

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>THE TIMKEN BELTS PENSION PLAN</u>	1b	Three-digit plan number (PN) ► <u>007</u>
		1c	Effective date of plan <u>01/01/2014</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>THE TIMKEN COMANY</u> <u>725 COOL SPRINGS BLVD, SUITE 500</u> <u>FRANKLIN, TN 37067</u>		2b Employer Identification Number (EIN) <u>32-0422708</u> 2c Plan Sponsor's telephone number <u>865-220-6978</u> 2d Business code (see instructions) <u>339900</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2017	SHELLY CHADWICK
	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
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

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3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor 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
5 Total number of participants at the beginning of the plan year	5 645
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 192 6a(2) 182 6b 232 6c 160 6d 574 6e 58 6f 632 6g 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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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) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

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

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

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

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> Pension Benefit Guaranty Corporation	Insurance 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning **01/01/2016** and ending **12/31/2016**

A Name of plan THE TIMKEN BELTS PENSION PLAN	B Three-digit plan number (PN) ► 007
C Plan sponsor's name as shown on line 2a of Form 5500 THE TIMKEN COMANY	D Employer Identification Number (EIN) 32-0422708

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	IN-17458	632	01/01/2016	12/31/2016

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid 33451	(b) Total amount of fees paid 0
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

HARRY JAMES
3 CITYPLACE DR SUITE 900
ST. LOUIS, MO 63141

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
33451			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	0
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	17816409

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier**6b****c** Premiums due but unpaid at the end of the year**6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount**6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
 (3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
 (3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year**7b**

0

c Additions: (1) Contributions deposited during the year**7c(1)**

(2) Dividends and credits.....

7c(2)

(3) Interest credited during the year.....

7c(3)

(4) Transferred from separate account

7c(4)

(5) Other (specify below)

7c(5)

▶

(6) Total additions

7c(6)

0

d Total of balance and additions (add lines **7b** and **7c(6)**)**7d**

0

e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year

7e(1)

(2) Administration charge made by carrier.....

7e(2)

(3) Transferred to separate account

7e(3)

(4) Other (specify below)

7e(4)

▶

(5) Total deductions

7e(5)

0

f Balance at the end of the current year (subtract line **7e(5)** from line **7d**).....**7f**

0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

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

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

A Name of plan <u>THE TIMKEN BELTS PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>007</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>THE TIMKEN COMANY</u>	D Employer Identification Number (EIN) <u>32-0422708</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>2016</u>	
2 Assets:	
a Market value	2a <u>17435997</u>
b Actuarial value	2b <u>18218103</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>292</u> (2) Vested Funding Target <u>6439440</u> (3) Total Funding Target <u>6439440</u>
b For terminated vested participants	<u>161</u> <u>2041278</u> <u>2041278</u>
c For active participants	<u>192</u> <u>5259156</u> <u>5309022</u>
d Total	<u>645</u> <u>13739874</u> <u>13789740</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.20 %</u>
6 Target normal cost	6 <u>396961</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>10/04/2017</u>
	Signature of actuary	Date
<u>STACEY M. SCHMID</u>	Type or print name of actuary	<u>17-08213</u>
		Most recent enrollment number
<u>PRIAC</u>	Firm name	<u>312-521-6185</u>
<u>20 NORTH WACKER DRIVE, SUITE 2500</u> <u>CHICAGO, IL 60606</u>	Address of the firm	Telephone number (including area code)

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 ☐

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Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	1474474	3622978
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	390860	0
9	Amount remaining (line 7 minus line 8)	1083614	3622978
10	Interest on line 9 using prior year's actual return of <u>-0.93</u> %	-10078	-33694
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.37</u> %		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	232078	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	841458	3589284

Part III Funding Percentages			
14	Funding target attainment percentage	14	99.98%
15	Adjusted funding target attainment percentage	15	132.11%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	100.47%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b	Contributions made to avoid restrictions adjusted to valuation date	19b 0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 0
20 Quarterly contributions and liquidity shortfalls:		
a	Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b	If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th 0

Part V	Assumptions Used to Determine Funding Target and Target Normal Cost		
21 Discount rate:			
a Segment rates:		1st segment: 4.43%	2nd segment: 5.91%
		3rd segment: 6.65%	☐ N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			
Part VI	Miscellaneous Items		
24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No			
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No			
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No			
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.			27
Part VII	Reconciliation of Unpaid Minimum Required Contributions For Prior Years		
28 Unpaid minimum required contributions for all prior years			28 0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)			29 0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)			30 0
Part VIII	Minimum Required Contribution For Current Year		
31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)			31a 396961
b Excess assets, if applicable, but not greater than line 31a			31b 0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount			33
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)			34 396961
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	396961	0	396961
36 Additional cash requirement (line 34 minus line 35)			36 0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)			37 0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)			38a 0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances			38b 0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)			39 0
40 Unpaid minimum required contributions for all years			40 0
Part IX	Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)		
41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected ☐ 2 plus 7 years ☐ 15 years			
b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011			
42 Amount of acceleration adjustment			42
43 Excess installment acceleration amount to be carried over to future plan years			43

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
		2016
		This Form is Open to Public Inspection.
For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan THE TIMKEN BELTS PENSION PLAN	B Three-digit plan number (PN) ▶	007
C Plan sponsor's name as shown on line 2a of Form 5500 THE TIMKEN COMANY	D Employer Identification Number (EIN) 32-0422708	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation PRUDENTIAL RETIREMENT INS & ANNUITY 06-1050034
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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

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

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

PRUDENTIAL RETIREMENT INS & ANNUITY

06-1050034

(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	NONE	26650	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

FIRSTMERIT BANK, NA

(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?
	NONE	17500	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 ☐

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)

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan 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 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2016</div> This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>THE TIMKEN BELTS PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>007</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>THE TIMKEN COMANY</u>	D Employer Identification Number (EIN) <u>32-0422708</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INVESCO SMALL CAP GROWTH STGY</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS & ANNUITY</u>				
c EIN-PN <u>06-1050034-293</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>405638</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CAP GROWTH/JENNISON</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS & ANNUITY</u>				
c EIN-PN <u>06-1050034-408</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1602422</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID CAP GROWTH/WADDELL & REED</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS & ANNUITY</u>				
c EIN-PN <u>06-1050034-409</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>375396</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID CAP VALUE / INVESCO FUND</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS & ANNUITY</u>				
c EIN-PN <u>06-1050034-284</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>QMA US BROAD MARKET INDEX</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS & ANNUITY</u>				
c EIN-PN <u>06-1050034-671</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2584686</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP VALUE/INTEGRITY</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS & ANNUITY</u>				
c EIN-PN <u>06-1050034-439</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>424954</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>T. ROWE PR EQTY INC STGY II</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS & ANNUITY</u>				
c EIN-PN <u>06-1050034-352</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2016315</u>		

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

a Name of MTIA, CCT, PSA, or 103-12 IE: INTERNATIONAL GROWTH/ARTISAN

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS & ANNUITY

c EIN-PN 06-1050034-259	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 748636
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a Name of MTIA, CCT, PSA, or 103-12 IE: MFS INTERNTL VAL EQ (ISP)

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS & ANNUITY

c EIN-PN 06-1050034-799	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 948691
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a Name of MTIA, CCT, PSA, or 103-12 IE: CORPORATE BOND / PGIM FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS & ANNUITY

c EIN-PN 06-1050034-038	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6180317
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRU LONG CORPORATE BOND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS & ANNUITY

c EIN-PN 06-1050034-714	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1999548
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRUDENTIAL SHORT-TERM

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS & ANNUITY

c EIN-PN 06-1050034-041	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 153618
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a Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP VALUE/ROBECO FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS & ANNUITY

c EIN-PN 06-1050034-440	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 376188
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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)
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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)
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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)
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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)
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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) <small>Internal Revenue Service</small> <hr/> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>		
A Name of plan <u>THE TIMKEN BELTS PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>007</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE TIMKEN COMANY</u>	D Employer Identification Number (EIN) <u>32-0422708</u>	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(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)	<u>17435997</u>	<u>17816409</u>
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(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	17435997	17816409

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	17435997	17816409
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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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	338080	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		338080
(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
(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

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		944370
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1282450

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	816608	
(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)		816608
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)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)	85430	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		85430
j Total expenses. Add all expense amounts in column (b) and enter total	2j		902038

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		380412
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: **BOBER, MARKEY, FEDEROVICH AND CO.**

(2) EIN: **34-1523030**

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 3995202. (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>THE TIMKEN BELTS PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>007</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE TIMKEN COMANY</u>	D Employer Identification Number (EIN) <u>32-0422708</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-1211670</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>0</u>

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2016
v. 160205

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
	a The current year	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 line 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
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment	☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)	
	a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%	
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more	
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____	

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	

THE TIMKEN BELTS PENSION PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

December 31, 2016 and 2015

THE TIMKEN BELTS PENSION PLAN
ANNUAL REPORT INDEX
December 31, 2016 and 2015

The following financial statements and other information of The Timken Belts Pension are included herewith:

- Statements of Net Assets Available for Benefits as of December 31, 2016 and 2015;
- Statements of Changes in Net Assets Available for Benefits for the year ended December 31, 2016 and 2015;
- Notes to Financial Statements.

The following supplemental schedules of The Timken Belts Pension Plan included in the Annual Report of the Plan on Form 5500 file with the Department of Labor as of and for the year ended December 31, 2016 are included herewith:

- Schedule H, Line 4i – Schedule of Assets (Held at Year End);
- Schedule H, Line 4j – Schedule of Reportable Transactions.

All other supplemental schedules and notes for which provisions are made in the applicable rules and regulations of the Department of Labor are not required under the related instructions or are inapplicable and, therefore, have been omitted.

THE TIMKEN BELTS PENSION PLAN
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SUPPLEMENTARY INFORMATION	
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Schedule H, Line 4j – Schedule of Reportable Transactions	13

INDEPENDENT AUDITORS' REPORT

To the Timken Company, Administrator of
The Timken Belts Pension Plan
North Canton, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Timken Belts Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company, the Custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the Custodian as of December 31, 2016 and 2015, and for the years then ended, that the information provided to the Plan administrator by the Custodian is complete and accurate.

