

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 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>1984 RETIREMENT PLAN FOR SALARIED EMPLOYEES OF THE TIMKEN COMPANY</u>	1b Three-digit plan number (PN) ►	<u>014</u>	
	1c Effective date of plan	<u>11/01/1984</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>THE TIMKEN COMPANY</u> <u>1835 DUEBER AVENUE S.W.</u> <u>CANTON, OH 44706-2798</u>	2b Employer Identification Number (EIN) <u>34-0577130</u>	2c Sponsor's telephone number <u>330-438-3000</u>	2d Business code (see instructions) <u>333200</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/17/2011</u>	<u>CHRISTOPHER HOLDING</u>
	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

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

Form 5500 (2010)
v.092307.1

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	5818
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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	2107
b Retired or separated participants receiving benefits.....	6b	2247
c Other retired or separated participants entitled to future benefits.....	6c	1108
d Subtotal. Add lines 6a , 6b , and 6c	6d	5462
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	330
f Total. Add lines 6d and 6e	6f	5792
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) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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

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

A Name of plan <u>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 or 5500-SF <u>THE TIMKEN COMPANY</u>	D Employer Identification Number (EIN) <u>34-0577130</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>	
2 Assets:	
a Market value	2a <u>488244862</u>
b Actuarial value	2b <u>500588468</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>2411</u> <u>290167668</u>
b For terminated vested participants	3b <u>1182</u> <u>38021542</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>24171189</u>
(2) Vested benefits	3c(2) <u>201341275</u>
(3) Total active	3c(3) <u>2271</u> <u>225512464</u>
d Total	3d <u>5864</u> <u>553701674</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.67</u> %
6 Target normal cost	6 <u>9443114</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>09/30/2011</u>
Signature of actuary	Date
<u>ROBERT P. MAST</u>	<u>11-01461</u>
Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON DELAWARE, INC.</u>	<u>216-937-4000</u>
Firm name	Telephone number (including area code)
<u>1001 LAKESIDE AVENUE, SUITE 1900</u> <u>CLEVELAND, OH 44114</u>	
Address of the firm	

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

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

Schedule SB (Form 5500) 2010
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)	70116850	2096810
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	9725413	0
9	Amount remaining (Item 7 minus item 8)	60391437	2096810
10	Interest on item 9 using prior year's actual return of <u>23.79</u> %	14367123	498831
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		32552590
b	Interest on (a) using prior year's effective rate of <u>8.19</u> %		4183222
c	Total available at beginning of current plan year to add to prefunding balance		36735812
d	Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	19727073	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	55031487	2595641

Part III		Funding percentages	
14	Funding target attainment percentage	14	80.00 %
15	Adjusted funding target attainment percentage	15	80.00 %
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	95.64 %
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
11/17/2010	40000000				
12/21/2010	3000000				
03/30/2011	72500000				
			Totals ▶	18(b)	115500000
				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	107503679

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: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
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	9443114
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	88592267	14909378
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	24352492
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	8245483	0
36 Additional cash requirement (item 34 minus item 35).....	36	16107009
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	107503679
38 Interest-adjusted excess contributions for current year (see instructions).....	38	91396670
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
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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)

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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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	213579	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	62388	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	18000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

JONES, DAY, REAVIS & POGUE

34-0319085

(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?
21	NONE	27562	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE TIMKEN COMPANY

34-0577130

(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?
13	EMPLOYEES	36414	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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
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
---------------	--------------------------------------

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)	37500000	72500000
(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)	451173126	571820925
(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	488673126	644320925

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	43327	49344
k Total liabilities (add all amounts in lines 1g through 1j)	1k	43327	49344

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	488629799	644271581
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	115500000	
(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)		115500000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		67745870
(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		5440000
d Total income. Add all income amounts in column (b) and enter total.....	2d		188685870

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	32098837	
(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)		32098837
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)	371447	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	573804	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		945251
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		33044088

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		155641782
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)

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 2010 This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
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	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ 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 8
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year		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	
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		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2010 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: 55% Investment-Grade Debt: 29% High-Yield Debt: 8% Real Estate: 0% Other: 8%

- 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, 2010 and 2009, 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 audit 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, 2010, 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, 2009, and the changes in its financial status for the year then ended, in conformity with accounting principles generally accepted in the United States.

