984 RETIREMENT PLAN FOR SALARIED EMPLOYEES OF THE TIMKEN COMPANY		B Three-digit plan number (PN)	014
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF THE TIMKEN COMPANY		D Employer Identification Number (EIN) 34-0577130	
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 01 Day 01 Year 2009			
2 Assets:			
a Market value		2a	391568326
b Actuarial value		2b	430669908
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment		3a	2259
b For terminated vested participants		3b	949
c For active participants:			
(1) Non-vested benefits		3c(1)	23459799
(2) Vested benefits		3c(2)	175743181
(3) Total active		3c(3)	2647
d Total		3d	5855
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	8.19 %
6 Target normal cost		6	11382267

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	10/05/2010 Signature of actuary 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	Date 08-01461 Most recent enrollment number 216-937-4000 Telephone number (including area code)
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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 ☐

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)	108327332	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	11727165	0
9	Amount remaining (Item 7 minus item 8).....	96600167	0
10	Interest on item 9 using prior year's actual return of <u>-24.60</u> %	-23758811	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		2780731
b	Interest on (a) using prior year's effective rate of <u>6.08</u> %		-683921
c	Total available at beginning of current plan year to add to prefunding balance		2096810
d	Portion of (c) to be added to prefunding balance.....		2096810
12	Reduction in balances due to elections or deemed elections.....	2724506	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	70116850	2096810

Part III Funding percentages			
14	Funding target attainment percentage.....	14	80.00 %
15	Adjusted funding target attainment percentage.....	15	96.11 %
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	100.43 %
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
01/14/2010	30000000				
09/14/2010	7500000				
Totals ►			18(b)	37500000	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 34209444
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 59
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	11382267
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
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	11382267
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	9725413	0
36 Additional cash requirement (item 34 minus item 35).....	36	1656854
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	34209444
38 Interest-adjusted excess contributions for current year (see instructions).....	38	32552590
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 1984 RETIREMENT PLAN FOR SALARIED EMPLOYEES OF THE TIMKEN COMPANY	B Three-digit plan number (PN) ▶	014
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)
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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	291517	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	25337	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	18400	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

STANDARD BANK & TRUST CO

36-2088051

(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	11808	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 01/01/2009 and ending 12/31/2009		
A Name of plan 1984 RETIREMENT PLAN FOR SALARIED EMPLOYEES OF THE TIMKEN COMPANY	B Three-digit plan number (PN) ▶	014
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	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	3000000	37500000
(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)	388568327	451173126
(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	391568327	488673126

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	129420	43327
k Total liabilities (add all amounts in lines 1g through 1j)	1k	129420	43327

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	391438907	488629799
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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)	37500000	
(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)		37500000

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)		
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(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)		89367519
(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		126867519

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	28912023	
(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)		28912023
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)	267183	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	497421	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		764604
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		29676627

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		97190892
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

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

(1) Name: 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)

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>1984 RETIREMENT PLAN FOR SALARIED EMPLOYEES OF THE TIMKEN COMPANY</u>	B Three-digit plan number (PN) ▶ <u>014</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
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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>12</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: 56% Investment-Grade Debt: 30% High-Yield Debt: 9% Real Estate: 0% Other: 5%

- 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 1984 Retirement Plan for Salaried
Employees of The Timken Company

We have audited the accompanying statements of net assets available for benefits of the 1984 Retirement Plan for Salaried Employees of The Timken Company (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, Part V Statement of Actuarial Assumptions/Methods

Plan Sponsor

The Timken Company

EIN/PN

34-0577130/014

Discount rates

Current plan year PPA effective interest rate: 8.19%

Prior plan year PPA effective interest rate: 6.08%

Full Yield Curve

Applicable month: October 2008

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 \$884,774.

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
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 is used.

Retirement

Disregarding at-risk assumptions, the rates at which participants retire by age are shown below.

Age	Percentage retiring during the year
50-52	3%
53-55	5
56-59	10
60	20
61	25
62	40
63-64	25
65 & older	100

Disability rates

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

Disabled mortality

1985 Pension Disability Mortality for males and females.

For funding, however, healthy mortality is used.