Disclaimer of Opinion

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

Emphasis of Matter

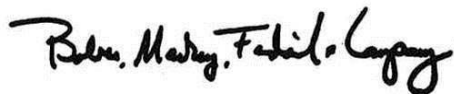
As discussed in Note 2 to the financial statements, the Plan has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent) and Accounting Standards Update 2015-12, Plan Accounting (Part II) Plan Investment Disclosures – consensuses of the Emerging Issues Task Force. Our opinion is not modified with respect to that matter.

Other Matter – Supplemental Schedules

The supplemental schedules, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2016 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2016, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

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



BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

September 29, 2017

THE TIMKEN BELTS PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Investments, at fair value	<u>\$ 17,816,409</u>	<u>\$ 17,435,997</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 17,816,409</u></u>	<u><u>\$ 17,435,997</u></u>

The accompanying notes are an integral part of these financial statements.

THE TIMKEN BELTS PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ADDITIONS		
Interest and dividends	\$ 338,080	\$ 329,361
DEDUCTIONS		
Administrative expenses	85,430	146,219
Benefit payments	816,608	817,800
TOTAL DEDUCTIONS	<u>902,038</u>	<u>964,019</u>
NET APPRECIATION (DEPRECIATION)	944,370	(497,633)
NET CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	<u>380,412</u>	<u>(1,132,291)</u>
NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF THE YEAR	<u>17,435,997</u>	<u>18,568,288</u>
END OF THE YEAR	<u>\$ 17,816,409</u>	<u>\$ 17,435,997</u>

The accompanying notes are an integral part of these financial statements.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of The Timken Belts Pension Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions. Copies of the Plan document are available from the Plan administrator.

The Plan was formed on January 1, 2014 to cover participants whose employment transferred to the Plan administrator in connection with a purchase transaction.

On September 1, 2015, The Timken Company, through one its subsidiaries, completed the acquisition of the membership interests of Carlstar Belt LLC. As a result, Timken SMO LLC (the “Plan Sponsor”) succeeded The Carlstar Group LLC (known prior to February 25, 2015 as CTP Transportation Products, LLC) as the Plan administrator and the Plan name was changed to The Timken Belts Pension Plan.

General

The Plan is a defined benefit plan to provide a retirement income to certain eligible employees of the Plan Sponsor and their beneficiaries.

The Plan administrator has the sole discretionary right, authority, and power to interpret and construe the Plan and has full discretionary authority for the purchase and sale of investments. The Plan administrator may employ such attorneys, agents, and accountants as it may deem necessary or advisable to assist it in carrying out its duties.

All amounts contributed to the Plan are held in a qualified trust by Prudential Retirement Insurance and Annuity Company (the “Custodian”). The Custodian is responsible for the safekeeping of the trust funds.

Effective April 1, 2006, participation in the Plan was frozen to new hires. Any active participant as of April 1, 2006 will remain eligible under the Plan and receive benefits in accordance with the Plan. No other person who was not a participant as of April 1, 2006 will become one after this date.

Pension Benefits

Participants are eligible for retirement benefits after reaching the age of 62. Early retirement is permitted after reaching the age of 55 and completion of 10 years of service. Pension benefits are calculated based upon years of credited service. The Plan provides that retired participants receive their pension benefits in the form of a single life annuity (if single) or a joint and survivor annuity (if married) unless the spouse and participant elect otherwise. Participants may elect a 50%, 75%, or 100% joint and survivor annuity or a five, ten or fifteen year certain and life annuity.

Death and Disability Benefits

There are no disability retirement benefits payable under the Plan.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan administrator determines the Plan's valuation policies utilizing information provided by the Custodian, investment advisors, and insurance company. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation or depreciation in the fair value of its investments, which consist of the realized gains or losses and the unrealized appreciation or depreciation of those investments, all as reported by the Custodian.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless the Plan administrator elects to make payment.

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 reported amounts of net assets available for benefits and the actuarial present value of accumulated plan benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Plan Termination

Although it has not expressed an intention to do so, the Plan Sponsor 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.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

New Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient. Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of the ASU eliminates the requirements to disclose individual investments that represent 5% or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III of the ASU allows a plan with a fiscal year end that doesn't coincide with the end of a calendar month to measure its investments and investment-related accounts using the month end closest to its fiscal year end. The ASU became effective for fiscal years beginning after December 15, 2015 with Parts I and II to be applied retrospectively and Part III to be applied prospectively. The Plan adopted the provisions of Part II of ASU 2015-12 for the year ended December 31, 2016 and has applied the update retrospectively to the year ended December 31, 2015. See Notes 3 and 4. Parts I and III are not applicable to the Plan.

In May 2015, the FASB issued ASU 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, Fair Value Measurement. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value practical expedient. ASU 2015-07 became effective for entities (other than public business entities) for fiscal years beginning after December 15, 2016, with retrospective application to all periods presented. The Plan adopted the provisions of ASU 2015-07 for the year ended December 31, 2016 and applied the new guidance retrospectively to the year ended December 31, 2015. See Note 4.

Subsequent Events

The Plan has evaluated subsequent events through September 29, 2017, the date the financial statements were available to be issued. See Note 8.

NOTE 3 – INFORMATION CERTIFIED BY THE CUSTODIAN

The following is a summary of the unaudited information regarding the Plan, included in the Plan's financial statements, which was prepared by the Custodian, as of December 31, 2016 and 2015 and for the years then ended and furnished to the Plan administrator. The Plan administrator has obtained certifications from the Custodian, that such information is complete and accurate.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

	2016	2015
Investments, at fair value	\$ 17,816,409	\$ 17,435,997
Interest and dividends	\$ 338,080	\$ 329,361
Net appreciation (depreciation) in fair value of investments	\$ 944,370	\$ (497,633)

NOTE 4 – FAIR VALUE MEASUREMENTS

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 (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.
- Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
 - Quoted prices for similar assets and liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in markets that are not active
 - Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals);
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based the lowest level input that is significant to the fair value measure in its entirety. The pooled separate accounts are valued at the net asset value ("NAV") of the underlying funds in which each participates.

The following tables present the fair value hierarchy for the Plan's assets measured at fair value on a recurring basis as of December 31:

2016				
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ 17,816,409	\$ -	\$ 17,816,409

2015				
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ 17,435,997	\$ -	\$ 17,435,997

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 5 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries or beneficiaries of employees who have died.

Benefits under the Plan are based on years of service. Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The more significant assumptions underlying the actuarial computations are as follows:

Assumed rate of return on investments:	6.75% per annum, compounded annually
Discount rate:	6.75% based on segment interest rates, with a 4-month lookback
Mortality basis:	RP-2014 Blue Collar (Adjusted to 2006) with MP-2015 Projection
Retirement:	Normal retirement – Age 62

The discount rate for 2015 changed from 6.83% to 6.75% and the mortality table used for 2015 changed from the RP-2014 Blue Collar with MP-2014 Projection to the RP-2014 Blue Collar (Adjusted to 2006) with MP-2015 Projection, which accounted for \$95,473 of assumption changes.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The benefit accruals were frozen effective April 1, 2006. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2016 and January 1, 2015. Had the valuations been performed as of December 31, there would be no material difference.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

The following table presents the actuarial present value of accumulated plan benefits as of December 31, 2015:

Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving benefits	\$ 6,264,336
Participants with deferred benefits	1,965,598
Active participants	5,010,456
Total vested benefits	<u>13,240,390</u>
Nonvested benefits	41,927
Total actuarial present value of accumulated plan benefits	<u><u>\$ 13,282,317</u></u>

The following table presents the changes in the actuarial present value of accumulated plan benefits for the year ended December 31, 2015:

Actuarial present value of accumulated plan benefits, beginning of year	\$ 14,475,336
Decrease during the year attributable to:	
Benefits paid	(817,800)
Interest	961,199
Benefits accumulated and actuarial (gain)/loss	(1,240,945)
Assumption changes	(95,473)
Net decrease	<u>(1,193,019)</u>
Actuarial present value of accumulated plan benefits, end of year	<u><u>\$ 13,282,317</u></u>

NOTE 6 – FUNDING POLICY

The Company's funding policy is to contribute annually an actuarially determined amount not less than the minimum required by regulatory authorities. The Company may, at its discretion, contribute an amount greater than the required minimum. The yield (interest, dividends and net realized and unrealized gains and losses) on investments serves to reduce contributions that would otherwise be required to provide for the defined level of the benefits under the Plan. Minimum Plan Sponsor contributions of approximately \$396,961 and \$349,910 were required for the years ended December 31, 2016 and 2015, respectively, to meet the minimum funding requirements of ERISA. The Company covered the funding requirements for the Plan during 2016 and 2015 by its carryover balance, which is the accumulated difference between contributions actually made to the Plan and funding requirements in the predecessor plan.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 7 – RELATED PARTY TRANSACTIONS

Plan investments are in shares of pooled separate accounts managed by the Custodian of the Plan, and therefore, these transactions qualify as party-in-interest. Fees paid by the Plan for investment management services and professional fees amounted to \$85,430 and \$146,219 for the years ended December 31, 2016 and 2015, respectively. There are also indirect fees deducted directly from investment earnings of the Plan.

NOTE 8 – TAX STATUS

The Internal Revenue Service (“IRS”) has determined by letter dated August 24, 2017, 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.

Accounting principles generally accepted in the United States require the Company’s 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 IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2016 and 2015 and for the years then ended, 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 the Plan is no longer subject to income tax examinations for years prior to 2014, the year of the Plan’s inception.