October 13, 2011

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

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: 6.67%

Prior plan year PPA effective interest rate: 8.19%

3-Segment Rates

Applicable month: September 2009

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 \$941,853.

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.

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, 2010

SCHEDULE SB ATTACHMENTS

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.

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.

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, 2010

SCHEDULE SB ATTACHMENTS

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.

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 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, 2010

SCHEDULE SB ATTACHMENTS

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 6.69%, 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 6.69%. The assumed rate of return on plan assets for the second 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 algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.4. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Participant data

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

Tax policy

The actuarial valuation performed for the plan year ending December 31, 2010 is used to determine the maximum deductible contribution for the tax year ending December 31, 2010.

Benefits not included in valuation

None.

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, 2010

SCHEDULE SB ATTACHMENTS

Nature of actuarial calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed 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. Certain percentages determined in this report, such as the Funding Target Attainment Percentage, are truncated to the nearest 0.01% (e.g., 81.58%) to be consistent with the rounding specified for Schedule SB of the Form 5500.

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, 2010

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, 2010
Enrolled Actuary	Robert P. Mast
Enrollment Number	11-01461

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, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2010

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, 2010

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, 2010:

- This valuation is based on three-segment rates for the month of September. Results for the 2009 plan year were based on full yield curve for the month of October. For 2010, a change in the yield curve and timing of selecting the interest rate does not require IRS approval.

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, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2010

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	0		1		2		0		0		0		0		0		0		0	
25 - 29	0		1		11		4		0		0		0		0		0		0	
30 - 34	0		2		55	68,822	34	76,888	0		0		0		0		0		0	
35 - 39	0		6		53	70,465	80	81,463	13		0		0		0		0		0	
40 - 44	0		24	72,436	67	88,189	91	76,809	25	118,331	41	102,616	5		0		0		0	
45 - 49	1		47	78,914	70	89,872	88	68,644	28	94,451	46	109,818	118	107,779	32	72,885	0		0	
50 - 54	0		39	77,342	67	84,935	81	72,897	24	68,660	26	108,129	134	113,355	174	98,625	29	80,109	0	
55 - 59	0		62	72,985	45	80,725	60	70,937	26	62,992	17		48	88,313	80	103,122	113	82,678	16	
60 - 64	0		32	73,043	27	89,159	19		11		13		18		16		26	94,239	29	92,547
65 - 69	0		5		7		4		0		0		1		0		0		0	
70 & Over	0		0		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, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2010

Type of Base		Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2010	88,592,267	7	88,592,267	14,909,378
Total					88,592,267	14,909,378

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, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Sponsor

The Timken Company

EIN/PN

34-0577130/004

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.

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):

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, 2010

SCHEDULE SB ATTACHMENTS

- (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).

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.

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, 2010

SCHEDULE SB ATTACHMENTS

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.

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).

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, 2010

SCHEDULE SB ATTACHMENTS

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, 2010

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment 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

2010**This Form is Open to Public
Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **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	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>2010</u>	
2 Assets:	
a Market value.....	2a 488,244,862
b Actuarial value.....	2b 500,588,468
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 2,411 290,167,668
b For terminated vested participants.....	3b 1,182 38,021,542
c For active participants:	
(1) Non-vested benefits.....	3c(1) 24,171,189
(2) Vested benefits.....	3c(2) 201,341,275
(3) Total active.....	3c(3) 2,271 225,512,464
d Total.....	3d 5,864 553,701,674
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 6.67 %
6 Target normal cost.....	6 9,443,114

