

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 COMPANY PENSION PLAN</u>	1b	Three-digit plan number (PN) ► <u>001</u>
		1c	Effective date of plan <u>01/01/1950</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 COMPANY</u> <u>4500 MOUNT PLEASANT ST. NW</u> <u>NORTH CANTON, OH 44720-5450</u>	2b	Employer Identification Number (EIN) <u>34-0577130</u>
		2c	Plan Sponsor's telephone number <u>330-438-3000</u>
		2d	Business code (see instructions) <u>333200</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2017	SHELLY M. 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

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
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 3974
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) 211 6a(2) 201 6b 93 6c 145 6d 439 6e 4 6f 443 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: 1A 1B 3H 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
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) ☐ 0 A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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 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 COMPANY PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>THE TIMKEN COMPANY</u>	D Employer Identification Number (EIN) <u>34-0577130</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>	
2 Assets:	
a Market value	2a <u>72512048</u>
b Actuarial value	2b <u>79763253</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>3306</u> (2) Vested Funding Target <u>16298507</u> (3) Total Funding Target <u>16298507</u>
b For terminated vested participants	<u>468</u> <u>13647210</u> <u>13647210</u>
c For active participants	<u>211</u> <u>23745478</u> <u>29561032</u>
d Total	<u>3985</u> <u>53691195</u> <u>59506749</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>6.18 %</u>
6 Target normal cost	6 <u>1594267</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	
Signature of actuary <u>MARK P ELDRIDGE</u>	Date <u>17-07166</u>
Type or print name of actuary <u>TOWERS WATSON DELAWARE INC.</u>	Most recent enrollment number <u>216-937-4000</u>
Firm name <u>1001 LAKESIDE AVENUE, SUITE 1500</u> <u>CLEVELAND, OH 44114-1172</u>	Telephone number (including area code)
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)	0	52831745
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	52831745
10	Interest on line 9 using prior year's actual return of <u>-0.24</u> %	0	-126796
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>6.12</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	0	21000000
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	31704949

Part III Funding Percentages			
14	Funding target attainment percentage	14	80.76%
15	Adjusted funding target attainment percentage	15	134.04%
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	112.28%
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

Part V	Assumptions Used to Determine Funding Target and Target Normal Cost					
21	Discount rate:					
a	Segment rates:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1st segment: 4.43%</td> <td style="width: 33%;">2nd segment: 5.91%</td> <td style="width: 33%;">3rd segment: 6.65%</td> </tr> </table>	1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%	☐ N/A, full yield curve used
1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%				
b	Applicable month (enter code)	21b	4			
22	Weighted average retirement age	22	57			
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	1594267			
b	Excess assets, if applicable, but not greater than line 31a	31b	0			
32	Amortization installments:	Outstanding Balance	Installment			
a	Net shortfall amortization installment	11448445	1891551			
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	3485818			
		Carryover balance	Prefunding balance			
35	Balances elected for use to offset funding requirement	0	3485818			
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	0			
43	Excess installment acceleration amount to be carried over to future plan years	43	0			

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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 THE TIMKEN COMPANY PENSION PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 THE TIMKEN COMPANY	D Employer Identification Number (EIN) 34-0577130

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

TOWERS WATSON DELAWARE, INC.

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	305462	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BANK OF NEW YORK MELLON

34-0577130

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 50	NONE	108553	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

JENNISON ASSOCIATES LLC

13-2631108

(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?
28 51	NONE	97331	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)

NORTHERN TRUST COMPANY

36-1561860

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 50	NONE	20000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BOBER MARKEY FEDOROVICH & COMPANY

34-1523030

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17 50	NONE	17250	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

JONES DAY

34-0319085

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	11220	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 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 COMPANY PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>THE TIMKEN COMPANY</u>	D Employer Identification Number (EIN) <u>34-0577130</u>	

Part I	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: THE TIMKEN CO COLLECTIVE INVMT TR

b Name of sponsor of entity listed in (a): THE TIMKEN COMPANY

c EIN-PN <u>34-0577130-499</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>59939281</u>
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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)
-----------------	----------------------	---

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

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

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

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

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

SCHEDULE H (Form 5500) Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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 THE TIMKEN COMPANY PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 THE TIMKEN COMPANY	D Employer Identification Number (EIN) 34-0577130	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	6140999	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	72539755	59939281
(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	78680754	59939281

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	59833	50842
k Total liabilities (add all amounts in lines 1g through 1j)	1k	59833	50842