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, 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 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, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

THE TIMKEN BELTS PENSION PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 32-0422708
PLAN 007
December 31, 2016

(a)	(b)	(c)	(d)	(e)
	Identity of issues, borrower, lessor or similar party.	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
*	Invesco Small Cap Growth Strategy	Pooled separate accounts	\$ 358,412	\$ 405,638
*	Large Cap Growth/Jennison	Pooled separate accounts	1,378,967	1,602,422
*	Mid Cap Growth/Waddell & Reed	Pooled separate accounts	360,589	375,396
*	Mid Cap Value/Robeco Fund	Pooled separate accounts	347,486	376,188
*	QMA US Broad Market Index	Pooled separate accounts	2,258,246	2,584,686
*	Small Cap Value/Integrity	Pooled separate accounts	364,048	424,955
*	T.Rowe Prudential Equity Income Strategy II	Pooled separate accounts	1,890,341	2,016,315
*	International Growth/Artisan	Pooled separate accounts	908,955	748,636
*	MFS International Value Equity (ISP)	Pooled separate accounts	926,044	948,691
*	Corporate Bond/PIM Fund	Pooled separate accounts	6,289,396	6,180,317
*	Prudential Long Corporate Bond	Pooled separate accounts	1,990,515	1,999,548
*	Prudential Short-Term	Pooled separate accounts	153,617	153,617
			<u>\$ 17,226,616</u>	<u>\$ 17,816,409</u>

* Indicates party-in-interest to the Plan.

THE TIMKEN BELTS PENSION PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
EIN: 32-0422708
PLAN 007
For the Year Ended December 31, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expenses Incurred in Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
SERIES OF TRANSACTIONS:								
* Prudential Retirement Insurance and Annuity Company	Prudential Short-Term	\$ 981,722	N/A	N/A	N/A	\$ 981,722	\$ 981,722	N/A
* Prudential Retirement Insurance and Annuity Company	Prudential Short-Term	N/A	\$ 908,761	N/A	N/A	\$ 908,754	\$ 908,761	\$ 7
* Indicates party-in-interest to the Plan.								
N/A Information not applicable.								

SECTION I

CHANGES SINCE LAST YEAR'S VALUATION

Changes in Pension Plan Provisions

No changes in the pension plan provisions were recognized with this actuarial valuation.

Legislated Changes

There were no legislative changes recognized with this actuarial valuation.

Changes in Actuarial Assumptions

Effective January 1 2016, the ASC 960 effective rate was changed from 6.83% to 6.75%.

Effective January 1, 2016, the ASC 960 mortality assumption was changed from the RP-2014 Blue Collar with MP-2014 Projection Mortality Table to the RP-2014 Blue Collar (Adjusted to 2006) with MP-2015 Projection Mortality Table.

Effective January 1, 2016, the estimated expenses were changed from \$120,000 to \$130,000.

Changes in Actuarial Methods

No changes in actuarial methods were recognized with this actuarial valuation.

SECTION VII DISTRIBUTION OF ACTIVE PARTICIPANTS BY AGE AND SERVICE

Number of Active Participants as of January 1, 2016 – Distribution by Age and Service

Active participant counts are shown below.

Attained Age	Years of Credited Service										
	<u>Under 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35-39</u>	<u>40 +</u>	<u>Total</u>
Under 25											
25-29											
30-34				12							12
35-39				11	15						26
40-44				10	13						23
45-49				7	19						26
50-54				16	25						41
55-59			1	12	15						28
60-64				15	8						23
65-69				3	9						12
70 +					1						1
Total			1	86	105						192

SECTION VII

ACTUARIAL METHODS

Under the Actuarial Methods described below, if all current assumptions remain constant and are realized, funding at least the Minimum Required Contribution each year will eventually accumulate sufficient plan assets to cover the Funding Target. Future widening of the interest rate stabilization corridor may extend the time period for the plan to become fully funded.

Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under “Actuarial Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

Funding Target and Funding Shortfall

The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

Segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

<u>Plan Year</u>	<u>Corridor</u>
Through 2020	90% - 110%
2021	85% - 115%
2022	80% - 120%
2023	75% - 125%
2024 and later	70% - 130%

The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution and related funded percentages. They do not apply for determining the maximum tax deductible contribution or certain other situations.

Sponsor Elections

Discount Rate: Segment rates, with a 4-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

SECTION VII

ACTUARIAL METHODS

At-Risk Determination

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus \$700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

Credit Balance

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

Asset Valuation Method

The Actuarial Value of Assets is determined using an annual average of the adjusted Fair Market Value of Assets with the earliest determination 24 months prior to the valuation date. The Fair Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate).

This is equivalent to the Fair Market Value of Assets, plus two-thirds of the (gain)/loss from the prior year, plus one-third of the (gain)/loss from the second preceding year. The (gain)/loss in each year is the difference between the expected and actual returns on the Fair Market Value of Assets.

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

The Actuarial Value of Assets for determining the Maximum Tax Deductible Contribution reflects interest rate stabilization rates for discounting contributions and limiting expected earnings.

SECTION VII

ACTUARIAL ASSUMPTIONS

Below are the actuarial assumptions as of January 1, 2016:

Discount Rate:	<u>With Interest Rate Stabilization</u>	<u>Without Interest Rate Stabilization</u>	<u>ASC 960</u>
Effective Rate	6.20%	4.51%	6.75%
First Segment – First 5 Years	4.43%	1.34%	N/A
Second Segment – Next 15 Years	5.91%	4.03%	N/A
Third Segment – After 20 Years	6.65%	5.06%	N/A

Investment Return: 6.75% per annum, compounded annually.

Mortality: Funding:
Male: The IRS 2016 Static Mortality Table (male).
Female: The IRS 2016 Static Mortality Table (female).

Accounting:
RP-2014 Blue Collar (Adjusted to 2006) with MP-2015 Projection.

Termination: Sample rates of withdrawal are as follows:

	<u>Years of Service</u>					
<u>Age</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5+</u>
25	16.7%	14.8%	14.1%	14.1%	14.1%	14.1%
30	16.7%	14.8%	13.1%	11.5%	10.2%	10.2%
35	16.7%	14.8%	13.1%	11.5%	10.1%	7.0%
40	16.7%	14.8%	13.1%	11.5%	10.1%	4.5%
45	16.7%	14.8%	13.1%	11.5%	10.1%	2.8%
50	16.7%	14.8%	13.1%	11.5%	10.1%	1.9%

Retirement Age: Age 62.

Form of Annuity: It is assumed 40% take a Life Annuity and 60% take a joint and 100% survivor annuity.

Estimated Expenses: Estimated expenses assumed to be \$130,000.

Disability: None

Survivor's Benefit: It is assumed that husbands are 3 years older than wives and that 75% of the male Participants and 50% of the female Participants who are or will become eligible for coverage under the Survivor's Benefit will be survived by an eligible survivor.

SECTION VII

PLAN PROVISIONS

Vesting Service:	Service from date of hire. One year of service will be granted upon completion of 1,000 hours of service during the calendar year. One month of service is granted for each calendar month in which the participant works one hour.
Credited Service:	Service from date of hire. One year of service will be granted upon completion of 1,000 hours of service during the calendar year. One month of service is granted for each calendar month in which the participant works one hour.
Form of Annuity:	<p>Single life annuity payable monthly, but for married participants, unless elected otherwise, there is in effect an automatic 50% joint and survivor option on an actuarially equivalent basis.</p> <p>For Mark IV Participants, five year certain and life annuity, but for married participants, unless elected otherwise, there is in effect an automatic 50% joint and survivor option on an actuarially equivalent basis.</p>
Normal Retirement Date:	<p>Age 62 and five years of participation.</p> <p>For Mark IV Participants, age 65.</p>
Participation Eligibility:	Any Employee shall become eligible upon completion of one year of service, if during this time the employee completes 1,000 or more hours of service. Participation in this Plan was frozen to new hires effective April 1, 2006.

Benefit Formula:

<u>Retirement Date</u>	<u>Annual Benefit Rate</u>
8/17/2001 through 3/31/2002	\$270
4/01/2002 through 3/31/2004	\$282
4/01/2004 through 3/31/2005	\$288
4/01/2005 through 3/31/2006	\$294
4/01/2006 through 3/31/2010	\$306
4/01/2010 through 3/31/2012	\$309
4/01/2012 and later	\$312

SECTION VII

PLAN PROVISIONS

Vesting Schedule: Five years of Service equals 100% vesting. Normal Retirement Date equals 100% vesting.

Vested Benefit: Accrued normal retirement benefit as of termination date subject to an Actuarial Reduction for commencement prior to normal retirement.

Early Eligibility: Age 55 and 10 years of Vesting Service.

Early Benefit Amount: Reduction for commencement prior to normal retirement is as follows:

Number of Years Early Retirement Precedes Normal Retirement	Springfield Factor	Mark IV Factor
1	.933	.895
2	.867	.803
3	.833	.722
4	.800	.651
5	.767	.588
6	.733	.532
7	.700	.483
8	N/A	.438
9	N/A	.399
10	N/A	.364

Pre-Retirement Spouse Benefit:

Eligibility

Active or inactive participant with five years of Vesting Service.

Benefit Formula

The early retirement benefit the spouse would have received had the participant terminated immediately prior to death with benefit payable on an actuarial equivalent 50% joint and survivor annuity basis beginning on or after the participant's early retirement eligibility.

SECTION VII

PLAN PROVISIONS

Medicare Supplement

Eligibility

Participant elects to receive medical insurance coverage under Part B of Medicare. Spouses are also entitled (if eligible).

Benefit Formula

Standard monthly premium

<u>Year</u>	<u>Monthly Premium</u>
2016	\$121.80
2015	\$104.90
2014	\$104.90
2013	\$104.90
2012	\$99.90
2011	\$115.40
2010	\$110.50
2009	\$96.40
2008	\$96.40
2007	\$93.50
2006	\$88.50
2005	\$78.20
2004	\$66.60
2003	\$58.70

The Timken Belts Pension Plan

EIN: 32-0422708/007

Attachment to the 2016 Schedule SB (Form 5500)

Line 22 - Description of Weighted Average Retirement Age

It is assumed that 100% of participants will retire at age 62.