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Compensation increases

For purposes of determining the additional funding target for maximum deductible contribution purposes, compensation is assumed to increase by:

- 1.5% from 2009 to 2010
- 2.0% from 2010 to 2011
- 2.5% from 2011 to 2012
- 3.0% per year for all years after 2012

Future increases in Social Security

Social Security benefits were assumed to increase in the future due to increases in the national average wage index of 3.00% per year, compounded annually, and due to increases in the cost of living of 2.50% per year compounded annually.

Future increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC Section 415. Plan compensation is limited to the maximum presently allowed under IRC Section 401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

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

Attained Age	Percentage leaving during the year	
	Males	Females
20	11.199	18.710
25	7.435	11.199
30	5.163	7.435
35	3.627	5.163
40	2.068	3.627
45	1.170	2.068
50	0.200	1.170
55	0.000	0.200
60 and over	0.000	0.000

Shutdown Benefits

No contingent liability for potential plant shutdown benefits has been included.

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Form of payment

Participants are assumed to elect the normal form.

Marriage

80% of males 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 was assumed that there will be no new or rehired employees. Employees on layoff are assumed to retire or terminate two years from the first valuation date after their date of layoff.

Plan compensation

Compensation assumed paid in the current year beginning on the valuation date for all associates is the current annual rate of base pay plus 75% of their performance bonus percentage.

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.

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

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.

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 insignificant 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 the 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 the potential range of future pension contributions, but we can do so upon request.

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
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 / 014
Plan Name	1984 Retirement Plan for Salaried Employees of the Timken Company
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:	1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN:	34-0577130 / 014
Plan Sponsor:	The Timken Company
Valuation Date:	January 1, 2009

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 rates. 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	Rates of Retirement	% Retiring	Weighted Ages
(A)	(B)	(C)	(A)*(C)
50	3.00%	3.00%	1.5000
51	3.00%	2.91%	1.4841
52	3.00%	2.82%	1.4678
53	5.00%	4.56%	2.4186
54	5.00%	4.34%	2.3410
55	5.00%	4.12%	2.2651
56	10.00%	7.83%	4.3820
57	10.00%	7.04%	4.0142
58	10.00%	6.34%	3.6762
59	10.00%	5.70%	3.3656
60	20.00%	10.27%	6.1608
61	25.00%	10.27%	6.2635
62	40.00%	12.32%	7.6394
63	25.00%	4.62%	2.9110
64	25.00%	3.47%	2.2179
65	100.00%	10.40%	6.7576

Average Retirement Age =====> 59

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24 Change in Assumptions

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

- The compensation increase assumption was changed from 4% per year to 1.5% from 2009 to 2010, 2% from 2010 to 2011, 2.5% from 2011 to 2012 and 3% per year for all years after 2012.

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
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. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	1		0		3		0		0		0		0		0		0		0	
25 - 29	0		2		26	60,037	3		0		0		0		0		0		0	
30 - 34	0		4		63	68,859	39	79,436	0		0		0		0		0		0	
35 - 39	4		6		70	75,144	79	85,884	14		1		0		0		0		0	
40 - 44	32	77,520	28	91,182	96	84,832	74	78,799	49	105,794	28	97,513	4		0		0		0	
45 - 49	57	74,483	27	91,344	99	87,181	93	71,810	27	91,338	86	110,860	123	103,536	30	83,332	0		0	
50 - 54	64	71,028	30	108,056	88	87,429	80	69,881	26	67,235	31	95,378	152	116,409	159	93,787	35	78,406	0	
55 - 59	72	71,359	22	86,321	60	82,264	56	68,778	20	61,731	25	84,014	47	83,441	63	98,560	133	83,672	21	79,202
60 - 64	34	72,992	18		34	85,438	13		12		17		19		17		31	104,445	39	97,576
65 - 69	7		2		1		6		0		0		0		0		0		4	
70 & Over	1		1		0		0		0		0		0		0		0		0	

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
 EIN / PN: 34-0577130 / 014
 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

34-0577130/014

Plan

1984 Retirement Plan for Salaried employees of The Timken Company

Effective Date and Most Recent Amendment

November 1, 1984 (amended and restated effective January 1, 2009)

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

Each associate who was a member of the prior plan on the effective date becomes a member of this Plan on that date. Participants who have 50 points (age & service) and 5 years of service as of December 31, 2003, will continue to accrue benefits under this Plan. Other participants as of that date will not receive benefit accruals based on future service, but will have their benefits calculated using final average pay at their date of retirement or termination. The Plan is frozen to future new hires.