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/ <i>Robert P. Mast</i> Signature of actuary	9/30/11 Date
	Robert P. Mast Type or print name of actuary	11-01461 Most recent enrollment number
	Towers Watson Delaware Inc. Firm name	(216) 937-4000 Telephone number (including area code)
	1001 Lakeside Avenue, Suite 1900 Cleveland OH 44114 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) 2010
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)	70,116,850	2,096,810
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	9,725,413	0
9 Amount remaining (Item 7 minus item 8).....	60,391,437	2,096,810
10 Interest on item 9 using prior year's actual return of <u>23.79</u> %	14,367,123	498,831
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		32,552,590
b Interest on (a) using prior year's effective rate of <u>8.19</u> %		4,183,222
c Total available at beginning of current plan year to add to prefunding balance		36,735,812
d Portion of (c) to be added to prefunding balance.....		0
12 Reduction in balances due to elections or deemed elections.....	19,727,073	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	55,031,487	2,595,641

Part III Funding percentages

14 Funding target attainment percentage.....	14	80.00 %
15 Adjusted funding target attainment percentage.....	15	80.00 %
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	95.64 %
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
11/17/2010	40,000,000				
12/21/2010	3,000,000				
03/30/2011	72,500,000				
Totals ▶			18(b)	115,500,000	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	107,503,679

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	0

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

21 Discount rate:				
a Segment rates:	1st segment: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
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	9,443,114
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	88,592,267	14,909,378
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	24,352,492
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	8,245,483	0
36 Additional cash requirement (item 34 minus item 35)	36	16,107,009
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	107,503,679
38 Interest-adjusted excess contributions for current year (see instructions)	38	91,396,670
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, Line 11b Explanation of Prefunding Balance Interest Rate Calculation

The excess contributions of \$32,552,590 shown in Line 11a are comprised of:

- \$22,827,177 which represents the discounted employer contributions made for the prior year in excess of the total funding requirement for the prior plan year before reflecting carryover/prefunding balances, plus
- \$9,725,413 which represents the carryover balance used to offset the prior plan year funding requirement and subsequently replenished.

\$4,183,222 shown on Line 11b represents the interest on Line 11a as follows:

- interest on \$22,827,177 using the prior year's effective rate of 8.19%, or \$1,869,546, plus
- interest on \$9,725,413 using the prior year's actual return of 23.79%, or \$2,313,676.

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, 2010

Schedule H, Line 2c – Explanation of Other Income

Other income proceeds are insurance proceeds received due to irregularities in the operations of one of its equity related investments in the Master Trust.

AUDITED FINANCIAL STATEMENTS

1984 Retirement Plan for Salaried
Employees of The Timken Company
Years Ended December 31, 2010 and 2009
With Report of Independent Auditors

Ernst & Young LLP

 **ERNST & YOUNG**

1984 Retirement Plan for Salaried
Employees of The Timken Company

Audited Financial Statements

Years Ended December 31, 2010 and 2009

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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, 2010 and 2009, 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, 2010, 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, 2009, 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

Cleveland, Ohio
October 13, 2011

1984 Retirement Plan for Salaried
Employees of The Timken Company

Statements of Net Assets Available for Benefits

	December 31	
	2010	2009
Assets		
Investments, at fair value:		
Interest in The Timken Company		
Collective Investment Trust for		
Retirement Trusts	\$ 571,820,925	\$ 451,173,126
Contribution receivable from		
The Timken Company	72,500,000	37,500,000
Total assets	644,320,925	488,673,126
Liabilities		
Accrued administrative expenses	49,344	43,327
Net assets available for benefits	\$ 644,271,581	\$ 488,629,799