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 2016 This Form is Open to Public Inspection
For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		

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

A Name of plan THE TIMKEN BELTS PENSION PLAN	B Three-digit plan number (PN) ▶ 007
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF THE TIMKEN COMANY	D Employer Identification Number (EIN) 32-0422708
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>2016</u>			
2 Assets:			
a Market value.....		2a	17,435,997
b Actuarial value.....		2b	18,218,103
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	292	6,439,440	6,439,440
b For terminated vested participants	161	2,041,278	2,041,278
c For active participants	192	5,259,156	5,309,022
d Total	645	13,739,874	13,789,740
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions.....		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....		4b	
5 Effective interest rate.....	5	6.20 %	
6 Target normal cost	6	396,961	

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	Stacey M. Schmid <i>SMS</i>	10/04/2017
Signature of actuary		Date
Stacey M. Schmid		17-08213
Type or print name of actuary		Most recent enrollment number
PRIAC		(312) 521-6185
Firm name		Telephone number (including area code)
20 North Wacker Drive, Suite 2500		
Chicago IL 60606		
Address of the firm		

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

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

Schedule SB (Form 5500) 2016 v. 160205

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	1,474,474	3,622,978
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	390,860	0
9 Amount remaining (line 7 minus line 8).....	1,083,614	3,622,978
10 Interest on line 9 using prior year's actual return of <u>-0.93%</u>	-10078	-33694
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.37%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	232,078	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....	841,458	3589284

Part III Funding Percentages

14 Funding target attainment percentage	14	99.98%
15 Adjusted funding target attainment percentage.....	15	132.11%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	100.47%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

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

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

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

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

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:

1st segment: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %	☐ N/A, full yield curve used
------------------------	------------------------	------------------------	---

b Applicable month (enter code)..... **21b** 4

22 Weighted average retirement age **22** 62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment **27**

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years **28** 0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0

Part VIII Minimum Required Contribution For Current Year**31** Target normal cost and excess assets (see instructions):

a Target normal cost (line 6) **31a** 396,961

b Excess assets, if applicable, but not greater than line 31a **31b** 0

Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment.....	0	0
b Waiver amortization installment.....	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33**

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)..... **34** 396,961

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	396,961	0	396,961

36 Additional cash requirement (line 34 minus line 35)..... **36** 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 0

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36) **38a** 0

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b** 0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)..... **39** 0

40 Unpaid minimum required contributions for all years **40** 0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**41** If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment **42**

43 Excess installment acceleration amount to be carried over to future plan years **43**

SECTION I

CHANGES SINCE LAST YEAR'S VALUATION

Changes in Pension Plan Provisions

No changes in the pension plan provisions were recognized with this actuarial valuation.

Legislated Changes

There were no legislative changes recognized with this actuarial valuation.

Changes in Actuarial Assumptions

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Effective January 1, 2016, the estimated expenses were changed from \$120,000 to \$130,000.

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SECTION VII DISTRIBUTION OF ACTIVE PARTICIPANTS BY AGE AND SERVICE

Number of Active Participants as of January 1, 2016 – Distribution by Age and Service

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Under 25											
25-29											
30-34				12							12
35-39				11	15						26
40-44				10	13						23
45-49				7	19						26
50-54				16	25						41
55-59			1	12	15						28
60-64				15	8						23
65-69				3	9						12
70 +					1						1
Total			1	86	105						192

SECTION VII

ACTUARIAL METHODS

Under the Actuarial Methods described below, if all current assumptions remain constant and are realized, funding at least the Minimum Required Contribution each year will eventually accumulate sufficient plan assets to cover the Funding Target. Future widening of the interest rate stabilization corridor may extend the time period for the plan to become fully funded.

Cost Method

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described under “Actuarial Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year plus an estimate of the expenses to be paid from plan assets during the plan year.

Funding Target and Funding Shortfall

The Funding Target is the present value of benefits accrued as of the beginning of the plan year and the Funding Shortfall is the excess of the Funding Target over the Actuarial Value of Assets (reduced by the Credit Balance). The initial Funding Shortfall is amortized over seven years.

In subsequent years, the Funding Shortfall less the present value of prior year amortization installments is amortized over seven years, and added to any prior year amortization installments.

Segment rates are adjusted as necessary to fall within the specified corridor of the corresponding 25-year average of segment rates for the period ending September 30 of the calendar year preceding the first day of the plan year. The specified corridor is:

<u>Plan Year</u>	<u>Corridor</u>
Through 2020	90% - 110%
2021	85% - 115%
2022	80% - 120%
2023	75% - 125%
2024 and later	70% - 130%

The adjustments to fall within the specified corridor of the 25-year average of segment rates apply for determining the minimum required contribution and related funded percentages. They do not apply for determining the maximum tax deductible contribution or certain other situations.

Sponsor Elections

Discount Rate: Segment rates, with a 4-month lookback

Mortality Table: Prescribed IRS Static Mortality Table – Separate

SECTION VII

ACTUARIAL METHODS

At-Risk Determination

The At-Risk Funding Target is determined by assuming that participants eligible to retire in the current plan year and next 10 plan years retire at the earliest possible date, but not before the end of the plan year. All participants are assumed to elect the optional form resulting in the highest possible present value.

A load is added to the At-Risk Funding Target and At-Risk Target Normal Cost when a plan is At-Risk in at least two years during the preceding four years. The load increases the At-Risk Funding Target by 4% of the Not At-Risk Funding Target plus \$700 per participant, and increases the At-Risk Target Normal Cost by 4% of the Not At-Risk Target Normal Cost.

The Funding Target and Target Normal Cost are calculated by multiplying the Not At-Risk values by 100% minus the Phase-In Percentage, plus the At-Risk values multiplied by the Phase-In Percentage.

Credit Balance

The Credit Balance consists of the Carryover Balance from excess contributions prior to the Pension Protection Act (PPA) of 2006, plus the Prefunding Balance from elected excess contributions after the PPA. Balances accumulate with interest and are reduced for amounts applied towards the Minimum Required Contribution, voluntary waivers by the plan sponsor, and compelled waivers to avoid benefit restrictions. The Actuarial Value of Assets is reduced by the Credit Balance to determine certain funded percentages and to determine the Funding Shortfall.

Asset Valuation Method

The Actuarial Value of Assets is determined using an annual average of the adjusted Fair Market Value of Assets with the earliest determination 24 months prior to the valuation date. The Fair Market Value of Assets in prior years is adjusted for contributions, benefit payments, expenses and expected earnings (not to exceed the third segment rate).

This is equivalent to the Fair Market Value of Assets, plus two-thirds of the (gain)/loss from the prior year, plus one-third of the (gain)/loss from the second preceding year. The (gain)/loss in each year is the difference between the expected and actual returns on the Fair Market Value of Assets.

The Actuarial Value of Assets is adjusted to be no less than 90% or no more than 110% of the Fair Market Value of Assets, as required by IRC Section 430(g)(3)(B)(iii).

Since the expected earnings assumption cannot exceed the third segment rate, over time, the method may produce an Actuarial Value of Assets slightly below the Fair Market Value of Assets.

The Actuarial Value of Assets for determining the Maximum Tax Deductible Contribution reflects interest rate stabilization rates for discounting contributions and limiting expected earnings.

SECTION VII

ACTUARIAL ASSUMPTIONS

Below are the actuarial assumptions as of January 1, 2016:

Discount Rate:	<u>With Interest Rate Stabilization</u>	<u>Without Interest Rate Stabilization</u>	<u>ASC 960</u>
Effective Rate	6.20%	4.51%	6.75%
First Segment – First 5 Years	4.43%	1.34%	N/A
Second Segment – Next 15 Years	5.91%	4.03%	N/A
Third Segment – After 20 Years	6.65%	5.06%	N/A

Investment Return: 6.75% per annum, compounded annually.

Mortality: Funding:
Male: The IRS 2016 Static Mortality Table (male).
Female: The IRS 2016 Static Mortality Table (female).

Accounting:
RP-2014 Blue Collar (Adjusted to 2006) with MP-2015 Projection.

Termination: Sample rates of withdrawal are as follows:

	<u>Years of Service</u>					
<u>Age</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5+</u>
25	16.7%	14.8%	14.1%	14.1%	14.1%	14.1%
30	16.7%	14.8%	13.1%	11.5%	10.2%	10.2%
35	16.7%	14.8%	13.1%	11.5%	10.1%	7.0%
40	16.7%	14.8%	13.1%	11.5%	10.1%	4.5%
45	16.7%	14.8%	13.1%	11.5%	10.1%	2.8%
50	16.7%	14.8%	13.1%	11.5%	10.1%	1.9%

Retirement Age: Age 62.

Form of Annuity: It is assumed 40% take a Life Annuity and 60% take a joint and 100% survivor annuity.

Estimated Expenses: Estimated expenses assumed to be \$130,000.

Disability: None

Survivor's Benefit: It is assumed that husbands are 3 years older than wives and that 75% of the male Participants and 50% of the female Participants who are or will become eligible for coverage under the Survivor's Benefit will be survived by an eligible survivor.

SECTION VII

PLAN PROVISIONS

Vesting Service:	Service from date of hire. One year of service will be granted upon completion of 1,000 hours of service during the calendar year. One month of service is granted for each calendar month in which the participant works one hour.
Credited Service:	Service from date of hire. One year of service will be granted upon completion of 1,000 hours of service during the calendar year. One month of service is granted for each calendar month in which the participant works one hour.
Form of Annuity:	<p>Single life annuity payable monthly, but for married participants, unless elected otherwise, there is in effect an automatic 50% joint and survivor option on an actuarially equivalent basis.</p> <p>For Mark IV Participants, five year certain and life annuity, but for married participants, unless elected otherwise, there is in effect an automatic 50% joint and survivor option on an actuarially equivalent basis.</p>
Normal Retirement Date:	<p>Age 62 and five years of participation.</p> <p>For Mark IV Participants, age 65.</p>
Participation Eligibility:	Any Employee shall become eligible upon completion of one year of service, if during this time the employee completes 1,000 or more hours of service. Participation in this Plan was frozen to new hires effective April 1, 2006.

Benefit Formula:

<u>Retirement Date</u>	<u>Annual Benefit Rate</u>
8/17/2001 through 3/31/2002	\$270
4/01/2002 through 3/31/2004	\$282
4/01/2004 through 3/31/2005	\$288
4/01/2005 through 3/31/2006	\$294
4/01/2006 through 3/31/2010	\$306
4/01/2010 through 3/31/2012	\$309
4/01/2012 and later	\$312

SECTION VII

PLAN PROVISIONS

Vesting Schedule: Five years of Service equals 100% vesting. Normal Retirement Date equals 100% vesting.