Plan Name:	1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN:	34-0577130 / 014
Plan Sponsor:	The Timken Company
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Normal Retirement Benefit

Normal Retirement Date: Age 65.

Benefit Formula:

Annual benefit is the greater of (a) and the sum of (b) and (c) reduced by (d):

- (a) The greater of 1% of final average pay (no later than December 31, 2003) at retirement and \$420 (\$600 effective April 1, 2000), multiplied by years and months of service.
- (b) The December 31, 1991 accrued benefit calculated under the prior benefit formulas, multiplied by the ratio of the final average pay at retirement (no later than December 31, 2001) to the final average pay at December 31, 1991.
- (c) The greater of 1% of final average pay at retirement and \$420 (\$600 effective April 1, 2000), multiplied by years and months of service after December 31, 1991.
- (d) Benefits received by Plan participants under the annuity contract(s) funding accrued benefits under the prior terminated plan.

Effective December 31, 2003, the above formulas are frozen, except that average pay used in these formulas will be based on pay (5 year average) at termination of employment. Associates with 50 points (age and service) and 5 years of service as of December 31, 2003, will receive additional benefits equal to the greater of 0.75% of final average pay at retirement and \$480, multiplied by service earned after December 31, 2003.

Effective April 1, 2000, the averaging period for the calculation of final average pay has been changed from 5 years to 4 years for all purposes except for applying the pay ratio to December 31, 1991 benefits.

Effective January 1, 2004, the averaging period for the calculation of final average pay has been changed back from 4 years to 5 years (but held to no smaller than the December 31, 2003 4-year average).

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Early Retirement

Benefits earned prior to December 31, 2003 are available at:

- (a) Age 60 with 25 years of service;
- (b) Age 62 with 15 years of service;
- (c) 30 years of service.

The benefit is based on the benefits as described for normal retirement, using earnings and service to early retirement date. In the case of early retirement before age 60, the benefit described in (a) and (c) from the "Normal Monthly Pension" section above are reduced at a rate of 3% for each year benefits commence before age 60.

Benefits earned after December 31, 2003 are available at:

- (a) Age 55 with 15 years of service;
- (b) 30 years of service.

In the case of early retirement before age 62, the benefits earned after December 31, 2003 are reduced at a rate of 4% for each year benefits commence before age 62.

Vested Benefits

Participants become 100% vested in their accrued normal retirement benefit after completion of 5 years of credited service.

Plant Shutdown

A member who is eligible for early retirement and who retires early due to plant shutdown or layoff is eligible for a temporary monthly benefit of \$400. This benefit is payable until the earliest of age 62, death, or eligibility for Social Security disability or retirement benefits.

Form of Payment

The benefit formula determines an amount of Life Annuity benefit with a modified cash refund death benefit where applicable; however, each married participant who does not elect otherwise will receive a Joint Annuity, in a reduced amount, with 50% continuation to a surviving spouse.

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Surviving Spouse's Benefit

Participants who have been married one year and who have completed 15 years of service at the time of their death are eligible for a pre-retirement spouse's benefit equal to 50% of their accrued benefit.

If a married participant dies with between 5 and 15 years of service, his spouse is entitled to a benefit for her lifetime commencing the first of the month following the date that the participant could have retired had he lived and continued working. The benefit is determined assuming the participant terminated employment in the month preceding his death and had elected a 50% joint and survivor option to begin on the first day he could have elected his retirement benefits to begin.

Participants who are married at retirement are eligible for a post-retirement spouse's benefit equal to 50% of their accrued benefit minus 50% of the spouse's Social Security benefit. The minimum benefit is \$150 per month.

Gaffney and Lincolnton Salaried Associates

Salaried associates at the Gaffney and Lincolnton locations entered the Timken Salaried Pension Plan on January 1, 1988. These salaried associates are eligible for reduced early retirement at age 55 (with no service requirement).

Changes in Plan Provisions since Last Actuarial Valuation

There have been no changes since the preceding valuation.