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	78620921	59888439
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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)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(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)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		218203
(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		218203

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	21634898	
(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)		21634898
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)	756815	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		756815
j Total expenses. Add all expense amounts in column (b) and enter total	2j		22391713

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-22173510
l Transfers of assets:			
(1) To this plan.....	2l(1)		3441028
(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 FEDOROVICH & COMPANY**

(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		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	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 3976079. (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 COMPANY PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE TIMKEN COMPANY</u>	D Employer Identification Number (EIN) <u>34-0577130</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-2614959</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>289</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: <u>9.0</u> % Investment-Grade Debt: <u>56.0</u> % High-Yield Debt: <u>0.0</u> % Real Estate: <u>4.0</u> % Other: <u>31.0</u> %	
	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 COMPANY PENSION PLAN

FINANCIAL STATEMENTS

December 31, 2016 and 2015

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

The following financial statements and other information of The Timken Company Pension Plan 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 years ended December 31, 2016 and 2015;
- Notes to Financial Statements.

All 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 COMPANY PENSION PLAN

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Timken Company Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related 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 the 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 on the 2015 Financial Statements

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 4, which was certified by The Northern Trust Company, the Trustee 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 Trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the Trustee as of and for the years ended December 31, 2016 and 2015, that the information provided to the Plan administrator by the Trustee 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.

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

The form and content of the information included in the financial statements, other than that derived from the information certified by the Trustee, 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 COMPANY 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:		
Interest in The Timken Company Collective Investment Trust for Retirement Trusts	\$ 59,939,281	\$ 72,539,755
Refund receivable	<u>-</u>	<u>6,140,999</u>
TOTAL ASSETS	59,939,281	78,680,754
LIABILITIES		
Accrued administrative expenses	<u>50,842</u>	<u>59,833</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 59,888,439</u></u>	<u><u>\$ 78,620,921</u></u>

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

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

	<u>2016</u>	<u>2015</u>
ADDITIONS		
Net investment gain from The Timken Company Collective Investment Trust for Retirement Trusts	\$ 218,203	\$ 4,636,518
TOTAL ADDITIONS	<u>218,203</u>	<u>4,636,518</u>
DEDUCTIONS		
Benefits paid directly to participants	21,634,898	45,361,710
Payments to insurance carrier for the provision of benefits (Note 3)	-	521,854,001
Administrative expenses	<u>756,815</u>	<u>1,000,058</u>
TOTAL DEDUCTIONS	<u>22,391,713</u>	<u>568,215,769</u>
NET DECREASE PRIOR TO TRANSFERS	(22,173,510)	(563,579,251)
TRANSFERS		
Transfer from (to) The Timken-Latrobe-MPB-Torrington Retirement Plan	3,135,942	(5,924,226)
Transfers from TimkenSteel Pension Plan	<u>305,086</u>	<u>-</u>
TOTAL TRANSFERS	<u>3,441,028</u>	<u>(5,924,226)</u>
NET DECREASE	(18,732,482)	(569,503,477)
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>78,620,921</u>	<u>648,124,398</u>
END OF YEAR	<u>\$ 59,888,439</u>	<u>\$ 78,620,921</u>

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

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

NOTE 1 – DESCRIPTION OF PLAN

The following description of The Timken Company Pension Plan (the “Plan”) provides only general information. Participants should refer to the *2012 Pension Agreement Between The Timken Company and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (the “Union”)* for a more complete description of the Plan, and the Plan’s benefit and eligibility provisions. Copies of this agreement are available from the Plan administrator, The Timken Company (the “Company”). The 2012 Pension Agreement was ratified on March 2, 2012, and the provisions of the 2012 Pension Agreement went into effect January 1, 2012 and is effective until January 1, 2018.

General

The Plan is a defined benefit pension plan which provides for retirement, supplemental pension, disability, and spouse’s benefits for all employees of the Company who are represented by the Union.

The Pension Administration Committee (the “Committee”) is responsible for the general administration of the Plan. The Northern Trust Company (the “Trustee”) is the trustee of the Plan.

Eligibility and Vesting

Participation begins when an employee attains age 21 and has completed one year of service. Service accrual to determine the one year of service, however, begins immediately upon employment. Active participants become fully vested upon the completion of five years of continuous service.