Vested Benefit: Accrued normal retirement benefit as of termination date subject to an Actuarial Reduction for commencement prior to normal retirement.

Early Eligibility: Age 55 and 10 years of Vesting Service.

Early Benefit Amount: Reduction for commencement prior to normal retirement is as follows:

Number of Years Early Retirement Precedes Normal Retirement	Springfield Factor	Mark IV Factor
1	.933	.895
2	.867	.803
3	.833	.722
4	.800	.651
5	.767	.588
6	.733	.532
7	.700	.483
8	N/A	.438
9	N/A	.399
10	N/A	.364

Pre-Retirement Spouse Benefit:

Eligibility

Active or inactive participant with five years of Vesting Service.

Benefit Formula

The early retirement benefit the spouse would have received had the participant terminated immediately prior to death with benefit payable on an actuarial equivalent 50% joint and survivor annuity basis beginning on or after the participant's early retirement eligibility.

SECTION VII

PLAN PROVISIONS

Medicare Supplement

Eligibility

Participant elects to receive medical insurance coverage under Part B of Medicare. Spouses are also entitled (if eligible).

Benefit Formula

Standard monthly premium

<u>Year</u>	<u>Monthly Premium</u>
2016	\$121.80
2015	\$104.90
2014	\$104.90
2013	\$104.90
2012	\$99.90
2011	\$115.40
2010	\$110.50
2009	\$96.40
2008	\$96.40
2007	\$93.50
2006	\$88.50
2005	\$78.20
2004	\$66.60
2003	\$58.70

The Timken Belts Pension Plan

EIN: 32-0422708/007

Attachment to the 2016 Schedule SB (Form 5500)

Line 22 - Description of Weighted Average Retirement Age

It is assumed that 100% of participants will retire at age 62.

THE TIMKEN BELTS PENSION PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

December 31, 2016 and 2015

THE TIMKEN BELTS PENSION PLAN
ANNUAL REPORT INDEX
December 31, 2016 and 2015

The following financial statements and other information of The Timken Belts Pension are included herewith:

- Statements of Net Assets Available for Benefits as of December 31, 2016 and 2015;
- Statements of Changes in Net Assets Available for Benefits for the year ended December 31, 2016 and 2015;
- Notes to Financial Statements.

The following supplemental schedules of The Timken Belts Pension Plan included in the Annual Report of the Plan on Form 5500 file with the Department of Labor as of and for the year ended December 31, 2016 are included herewith:

- Schedule H, Line 4i – Schedule of Assets (Held at Year End);
- Schedule H, Line 4j – Schedule of Reportable Transactions.

All other supplemental schedules and notes for which provisions are made in the applicable rules and regulations of the Department of Labor are not required under the related instructions or are inapplicable and, therefore, have been omitted.

THE TIMKEN BELTS PENSION PLAN
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INDEPENDENT AUDITORS' REPORT

To the Timken Company, Administrator of
The Timken Belts Pension Plan
North Canton, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Timken Belts Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company, the Custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the Custodian as of December 31, 2016 and 2015, and for the years then ended, that the information provided to the Plan administrator by the Custodian is complete and accurate.

Disclaimer of Opinion

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

Emphasis of Matter

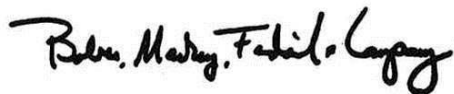
As discussed in Note 2 to the financial statements, the Plan has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent) and Accounting Standards Update 2015-12, Plan Accounting (Part II) Plan Investment Disclosures – consensuses of the Emerging Issues Task Force. Our opinion is not modified with respect to that matter.

Other Matter – Supplemental Schedules

The supplemental schedules, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2016 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2016, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

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



BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

September 29, 2017

THE TIMKEN BELTS PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Investments, at fair value	<u>\$ 17,816,409</u>	<u>\$ 17,435,997</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 17,816,409</u></u>	<u><u>\$ 17,435,997</u></u>

The accompanying notes are an integral part of these financial statements.

THE TIMKEN BELTS PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ADDITIONS		
Interest and dividends	\$ 338,080	\$ 329,361
DEDUCTIONS		
Administrative expenses	85,430	146,219
Benefit payments	816,608	817,800
TOTAL DEDUCTIONS	<u>902,038</u>	<u>964,019</u>
NET APPRECIATION (DEPRECIATION)	944,370	(497,633)
NET CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	<u>380,412</u>	<u>(1,132,291)</u>
NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF THE YEAR	<u>17,435,997</u>	<u>18,568,288</u>
END OF THE YEAR	<u>\$ 17,816,409</u>	<u>\$ 17,435,997</u>

The accompanying notes are an integral part of these financial statements.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of The Timken Belts Pension Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions. Copies of the Plan document are available from the Plan administrator.

The Plan was formed on January 1, 2014 to cover participants whose employment transferred to the Plan administrator in connection with a purchase transaction.

On September 1, 2015, The Timken Company, through one its subsidiaries, completed the acquisition of the membership interests of Carlstar Belt LLC. As a result, Timken SMO LLC (the “Plan Sponsor”) succeeded The Carlstar Group LLC (known prior to February 25, 2015 as CTP Transportation Products, LLC) as the Plan administrator and the Plan name was changed to The Timken Belts Pension Plan.

General

The Plan is a defined benefit plan to provide a retirement income to certain eligible employees of the Plan Sponsor and their beneficiaries.

The Plan administrator has the sole discretionary right, authority, and power to interpret and construe the Plan and has full discretionary authority for the purchase and sale of investments. The Plan administrator may employ such attorneys, agents, and accountants as it may deem necessary or advisable to assist it in carrying out its duties.

All amounts contributed to the Plan are held in a qualified trust by Prudential Retirement Insurance and Annuity Company (the “Custodian”). The Custodian is responsible for the safekeeping of the trust funds.

Effective April 1, 2006, participation in the Plan was frozen to new hires. Any active participant as of April 1, 2006 will remain eligible under the Plan and receive benefits in accordance with the Plan. No other person who was not a participant as of April 1, 2006 will become one after this date.

Pension Benefits

Participants are eligible for retirement benefits after reaching the age of 62. Early retirement is permitted after reaching the age of 55 and completion of 10 years of service. Pension benefits are calculated based upon years of credited service. The Plan provides that retired participants receive their pension benefits in the form of a single life annuity (if single) or a joint and survivor annuity (if married) unless the spouse and participant elect otherwise. Participants may elect a 50%, 75%, or 100% joint and survivor annuity or a five, ten or fifteen year certain and life annuity.

Death and Disability Benefits

There are no disability retirement benefits payable under the Plan.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan administrator determines the Plan's valuation policies utilizing information provided by the Custodian, investment advisors, and insurance company. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation or depreciation in the fair value of its investments, which consist of the realized gains or losses and the unrealized appreciation or depreciation of those investments, all as reported by the Custodian.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless the Plan administrator elects to make payment.

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 reported amounts of net assets available for benefits and the actuarial present value of accumulated plan benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Plan Termination

Although it has not expressed an intention to do so, the Plan Sponsor 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.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

New Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient. Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of the ASU eliminates the requirements to disclose individual investments that represent 5% or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III of the ASU allows a plan with a fiscal year end that doesn't coincide with the end of a calendar month to measure its investments and investment-related accounts using the month end closest to its fiscal year end. The ASU became effective for fiscal years beginning after December 15, 2015 with Parts I and II to be applied retrospectively and Part III to be applied prospectively. The Plan adopted the provisions of Part II of ASU 2015-12 for the year ended December 31, 2016 and has applied the update retrospectively to the year ended December 31, 2015. See Notes 3 and 4. Parts I and III are not applicable to the Plan.

In May 2015, the FASB issued ASU 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, Fair Value Measurement. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value practical expedient. ASU 2015-07 became effective for entities (other than public business entities) for fiscal years beginning after December 15, 2016, with retrospective application to all periods presented. The Plan adopted the provisions of ASU 2015-07 for the year ended December 31, 2016 and applied the new guidance retrospectively to the year ended December 31, 2015. See Note 4.

Subsequent Events

The Plan has evaluated subsequent events through September 29, 2017, the date the financial statements were available to be issued. See Note 8.

NOTE 3 – INFORMATION CERTIFIED BY THE CUSTODIAN

The following is a summary of the unaudited information regarding the Plan, included in the Plan's financial statements, which was prepared by the Custodian, as of December 31, 2016 and 2015 and for the years then ended and furnished to the Plan administrator. The Plan administrator has obtained certifications from the Custodian, that such information is complete and accurate.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

	2016	2015
Investments, at fair value	\$ 17,816,409	\$ 17,435,997
Interest and dividends	\$ 338,080	\$ 329,361
Net appreciation (depreciation) in fair value of investments	\$ 944,370	\$ (497,633)

NOTE 4 – FAIR VALUE MEASUREMENTS

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 (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.
- Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
 - Quoted prices for similar assets and liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in markets that are not active
 - Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals);
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based the lowest level input that is significant to the fair value measure in its entirety. The pooled separate accounts are valued at the net asset value ("NAV") of the underlying funds in which each participates.

The following tables present the fair value hierarchy for the Plan's assets measured at fair value on a recurring basis as of December 31:

2016				
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ 17,816,409	\$ -	\$ 17,816,409

2015				
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ 17,435,997	\$ -	\$ 17,435,997

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 5 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries or beneficiaries of employees who have died.