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	
	2010	2009
Additions		
Net investment gain from The Timken Company Collective Investment Trust for Retirement Trusts	\$ 67,745,870	\$ 89,367,519
Insurance Proceeds	5,440,000	—
Contributions from The Timken Company	115,500,000	37,500,000
Total additions	<u>188,685,870</u>	<u>126,867,519</u>
Deductions		
Benefits paid directly to participants	32,098,837	28,912,023
Administrative expenses	945,251	764,604
Total deductions	<u>33,044,088</u>	<u>29,676,627</u>
Net increase	155,641,782	97,190,892
Net assets available for benefits:		
Beginning of year	488,629,799	391,438,907
End of year	<u><u>\$ 644,271,581</u></u>	<u><u>\$ 488,629,799</u></u>

See accompanying notes.

1984 Retirement Plan for Salaried Employees of The Timken Company

Notes to Financial Statements

Years Ended December 31, 2010 and 2009

1. Description of the Plan

The following description of 1984 Retirement Plan for Salaried Employees of the Timken Company (the Plan) provides only general information. Participants should refer to the *Timken Salaried Total Rewards Compensation and Benefits Handbook* for a more complete description of the plan, and the plan's benefit and eligibility provisions. Copies of this handbook are available from the Plan administrator, The Timken Company (the Company).

General

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 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.

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.

Vesting

Active participants become fully vested upon the completion of five years of continuous service.

Contributions

The Company contributes such amounts as are necessary to provide assets sufficient to meet the benefits to be paid to plan participants and satisfy the Employee Retirement Income Security Act of 1974 (ERISA) minimum funding requirements. The Plan has met the ERISA minimum funding requirements for 2010 and 2009.

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Plan Termination

Although it has not expressed any interest to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, 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.

2. Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

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.

Investment Valuation

The plan's investments are stated at fair value and are held in The Timken Company Collective Investment Trust for Retirement Trusts (Master Trust) maintained by The Northern Trust Company (Trustee).

The valuation methods (see Note 5) 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)

2. Significant Accounting Policies (continued)

New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements* (ASU 2010-06). ASU 2010-06 amended ASC 820 to clarify certain existing fair value disclosures and require a number of additional disclosures. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each “class” of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2 and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis.

With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is delayed until 2011, the guidance in ASU 2010-06 is effective for reporting periods beginning after December 15, 2009. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not affect on the Plan’s net assets available for benefits or its changes in net assets available for benefits.

In May 2011, the FASB issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs* (ASU 2011-04). ASU 2011-04 amended ASC 820, *Fair Value Measurements and Disclosures*, to converge the fair value measurement guidance in U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan’s financial statements.

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

2. 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.

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:

	January 1, 2010	January 1, 2009
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving benefits	\$ 241,295,646	\$ 217,011,642
Other participants	171,381,734	169,037,690
Total vested benefits	412,677,380	386,049,332
Nonvested benefits	20,326,955	23,817,099
Total Actuarial present value of accumulated plan benefits	<u>\$ 433,004,335</u>	<u>\$ 409,866,431</u>

	January 1, 2010	January 1, 2009
Actuarial present value of accumulated plan benefits at beginning of year	\$ 409,866,431	\$ 395,518,001
Increase during the year attributed to:		
Benefits accumulated	9,158,654	7,539,905
Actuarial loss	7,491,479	766,330
Increase for interest due to the decrease in the discount period	35,399,794	34,042,551
Actual benefits paid	(28,912,023)	(28,000,356)
Net increase	<u>23,137,904</u>	<u>14,348,430</u>
Actuarial present value of accumulated plan benefits at January 1, 2010	<u>\$ 433,004,335</u>	<u>\$ 409,866,431</u>

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

3. Accumulated Plan Benefits (continued)

Significant assumptions 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 2010 and 2009
Salary increases	1.50% from 2009 to 2010 2.00% from 2010 to 2011 2.50% from 2011 to 2012 3.00% 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. Investments

As of December 31, 2010, the Plan is one of three 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. Investments (continued)