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
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 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 1984 Ret. Plan for Salaried Employees	<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;">014</td> </tr> </table>	B Three-digit plan number (PN) ▶	014
B Three-digit plan number (PN) ▶	014		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF The Timken Company	D Employer Identification Number (EIN) 34-0577130		
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		391,568,326
b Actuarial value.....	2b		430,669,908
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	2,259	228,767,350
b For terminated vested participants	3b	949	20,099,979
c For active participants:			
(1) Non-vested benefits.....	3c(1)		23,459,799
(2) Vested benefits.....	3c(2)		175,743,181
(3) Total active	3c(3)	2,647	199,202,980
d Total.....	3d	5,855	448,070,309
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	8.19 %	
6 Target normal cost.....	6	11,382,267	

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	Robert P. Mast/ Signature of actuary	<u>10/5/10</u> Date
	Robert P. Mast Type or print name of actuary	08-01461 Most recent enrollment number
	Towers Watson Delaware, Inc. Firm name	(216) 937-4000 Telephone number (including area code)
	1001 Lakeside Avenue, Suite 1900 Address of the firm	
	Cleveland OH 44114-1172 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)	108,327,332	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	11,727,165	0
9 Amount remaining (Item 7 minus item 8).....	96,600,167	0
10 Interest on item 9 using prior year's actual return of <u>(24.60)%</u>	(23,758,811)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		2,780,731
b Interest on (a) using prior year's effective rate of <u>6.08 %</u>		(683,921)
c Total available at beginning of current plan year to add to prefunding balance		2,096,810
d Portion of (c) to be added to prefunding balance.....		2,096,810
12 Reduction in balances due to elections or deemed elections.....	2,724,506	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	70,116,850	2,096,810

Part III Funding percentages		
14 Funding target attainment percentage.....	14	80.00 %
15 Adjusted funding target attainment percentage.....	15	96.11 %
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	100.43 %
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
01/14/2010	30,000,000				
09/14/2010	7,500,000				
Totals ►			18(b)	37,500,000	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	34,209,444

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

See attachments for lines 11a and 11b

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 59
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	11,382,267
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
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	11,382,267
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	9,725,413	0
36 Additional cash requirement (item 34 minus item 35).....	36	1,656,854
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	34,209,444
38 Interest-adjusted excess contributions for current year (see instructions).....	38	32,552,590
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 SB ATTACHMENTS

Schedule SB, Part V 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 (\$884,774).
- 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: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

**Schedule SB, Line 11a
Explanation for Discrepancy
as of January 1, 2009**

Amount shown on Line 11a has been changed from the amount shown on Line 38 from the prior year to reflect the final Section 430 regulations released on October 9, 2009.

Plan Name: 1984 Retirement Plan for Salaried Employees of the Timken Company
EIN / PN: 34-0577130 / 014
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 11b

Explanation of Prefunding Balance Interest Rate Calculation

The excess contributions of \$2,780,731 shown in Line 11a represents the carryover balance used to offset the prior plan year funding requirement and subsequently replenished. \$(683,921) shown on Line 11b represents the interest on Line 11a using the prior year's actual return of (24.60)%.

A U D I T E D F I N A N C I A L S T A T E M E N T S

1984 Retirement Plan for Salaried
Employees of The Timken Company
Years Ended December 31, 2009 and 2008
With Report of Independent Auditors

1984 Retirement Plan for Salaried
Employees of The Timken Company

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 1984 Retirement Plan for Salaried
Employees of The Timken Company

We have audited the accompanying statements of net assets available for benefits of the 1984 Retirement Plan for Salaried Employees of The Timken Company (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

1984 Retirement Plan for Salaried
Employees of The Timken Company

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	\$ 451,173,126	\$ 388,568,327
Contribution receivable from		
The Timken Company	37,500,000	3,000,000
Total assets	488,673,126	391,568,327
Liabilities		
Accrued administrative expenses	43,327	129,420
Net assets available for benefits	<u>\$ 488,629,799</u>	<u>\$ 391,438,907</u>

See accompanying notes.

1984 Retirement Plan for Salaried
Employees of The Timken Company

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	\$ 89,367,519	\$ —
Contributions from The Timken Company	37,500,000	3,000,000
Total additions	<u>126,867,519</u>	<u>3,000,000</u>
Deductions		
Net investment loss from The Timken Company Collective Investment Trust for Retirement Trusts	—	131,401,310
Benefits paid directly to participants	28,912,023	28,000,356
Administrative expenses	764,604	605,950
Total deductions	<u>29,676,627</u>	<u>160,007,616</u>
Net increase (decrease)	97,190,892	(157,007,616)
Net assets available for benefits:		
Beginning of year	391,438,907	548,446,523
End of year	<u>\$ 488,629,799</u>	<u>\$ 391,438,907</u>

See accompanying notes.