Benefits under the Plan are based on years of service. Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The more significant assumptions underlying the actuarial computations are as follows:

Assumed rate of return on investments:	6.75% per annum, compounded annually
Discount rate:	6.75% based on segment interest rates, with a 4-month lookback
Mortality basis:	RP-2014 Blue Collar (Adjusted to 2006) with MP-2015 Projection
Retirement:	Normal retirement – Age 62

The discount rate for 2015 changed from 6.83% to 6.75% and the mortality table used for 2015 changed from the RP-2014 Blue Collar with MP-2014 Projection to the RP-2014 Blue Collar (Adjusted to 2006) with MP-2015 Projection, which accounted for \$95,473 of assumption changes.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The benefit accruals were frozen effective April 1, 2006. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2016 and January 1, 2015. Had the valuations been performed as of December 31, there would be no material difference.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

The following table presents the actuarial present value of accumulated plan benefits as of December 31, 2015:

Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving benefits	\$ 6,264,336
Participants with deferred benefits	1,965,598
Active participants	5,010,456
Total vested benefits	<u>13,240,390</u>
Nonvested benefits	41,927
Total actuarial present value of accumulated plan benefits	<u><u>\$ 13,282,317</u></u>

The following table presents the changes in the actuarial present value of accumulated plan benefits for the year ended December 31, 2015:

Actuarial present value of accumulated plan benefits, beginning of year	\$ 14,475,336
Decrease during the year attributable to:	
Benefits paid	(817,800)
Interest	961,199
Benefits accumulated and actuarial (gain)/loss	(1,240,945)
Assumption changes	(95,473)
Net decrease	<u>(1,193,019)</u>
Actuarial present value of accumulated plan benefits, end of year	<u><u>\$ 13,282,317</u></u>

NOTE 6 – FUNDING POLICY

The Company's funding policy is to contribute annually an actuarially determined amount not less than the minimum required by regulatory authorities. The Company may, at its discretion, contribute an amount greater than the required minimum. The yield (interest, dividends and net realized and unrealized gains and losses) on investments serves to reduce contributions that would otherwise be required to provide for the defined level of the benefits under the Plan. Minimum Plan Sponsor contributions of approximately \$396,961 and \$349,910 were required for the years ended December 31, 2016 and 2015, respectively, to meet the minimum funding requirements of ERISA. The Company covered the funding requirements for the Plan during 2016 and 2015 by its carryover balance, which is the accumulated difference between contributions actually made to the Plan and funding requirements in the predecessor plan.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 7 – RELATED PARTY TRANSACTIONS

Plan investments are in shares of pooled separate accounts managed by the Custodian of the Plan, and therefore, these transactions qualify as party-in-interest. Fees paid by the Plan for investment management services and professional fees amounted to \$85,430 and \$146,219 for the years ended December 31, 2016 and 2015, respectively. There are also indirect fees deducted directly from investment earnings of the Plan.

NOTE 8 – TAX STATUS

The Internal Revenue Service (“IRS”) has determined by letter dated August 24, 2017, 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.

Accounting principles generally accepted in the United States require the Company’s 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 IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2016 and 2015 and for the years then ended, 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 the Plan is no longer subject to income tax examinations for years prior to 2014, the year of the Plan’s inception.

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, 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 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, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

THE TIMKEN BELTS PENSION PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 32-0422708
PLAN 007
December 31, 2016

(a)	(b)	(c)	(d)	(e)
	Identity of issues, borrower, lessor or similar party.	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
*	Invesco Small Cap Growth Strategy	Pooled separate accounts	\$ 358,412	\$ 405,638
*	Large Cap Growth/Jennison	Pooled separate accounts	1,378,967	1,602,422
*	Mid Cap Growth/Waddell & Reed	Pooled separate accounts	360,589	375,396
*	Mid Cap Value/Robeco Fund	Pooled separate accounts	347,486	376,188
*	QMA US Broad Market Index	Pooled separate accounts	2,258,246	2,584,686
*	Small Cap Value/Integrity	Pooled separate accounts	364,048	424,955
*	T.Rowe Prudential Equity Income Strategy II	Pooled separate accounts	1,890,341	2,016,315
*	International Growth/Artisan	Pooled separate accounts	908,955	748,636
*	MFS International Value Equity (ISP)	Pooled separate accounts	926,044	948,691
*	Corporate Bond/PIM Fund	Pooled separate accounts	6,289,396	6,180,317
*	Prudential Long Corporate Bond	Pooled separate accounts	1,990,515	1,999,548
*	Prudential Short-Term	Pooled separate accounts	153,617	153,617
			<u>\$ 17,226,616</u>	<u>\$ 17,816,409</u>

* Indicates party-in-interest to the Plan.

THE TIMKEN BELTS PENSION PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
EIN: 32-0422708
PLAN 007
For the Year Ended December 31, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expenses Incurred in Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
SERIES OF TRANSACTIONS:								
* Prudential Retirement Insurance and Annuity Company	Prudential Short-Term	\$ 981,722	N/A	N/A	N/A	\$ 981,722	\$ 981,722	N/A
* Prudential Retirement Insurance and Annuity Company	Prudential Short-Term	N/A	\$ 908,761	N/A	N/A	\$ 908,754	\$ 908,761	\$ 7

* Indicates party-in-interest to the Plan.
N/A Information not applicable.

THE TIMKEN BELTS PENSION PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

December 31, 2016 and 2015

THE TIMKEN BELTS PENSION PLAN
ANNUAL REPORT INDEX
December 31, 2016 and 2015

The following financial statements and other information of The Timken Belts Pension are included herewith:

- Statements of Net Assets Available for Benefits as of December 31, 2016 and 2015;
- Statements of Changes in Net Assets Available for Benefits for the year ended December 31, 2016 and 2015;
- Notes to Financial Statements.

The following supplemental schedules of The Timken Belts Pension Plan included in the Annual Report of the Plan on Form 5500 file with the Department of Labor as of and for the year ended December 31, 2016 are included herewith:

- Schedule H, Line 4i – Schedule of Assets (Held at Year End);
- Schedule H, Line 4j – Schedule of Reportable Transactions.

All other supplemental schedules and notes for which provisions are made in the applicable rules and regulations of the Department of Labor are not required under the related instructions or are inapplicable and, therefore, have been omitted.

THE TIMKEN BELTS PENSION PLAN
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INDEPENDENT AUDITORS' REPORT

To the Timken Company, Administrator of
The Timken Belts Pension Plan
North Canton, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Timken Belts Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company, the Custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the Custodian as of December 31, 2016 and 2015, and for the years then ended, that the information provided to the Plan administrator by the Custodian is complete and accurate.

Disclaimer of Opinion

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

Emphasis of Matter

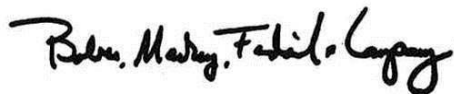
As discussed in Note 2 to the financial statements, the Plan has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent) and Accounting Standards Update 2015-12, Plan Accounting (Part II) Plan Investment Disclosures – consensuses of the Emerging Issues Task Force. Our opinion is not modified with respect to that matter.

Other Matter – Supplemental Schedules

The supplemental schedules, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2016 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2016, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

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



BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

September 29, 2017

THE TIMKEN BELTS PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Investments, at fair value	<u>\$ 17,816,409</u>	<u>\$ 17,435,997</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 17,816,409</u></u>	<u><u>\$ 17,435,997</u></u>

The accompanying notes are an integral part of these financial statements.

THE TIMKEN BELTS PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ADDITIONS		
Interest and dividends	\$ 338,080	\$ 329,361
DEDUCTIONS		
Administrative expenses	85,430	146,219
Benefit payments	816,608	817,800
TOTAL DEDUCTIONS	<u>902,038</u>	<u>964,019</u>
NET APPRECIATION (DEPRECIATION)	944,370	(497,633)
NET CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	<u>380,412</u>	<u>(1,132,291)</u>
NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF THE YEAR	<u>17,435,997</u>	<u>18,568,288</u>
END OF THE YEAR	<u>\$ 17,816,409</u>	<u>\$ 17,435,997</u>

The accompanying notes are an integral part of these financial statements.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of The Timken Belts Pension Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions. Copies of the Plan document are available from the Plan administrator.

The Plan was formed on January 1, 2014 to cover participants whose employment transferred to the Plan administrator in connection with a purchase transaction.

On September 1, 2015, The Timken Company, through one its subsidiaries, completed the acquisition of the membership interests of Carlstar Belt LLC. As a result, Timken SMO LLC (the “Plan Sponsor”) succeeded The Carlstar Group LLC (known prior to February 25, 2015 as CTP Transportation Products, LLC) as the Plan administrator and the Plan name was changed to The Timken Belts Pension Plan.

General

The Plan is a defined benefit plan to provide a retirement income to certain eligible employees of the Plan Sponsor and their beneficiaries.

The Plan administrator has the sole discretionary right, authority, and power to interpret and construe the Plan and has full discretionary authority for the purchase and sale of investments. The Plan administrator may employ such attorneys, agents, and accountants as it may deem necessary or advisable to assist it in carrying out its duties.

All amounts contributed to the Plan are held in a qualified trust by Prudential Retirement Insurance and Annuity Company (the “Custodian”). The Custodian is responsible for the safekeeping of the trust funds.

Effective April 1, 2006, participation in the Plan was frozen to new hires. Any active participant as of April 1, 2006 will remain eligible under the Plan and receive benefits in accordance with the Plan. No other person who was not a participant as of April 1, 2006 will become one after this date.

Pension Benefits

Participants are eligible for retirement benefits after reaching the age of 62. Early retirement is permitted after reaching the age of 55 and completion of 10 years of service. Pension benefits are calculated based upon years of credited service. The Plan provides that retired participants receive their pension benefits in the form of a single life annuity (if single) or a joint and survivor annuity (if married) unless the spouse and participant elect otherwise. Participants may elect a 50%, 75%, or 100% joint and survivor annuity or a five, ten or fifteen year certain and life annuity.

Death and Disability Benefits

There are no disability retirement benefits payable under the Plan.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan administrator determines the Plan's valuation policies utilizing information provided by the Custodian, investment advisors, and insurance company. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation or depreciation in the fair value of its investments, which consist of the realized gains or losses and the unrealized appreciation or depreciation of those investments, all as reported by the Custodian.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless the Plan administrator elects to make payment.