The following table presents the fair value of assets of the Master Trust at December 31, 2010 and 2009. Purchases and sales of securities are recorded on a trade-date basis:

	2010	2009
Assets		
Investments:		
Cash and cash equivalents	\$ 6,599,980	\$ 71,753,860
United States government and agency securities	48,727,455	30,997,747
United States government and agency securities on loan	82,239,880	55,670,792
Corporate bonds	354,566,402	300,216,329
Corporate bonds on loan	45,048,819	35,204,924
Equity securities	609,592,448	526,212,809
Equity securities on loan	61,465,761	89,780,192
Common collective funds	784,922,817	571,077,109
Asset backed securities	11,999,677	12,267,828
Securities lending collateral	193,442,250	186,369,257
Limited partnership and real estate interests	94,167,108	87,576,112
Limited partnership and real estate on loan	587,520	-
Other	719,987	735,627
Total assets	<u>2,294,080,104</u>	<u>1,967,862,586</u>
Liabilities		
Obligation to return securities lending collateral	193,442,250	186,369,257
Total liabilities	<u>193,442,250</u>	<u>186,369,257</u>
Net assets	<u><u>\$ 2,100,637,854</u></u>	<u><u>\$ 1,781,493,329</u></u>

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

4. Investments (continued)

The Plan's interest in the Master Trust was 27.2% and 25.3% as of December 31, 2010 and 2009, 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.

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

	Year Ended December 31	
	2010	2009
Net appreciation (depreciation) in fair value of investments determined by quoted market price:		
United States government and agency securities	\$ 21,328,269	\$ (7,455,182)
Corporate bonds	32,732,803	70,870,849
Equity securities	72,204,203	129,244,203
Common collective funds	97,322,717	102,433,795
Asset backed securities	(871,295)	10,570,567
	222,716,697	305,664,232
Net appreciation (depreciation) in fair value of investments estimated by the Trustee:		
Limited partnership and real estate interests	10,762,303	11,444,735
Insurance proceeds	20,000,000	-
Interest income	30,544,269	25,691,983
Dividend income	11,825,995	13,468,744
	62,370,264	39,160,727
Investment manager and administrative fees	(10,379,178)	(6,845,629)
	\$ 285,470,086	\$ 349,424,065

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

5. Fair Value

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 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.

The following table presents the fair value hierarchy for the Master Trust's assets measured at fair value on a recurring basis as of December 31, 2010 and 2009:

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

5. Fair Value (continued)

Assets at Fair Value as of December 31, 2010				
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 6,599,980	\$ 6,599,980	\$ -	\$ -
United States government and agency securities	130,967,335	104,690,420	26,276,915	-
Corporate bonds	399,615,221	-	399,615,221	-
Equity securities	671,058,209	671,058,209	-	-
Common collective funds – equities	467,498,117	-	448,247,619	19,250,498
Common collective funds – fixed income	317,424,700	-	317,424,700	-
Asset backed securities	11,999,677	-	11,999,677	-
Limited partnership and real estate interests	94,754,628	-	-	94,754,628
Securities lending collateral	193,442,250	147,360,154	46,082,096	-
Other assets	719,987	719,987	-	-
Total assets	2,294,080,104	930,428,750	1,249,646,228	114,005,126
Liabilities:				
Obligation to return securities lending collateral	193,442,250	147,360,154	46,082,096	-
Total liabilities	193,442,250	147,360,154	46,082,096	-
Net Assets	\$2,100,637,854	\$783,068,596	\$ 1,203,564,132	\$114,005,126

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

5. Fair Value (continued)

Assets at Fair Value as of December 31, 2009				
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 71,753,860	\$ 71,753,860	\$ -	\$ -
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	-
Limited partnership and real	87,576,112	-	-	87,576,112
Securities lending collateral	186,369,257	150,126,686	36,242,571	-
Other assets	735,627	-	735,627	-
Total assets	1,967,862,586	895,339,929	965,696,047	106,826,610
Liabilities:				
Obligation to return securities lending collateral	186,369,257	150,126,686	36,242,571	-
Total liabilities	186,369,257	150,126,686	36,242,571	-
Net Assets	\$1,781,493,329	\$ 745,213,243	\$ 929,453,476	\$ 106,826,610

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.