1984 Retirement Plan for Salaried Employees of The Timken Company

Notes to Financial Statements

Years Ended December 31, 2009 and 2008

1. Significant Accounting Policies

Valuation of Investments

Invested assets of the 1984 Retirement Plan for Salaried Employees of The Timken Company (Plan) are held in The Timken Company Collective Investment Trust for Retirement Trusts (Master Trust) maintained by The Northern Trust Company (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.

1984 Retirement Plan for Salaried
Employees of The Timken Company

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, which 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 and/or the highest four nonconsecutive 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 and/or the highest four nonconsecutive years of the last ten years preceding the valuation date. Benefits payable under all circumstances – retirement, death, 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 is a defined benefit pension plan, which provides for retirement and spouse's benefits for a portion of the salaried employees of The Timken Company (the Company) working in the United States.

Effective April 1, 2008, actively employed participants in the Timken-Latrobe-MPB-Torrington Plan, Part Ten – The Timken Company Retirement Plan for Torrington Salaried Associates, became participants in the Plan.

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

2. Description of the 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 members. 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.

Effective December 31, 2009, the Company sold its Needle Roller Bearing (NRB) business. Certain sub-sections of the Plan were available to certain salaried associates impacted by such sale prior to the divestiture of the business.

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.

Information about the Plan agreement, the vesting and benefit provisions, and the PBGC's benefit guarantee is contained in the *Timken Salaried Total Rewards Compensation and Benefits Handbook*. Copies of this handbook are available from the Plan administrator.

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.

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

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.

	<u>December 31, 2008</u>
Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving payments	\$ 217,011,600
Other participants	<u>169,037,700</u>
	386,049,300
Nonvested benefits	<u>23,817,100</u>
	<u><u>\$ 409,866,400</u></u>
Actuarial present value of accumulated plan benefits at January 1, 2008	\$ 395,517,000
Increase during the year attributed to:	
Benefits accumulated	7,539,900
Actuarial loss	766,300
Decrease in the discount period	34,043,600
Actual benefits paid	<u>(28,000,400)</u>
Net increase	<u>14,349,400</u>
Actuarial present value of accumulated plan benefits at December 31, 2008	<u><u>\$ 409,866,400</u></u>

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

Significant items underlying the actuarial computations are:

Actuarial cost method	Projected Unit Credit Cost Method
Assumed rate of return on investments	8.75% per annum, compounded annually for 2009 and 2008
Salary increases	1.5% from 2009 to 2010 2.0% from 2010 to 2011 2.5% from 2011 to 2012 3.0% per year for all years after 2012
Retirement	Estimated at rates based upon becoming eligible for retirement at ages ranging between 50 and 65 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.

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.

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

4. Participation in Master Trust (continued)

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>

1984 Retirement Plan for Salaried
Employees of The Timken Company

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.

	<u>2009</u>	<u>2008</u>
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	<u>1,967,862,586</u>	<u>1,670,855,252</u>
Liabilities		
Obligation to return securities lending collateral	<u>186,369,257</u>	<u>137,997,824</u>
Net assets	<u>\$ 1,781,493,329</u>	<u>\$ 1,532,857,428</u>

The Plan's interest in the Master Trust was 25.3% and 25.3% 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.

1984 Retirement Plan for Salaried
Employees of The Timken Company

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>

1984 Retirement Plan for Salaried
Employees of The Timken Company

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.

1984 Retirement Plan for Salaried
Employees of The Timken Company

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. Reconciliation of Benefits Paid to Form 5500

The following is a reconciliation of benefits paid per the financial statements to the Form 5500:

	December 31	
	2009	2008
Benefits paid per financial statements	\$ 28,912,023	\$ 28,000,356
Accrued benefits payable	193,338	18,813
Benefits paid per the Form 5500	<u>\$ 29,105,361</u>	<u>\$ 28,019,169</u>

7. Income Tax Status

The Plan received a determination letter from the Internal Revenue Service dated March 27, 2003, 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.

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

8. 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.

9. 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.

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.

10. 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.