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 reported amounts of net assets available for benefits and the actuarial present value of accumulated plan benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Plan Termination

Although it has not expressed an intention to do so, the Plan Sponsor 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.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

New Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient. Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of the ASU eliminates the requirements to disclose individual investments that represent 5% or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III of the ASU allows a plan with a fiscal year end that doesn't coincide with the end of a calendar month to measure its investments and investment-related accounts using the month end closest to its fiscal year end. The ASU became effective for fiscal years beginning after December 15, 2015 with Parts I and II to be applied retrospectively and Part III to be applied prospectively. The Plan adopted the provisions of Part II of ASU 2015-12 for the year ended December 31, 2016 and has applied the update retrospectively to the year ended December 31, 2015. See Notes 3 and 4. Parts I and III are not applicable to the Plan.

In May 2015, the FASB issued ASU 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, Fair Value Measurement. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value practical expedient. ASU 2015-07 became effective for entities (other than public business entities) for fiscal years beginning after December 15, 2016, with retrospective application to all periods presented. The Plan adopted the provisions of ASU 2015-07 for the year ended December 31, 2016 and applied the new guidance retrospectively to the year ended December 31, 2015. See Note 4.

Subsequent Events

The Plan has evaluated subsequent events through September 29, 2017, the date the financial statements were available to be issued. See Note 8.

NOTE 3 – INFORMATION CERTIFIED BY THE CUSTODIAN

The following is a summary of the unaudited information regarding the Plan, included in the Plan's financial statements, which was prepared by the Custodian, as of December 31, 2016 and 2015 and for the years then ended and furnished to the Plan administrator. The Plan administrator has obtained certifications from the Custodian, that such information is complete and accurate.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

	2016	2015
Investments, at fair value	\$ 17,816,409	\$ 17,435,997
Interest and dividends	\$ 338,080	\$ 329,361
Net appreciation (depreciation) in fair value of investments	\$ 944,370	\$ (497,633)

NOTE 4 – FAIR VALUE MEASUREMENTS

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 (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.
- Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
 - Quoted prices for similar assets and liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in markets that are not active
 - Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals);
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based the lowest level input that is significant to the fair value measure in its entirety. The pooled separate accounts are valued at the net asset value ("NAV") of the underlying funds in which each participates.

The following tables present the fair value hierarchy for the Plan's assets measured at fair value on a recurring basis as of December 31:

2016				
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ 17,816,409	\$ -	\$ 17,816,409

2015				
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ 17,435,997	\$ -	\$ 17,435,997

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 5 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries or beneficiaries of employees who have died.

Benefits under the Plan are based on years of service. Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The more significant assumptions underlying the actuarial computations are as follows:

Assumed rate of return on investments:	6.75% per annum, compounded annually
Discount rate:	6.75% based on segment interest rates, with a 4-month lookback
Mortality basis:	RP-2014 Blue Collar (Adjusted to 2006) with MP-2015 Projection
Retirement:	Normal retirement – Age 62

The discount rate for 2015 changed from 6.83% to 6.75% and the mortality table used for 2015 changed from the RP-2014 Blue Collar with MP-2014 Projection to the RP-2014 Blue Collar (Adjusted to 2006) with MP-2015 Projection, which accounted for \$95,473 of assumption changes.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The benefit accruals were frozen effective April 1, 2006. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2016 and January 1, 2015. Had the valuations been performed as of December 31, there would be no material difference.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

The following table presents the actuarial present value of accumulated plan benefits as of December 31, 2015:

Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving benefits	\$ 6,264,336
Participants with deferred benefits	1,965,598
Active participants	5,010,456
Total vested benefits	<u>13,240,390</u>
Nonvested benefits	41,927
Total actuarial present value of accumulated plan benefits	<u><u>\$ 13,282,317</u></u>

The following table presents the changes in the actuarial present value of accumulated plan benefits for the year ended December 31, 2015:

Actuarial present value of accumulated plan benefits, beginning of year	\$ 14,475,336
Decrease during the year attributable to:	
Benefits paid	(817,800)
Interest	961,199
Benefits accumulated and actuarial (gain)/loss	(1,240,945)
Assumption changes	(95,473)
Net decrease	<u>(1,193,019)</u>
Actuarial present value of accumulated plan benefits, end of year	<u><u>\$ 13,282,317</u></u>

NOTE 6 – FUNDING POLICY

The Company's funding policy is to contribute annually an actuarially determined amount not less than the minimum required by regulatory authorities. The Company may, at its discretion, contribute an amount greater than the required minimum. The yield (interest, dividends and net realized and unrealized gains and losses) on investments serves to reduce contributions that would otherwise be required to provide for the defined level of the benefits under the Plan. Minimum Plan Sponsor contributions of approximately \$396,961 and \$349,910 were required for the years ended December 31, 2016 and 2015, respectively, to meet the minimum funding requirements of ERISA. The Company covered the funding requirements for the Plan during 2016 and 2015 by its carryover balance, which is the accumulated difference between contributions actually made to the Plan and funding requirements in the predecessor plan.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 7 – RELATED PARTY TRANSACTIONS

Plan investments are in shares of pooled separate accounts managed by the Custodian of the Plan, and therefore, these transactions qualify as party-in-interest. Fees paid by the Plan for investment management services and professional fees amounted to \$85,430 and \$146,219 for the years ended December 31, 2016 and 2015, respectively. There are also indirect fees deducted directly from investment earnings of the Plan.

NOTE 8 – TAX STATUS

The Internal Revenue Service (“IRS”) has determined by letter dated August 24, 2017, 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.

Accounting principles generally accepted in the United States require the Company’s 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 IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2016 and 2015 and for the years then ended, 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 the Plan is no longer subject to income tax examinations for years prior to 2014, the year of the Plan’s inception.

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, 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 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, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

THE TIMKEN BELTS PENSION PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 32-0422708
PLAN 007
December 31, 2016

(a)	(b)	(c)	(d)	(e)
	Identity of issues, borrower, lessor or similar party.	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
*	Invesco Small Cap Growth Strategy	Pooled separate accounts	\$ 358,412	\$ 405,638
*	Large Cap Growth/Jennison	Pooled separate accounts	1,378,967	1,602,422
*	Mid Cap Growth/Waddell & Reed	Pooled separate accounts	360,589	375,396
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*	QMA US Broad Market Index	Pooled separate accounts	2,258,246	2,584,686
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*	MFS International Value Equity (ISP)	Pooled separate accounts	926,044	948,691
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*	Prudential Short-Term	Pooled separate accounts	153,617	153,617
			<u>\$ 17,226,616</u>	<u>\$ 17,816,409</u>

* Indicates party-in-interest to the Plan.

THE TIMKEN BELTS PENSION PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
EIN: 32-0422708
PLAN 007
For the Year Ended December 31, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expenses Incurred in Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
SERIES OF TRANSACTIONS:								
* Prudential Retirement Insurance and Annuity Company	Prudential Short-Term	\$ 981,722	N/A	N/A	N/A	\$ 981,722	\$ 981,722	N/A
* Prudential Retirement Insurance and Annuity Company	Prudential Short-Term	N/A	\$ 908,761	N/A	N/A	\$ 908,754	\$ 908,761	\$ 7

* Indicates party-in-interest to the Plan.
N/A Information not applicable.

THE TIMKEN BELTS PENSION PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

December 31, 2016 and 2015

THE TIMKEN BELTS PENSION PLAN
ANNUAL REPORT INDEX
December 31, 2016 and 2015

The following financial statements and other information of The Timken Belts Pension are included herewith:

- Statements of Net Assets Available for Benefits as of December 31, 2016 and 2015;
- Statements of Changes in Net Assets Available for Benefits for the year ended December 31, 2016 and 2015;
- Notes to Financial Statements.

The following supplemental schedules of The Timken Belts Pension Plan included in the Annual Report of the Plan on Form 5500 file with the Department of Labor as of and for the year ended December 31, 2016 are included herewith:

- Schedule H, Line 4i – Schedule of Assets (Held at Year End);
- Schedule H, Line 4j – Schedule of Reportable Transactions.

All other supplemental schedules and notes for which provisions are made in the applicable rules and regulations of the Department of Labor are not required under the related instructions or are inapplicable and, therefore, have been omitted.

THE TIMKEN BELTS PENSION PLAN
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INDEPENDENT AUDITORS' REPORT

To the Timken Company, Administrator of
The Timken Belts Pension Plan
North Canton, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Timken Belts Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company, the Custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the Custodian as of December 31, 2016 and 2015, and for the years then ended, that the information provided to the Plan administrator by the Custodian is complete and accurate.

Disclaimer of Opinion

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

Emphasis of Matter

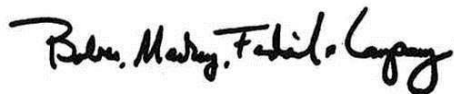
As discussed in Note 2 to the financial statements, the Plan has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent) and Accounting Standards Update 2015-12, Plan Accounting (Part II) Plan Investment Disclosures – consensuses of the Emerging Issues Task Force. Our opinion is not modified with respect to that matter.

Other Matter – Supplemental Schedules

The supplemental schedules, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2016 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2016, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

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

A handwritten signature in black ink, appearing to read "Robert Markey".

BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

September 29, 2017

THE TIMKEN BELTS PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Investments, at fair value	<u>\$ 17,816,409</u>	<u>\$ 17,435,997</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 17,816,409</u></u>	<u><u>\$ 17,435,997</u></u>

The accompanying notes are an integral part of these financial statements.

THE TIMKEN BELTS PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ADDITIONS		
Interest and dividends	\$ 338,080	\$ 329,361
DEDUCTIONS		
Administrative expenses	85,430	146,219
Benefit payments	816,608	817,800
TOTAL DEDUCTIONS	<u>902,038</u>	<u>964,019</u>
NET APPRECIATION (DEPRECIATION)	944,370	(497,633)
NET CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	<u>380,412</u>	<u>(1,132,291)</u>
NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF THE YEAR	<u>17,435,997</u>	<u>18,568,288</u>
END OF THE YEAR	<u>\$ 17,816,409</u>	<u>\$ 17,435,997</u>

The accompanying notes are an integral part of these financial statements.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of The Timken Belts Pension Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions. Copies of the Plan document are available from the Plan administrator.