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

5. Fair Value (continued)

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 table below sets forth a summary of changes in the fair value of the Master Trust's level 3 assets for the year ended December 31, 2010 and 2009:

	Year Ended December 31	
	2010	2009
Balance, beginning of year	\$ 106,826,610	\$ 73,741,839
Transfer in	-	34,621,014
Purchases and sales, net	3,963,944	5,626,572
Realized/unrealized gain (loss), net	3,214,572	(7,162,815)
Balance, end of year	<u>\$ 114,005,126</u>	<u>\$ 106,826,610</u>

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. A court appointed a receiver to take control of the investment firm and investigate this matter. In December 2009, the Company reduced the value of this investment to its expected net realizable value of approximately \$19 million (the original investment was \$50 million), reflecting the receiver's preliminary findings. The Company included this investment in Level 3 at December 31, 2010 and 2009 as a result of the fair value being an estimate of what the Company expected to receive from the receiver and was not reflective of observable market prices. 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. On April 21, 2011, the Master Trust received \$21 million from the receiver for this investment. The difference between the \$21 million received in 2011 and the fair value of \$19 million on December 31, 2010 will be recognized as a gain in 2011.

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

6. Securities Lending

The Master Trust is authorized to engage in the lending of certain investments. Securities lending is an investment management enhancement that utilizes certain existing securities of the Master Trust to earn additional income. Securities lending involves the loaning of securities to approved banks and broker/dealers. In return for the loaned securities, the Trustee, prior to or simultaneous with delivery of the loaned securities to the borrower, receives collateral in the form of cash or U.S. government securities as a safeguard against possible default of any borrower on the return of the loan under terms that permit the Master Trust to repledge or sell the securities. Each loan is initially collateralized, in the case of: (a) loaned securities denominated in U.S. dollars or whose primary trading market is located in the U.S., or (b) loaned securities not denominated in U.S. dollars or whose primary trading market is not located in the U.S. to the extent of 105% of the market value of the loaned securities. The collateral is marked to market on a daily basis. In the event the counterparty is unable to meet its contractual obligation under the securities lending arrangement, the Master Trust may incur losses equal to the amount by which the market value of the securities differ from the amount of collateral held. The Master Trust mitigates credit risk associated with securities lending arrangements by monitoring the fair value of the securities loaned on a daily basis, with additional collateral obtained or refunded as necessary.

The Master Trust maintains full ownership rights to the securities loaned and accordingly, classifies loaned securities as investments. Since the securities received as collateral may be repledged or sold, the Master Trust recognizes the amount of collateral received and a corresponding obligation to return such collateral on the statement of net assets available for benefits. The fair value of securities on loan was approximately \$189 million and \$181 million and the fair value of collateral was approximately \$193 million and \$186 million, respectively at December 31, 2010 and 2009.

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)

7. Income Tax Status (continued)

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the taxation authorities. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2007.

8. Administrative Expenses

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.

1984 Retirement Plan for Salaried
Employees of The Timken Company

Notes to Financial Statements (continued)

10. Subsequent Events

Management evaluated subsequent events for the Plan through October 13, 2011, the date the financial statements were available to be issued. Effective December 31, 2011, the Plan will be merged into the Timken-Latrobe-MPB-Torrington Retirement Plan. The Timken-Latrobe-MPB-Torrington Retirement Plan is a defined benefit pension plan which provides for retirement benefits for numerous Timken employee groups. The merger will not impact any of the benefits. All assets at the date of the merger will be transferred into the Timken-Latrobe-MPB-Torrington Retirement Plan.

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