The Plan was formed on January 1, 2014 to cover participants whose employment transferred to the Plan administrator in connection with a purchase transaction.

On September 1, 2015, The Timken Company, through one its subsidiaries, completed the acquisition of the membership interests of Carlstar Belt LLC. As a result, Timken SMO LLC (the “Plan Sponsor”) succeeded The Carlstar Group LLC (known prior to February 25, 2015 as CTP Transportation Products, LLC) as the Plan administrator and the Plan name was changed to The Timken Belts Pension Plan.

General

The Plan is a defined benefit plan to provide a retirement income to certain eligible employees of the Plan Sponsor and their beneficiaries.

The Plan administrator has the sole discretionary right, authority, and power to interpret and construe the Plan and has full discretionary authority for the purchase and sale of investments. The Plan administrator may employ such attorneys, agents, and accountants as it may deem necessary or advisable to assist it in carrying out its duties.

All amounts contributed to the Plan are held in a qualified trust by Prudential Retirement Insurance and Annuity Company (the “Custodian”). The Custodian is responsible for the safekeeping of the trust funds.

Effective April 1, 2006, participation in the Plan was frozen to new hires. Any active participant as of April 1, 2006 will remain eligible under the Plan and receive benefits in accordance with the Plan. No other person who was not a participant as of April 1, 2006 will become one after this date.

Pension Benefits

Participants are eligible for retirement benefits after reaching the age of 62. Early retirement is permitted after reaching the age of 55 and completion of 10 years of service. Pension benefits are calculated based upon years of credited service. The Plan provides that retired participants receive their pension benefits in the form of a single life annuity (if single) or a joint and survivor annuity (if married) unless the spouse and participant elect otherwise. Participants may elect a 50%, 75%, or 100% joint and survivor annuity or a five, ten or fifteen year certain and life annuity.

Death and Disability Benefits

There are no disability retirement benefits payable under the Plan.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan administrator determines the Plan's valuation policies utilizing information provided by the Custodian, investment advisors, and insurance company. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation or depreciation in the fair value of its investments, which consist of the realized gains or losses and the unrealized appreciation or depreciation of those investments, all as reported by the Custodian.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless the Plan administrator elects to make payment.

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 reported amounts of net assets available for benefits and the actuarial present value of accumulated plan benefits and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Plan Termination

Although it has not expressed an intention to do so, the Plan Sponsor 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.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

New Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient. Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of the ASU eliminates the requirements to disclose individual investments that represent 5% or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III of the ASU allows a plan with a fiscal year end that doesn't coincide with the end of a calendar month to measure its investments and investment-related accounts using the month end closest to its fiscal year end. The ASU became effective for fiscal years beginning after December 15, 2015 with Parts I and II to be applied retrospectively and Part III to be applied prospectively. The Plan adopted the provisions of Part II of ASU 2015-12 for the year ended December 31, 2016 and has applied the update retrospectively to the year ended December 31, 2015. See Notes 3 and 4. Parts I and III are not applicable to the Plan.

In May 2015, the FASB issued ASU 2015-07, Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, Fair Value Measurement. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value practical expedient. ASU 2015-07 became effective for entities (other than public business entities) for fiscal years beginning after December 15, 2016, with retrospective application to all periods presented. The Plan adopted the provisions of ASU 2015-07 for the year ended December 31, 2016 and applied the new guidance retrospectively to the year ended December 31, 2015. See Note 4.

Subsequent Events

The Plan has evaluated subsequent events through September 29, 2017, the date the financial statements were available to be issued. See Note 8.

NOTE 3 – INFORMATION CERTIFIED BY THE CUSTODIAN

The following is a summary of the unaudited information regarding the Plan, included in the Plan's financial statements, which was prepared by the Custodian, as of December 31, 2016 and 2015 and for the years then ended and furnished to the Plan administrator. The Plan administrator has obtained certifications from the Custodian, that such information is complete and accurate.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

	2016	2015
Investments, at fair value	\$ 17,816,409	\$ 17,435,997
Interest and dividends	\$ 338,080	\$ 329,361
Net appreciation (depreciation) in fair value of investments	\$ 944,370	\$ (497,633)

NOTE 4 – FAIR VALUE MEASUREMENTS

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 (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.
- Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
 - Quoted prices for similar assets and liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in markets that are not active
 - Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals);
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based the lowest level input that is significant to the fair value measure in its entirety. The pooled separate accounts are valued at the net asset value ("NAV") of the underlying funds in which each participates.

The following tables present the fair value hierarchy for the Plan's assets measured at fair value on a recurring basis as of December 31:

2016				
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ 17,816,409	\$ -	\$ 17,816,409

2015				
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ 17,435,997	\$ -	\$ 17,435,997

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 5 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries or beneficiaries of employees who have died.

Benefits under the Plan are based on years of service. Benefits payable under all circumstances—retirement, death, disability, and termination of employment—are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The more significant assumptions underlying the actuarial computations are as follows:

Assumed rate of return on investments:	6.75% per annum, compounded annually
Discount rate:	6.75% based on segment interest rates, with a 4-month lookback
Mortality basis:	RP-2014 Blue Collar (Adjusted to 2006) with MP-2015 Projection
Retirement:	Normal retirement – Age 62

The discount rate for 2015 changed from 6.83% to 6.75% and the mortality table used for 2015 changed from the RP-2014 Blue Collar with MP-2014 Projection to the RP-2014 Blue Collar (Adjusted to 2006) with MP-2015 Projection, which accounted for \$95,473 of assumption changes.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The benefit accruals were frozen effective April 1, 2006. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2016 and January 1, 2015. Had the valuations been performed as of December 31, there would be no material difference.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

The following table presents the actuarial present value of accumulated plan benefits as of December 31, 2015:

Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving benefits	\$ 6,264,336
Participants with deferred benefits	1,965,598
Active participants	5,010,456
Total vested benefits	<u>13,240,390</u>
Nonvested benefits	41,927
Total actuarial present value of accumulated plan benefits	<u><u>\$ 13,282,317</u></u>

The following table presents the changes in the actuarial present value of accumulated plan benefits for the year ended December 31, 2015:

Actuarial present value of accumulated plan benefits, beginning of year	\$ 14,475,336
Decrease during the year attributable to:	
Benefits paid	(817,800)
Interest	961,199
Benefits accumulated and actuarial (gain)/loss	(1,240,945)
Assumption changes	(95,473)
Net decrease	<u>(1,193,019)</u>
Actuarial present value of accumulated plan benefits, end of year	<u><u>\$ 13,282,317</u></u>

NOTE 6 – FUNDING POLICY

The Company's funding policy is to contribute annually an actuarially determined amount not less than the minimum required by regulatory authorities. The Company may, at its discretion, contribute an amount greater than the required minimum. The yield (interest, dividends and net realized and unrealized gains and losses) on investments serves to reduce contributions that would otherwise be required to provide for the defined level of the benefits under the Plan. Minimum Plan Sponsor contributions of approximately \$396,961 and \$349,910 were required for the years ended December 31, 2016 and 2015, respectively, to meet the minimum funding requirements of ERISA. The Company covered the funding requirements for the Plan during 2016 and 2015 by its carryover balance, which is the accumulated difference between contributions actually made to the Plan and funding requirements in the predecessor plan.

THE TIMKEN BELTS PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 7 – RELATED PARTY TRANSACTIONS

Plan investments are in shares of pooled separate accounts managed by the Custodian of the Plan, and therefore, these transactions qualify as party-in-interest. Fees paid by the Plan for investment management services and professional fees amounted to \$85,430 and \$146,219 for the years ended December 31, 2016 and 2015, respectively. There are also indirect fees deducted directly from investment earnings of the Plan.

NOTE 8 – TAX STATUS

The Internal Revenue Service (“IRS”) has determined by letter dated August 24, 2017, 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.

Accounting principles generally accepted in the United States require the Company’s 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 IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2016 and 2015 and for the years then ended, 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 the Plan is no longer subject to income tax examinations for years prior to 2014, the year of the Plan’s inception.

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, 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 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, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

THE TIMKEN BELTS PENSION PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 32-0422708
PLAN 007
December 31, 2016

(a)	(b)	(c)	(d)	(e)
	Identity of issues, borrower, lessor or similar party.	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
*	Invesco Small Cap Growth Strategy	Pooled separate accounts	\$ 358,412	\$ 405,638
*	Large Cap Growth/Jennison	Pooled separate accounts	1,378,967	1,602,422
*	Mid Cap Growth/Waddell & Reed	Pooled separate accounts	360,589	375,396
*	Mid Cap Value/Robeco Fund	Pooled separate accounts	347,486	376,188
*	QMA US Broad Market Index	Pooled separate accounts	2,258,246	2,584,686
*	Small Cap Value/Integrity	Pooled separate accounts	364,048	424,955
*	T.Rowe Prudential Equity Income Strategy II	Pooled separate accounts	1,890,341	2,016,315
*	International Growth/Artisan	Pooled separate accounts	908,955	748,636
*	MFS International Value Equity (ISP)	Pooled separate accounts	926,044	948,691
*	Corporate Bond/PIM Fund	Pooled separate accounts	6,289,396	6,180,317
*	Prudential Long Corporate Bond	Pooled separate accounts	1,990,515	1,999,548
*	Prudential Short-Term	Pooled separate accounts	153,617	153,617
			<u>\$ 17,226,616</u>	<u>\$ 17,816,409</u>

* Indicates party-in-interest to the Plan.

THE TIMKEN BELTS PENSION PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
EIN: 32-0422708
PLAN 007
For the Year Ended December 31, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expenses Incurred in Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
SERIES OF TRANSACTIONS:								
* Prudential Retirement Insurance and Annuity Company	Prudential Short-Term	\$ 981,722	N/A	N/A	N/A	\$ 981,722	\$ 981,722	N/A
* Prudential Retirement Insurance and Annuity Company	Prudential Short-Term	N/A	\$ 908,761	N/A	N/A	\$ 908,754	\$ 908,761	\$ 7

* Indicates party-in-interest to the Plan.
N/A Information not applicable.