Benefits

The Plan is a defined benefit pension plan that provides a specified monthly benefit to eligible participants on retirement that is determined by a formula based on the employee’s earnings history and tenure of service. For associates hired prior to November 1, 2009, eligible participants earn for up to 25 years of service, 1.165% of average monthly compensation (as defined by the Plan) per year of service plus, for service earned over 25 years but less than 35 years, 1.515% of average monthly compensation per year of service plus, for service earned at or above 35 years or more, 1.265% of average monthly compensation per year of service. Such benefit is subject to a minimum of \$56.25 per month per year for service up to 30 years (\$67 for service earned after December 31, 2011), and \$75 per month per year for service at or beyond 30 years (\$85 per month for service earned after December 31, 2011).

For associates hired on or after November 1, 2009, eligible participants earn \$45 per month per year of service for service up to 30 years, and \$60 per month per year of service for service at or beyond 30 years.

Minimum monthly benefits, Social Security supplements, and continuation of pay benefits based on service apply to eligible participants. Other benefits apply to eligible participants for previous service periods.

THE TIMKEN COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
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Effective August 1, 2016, the Plan was amended to offer a lump sum window to certain deferred vested participants and surviving spouses which was paid out in December 2016. The Plan made lump sum payments of approximately \$10.9 million under the program for 2016.

Funding

The Company contributes such amounts as are necessary to provide sufficient assets to meet the benefits to be paid to Plan participants and satisfy the Employee Retirement Income Security Act of 1974 ("ERISA") minimum funding requirements. The Plan has met the ERISA minimum funding requirements for 2016 and 2015. In addition, the Company contributes discretionary amounts from time to time. No discretionary contributions were made for 2016 and 2015.

Retirement

An employee is eligible for a full pension if, (a) the employee has 15 or more years of continuous service and is at least age 62, (b) the employee has 25 or more years of continuous service and is at least age 60, or (c) the employee has 30 or more years of continuous service regardless of age. If a participant retires between age 60 and 62 and has at least 15 years of continuous service, but less than 25 years of continuous service, the participant will be paid 84.28% of the full pension if payments start at age 60 and the participant will be paid 91.69% of the full pension if payments start at age 61.

Plan Termination

Although it has not expressed an intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, its net assets will generally not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation ("PBGC") at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PBGC guarantee, while other benefits may not be provided for at all.

Transfers

Transfers between the Plan and The Timken-Latrobe-MPB-Torrington Retirement Plan represent adjustments to the assets in the Plan to align the assets held in The Timken Company Collective Investment Trust for Retirement Trusts ("Master Trust") with the obligations of the participants in the Plan. Transfers between the Plan and the TimkenSteel Pension Plan represent the transfer of assets related to the spin-off of TimkenSteel.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

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

Use of Estimates

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

Payment of Benefits

Benefits are recorded when paid.

Investment Valuation

The Plan's investments are held in the Master Trust maintained by the Trustee and are stated at fair value. The valuation methods (see Note 7) may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. Purchases and sales of securities are recorded on a trade-date basis.

New Accounting Pronouncements

In February 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-06, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting. For each master trust in which a plan holds an interest, ASU 2017-06 requires that a plan's interest in each master trust and any change in the interest in each master trust be presented in separate line items in the statement of net assets available for benefits and in the statement of changes in net assets available for benefits. ASU 2017-06 also removes the requirement to disclose the percentage interest in the master trust for plans with divided interests and requires that all plans disclose the dollar amount of their interest in each of those general types of investments, which supplements the existing requirement to disclose the master trusts balances in each general type of investments. In addition, ASU 2017-06 requires all plans to disclose (1) their master trust's other asset and liability balances and (2) the dollar amount of the plan's interest in each of those balances. Finally, ASU 2017-06 removes the requirement that the investment disclosures relating to the 401 (h) account assets be provided in the health and welfare benefit plan's financial statements. ASU 2017-06 is effective for fiscal years beginning after December 15, 2018, with retrospective application to all periods presented. Early application is permitted. Management is currently evaluating the effect that the provisions of ASU 2017-06 will have on the Plan's financial statements.

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

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

disclose individual investments that represent 5 percent 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. Parts I and II are to be applied retrospectively. Part III is to be applied prospectively. The Plan adopted the provisions of Part II of ASU 2015-12 for the year ended December 31, 2016 and applied the new guidance retrospectively to the year ended December 31, 2015. 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 is 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 elected to early adopt 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 7 for the revised disclosures related to the adoption of these standards.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (see Note 5) represent the actuarial present value of estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries and (b) present employees or their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on employees' compensation during their highest five consecutive years of the last ten years of credited service. The accumulated plan benefits for active employees are based on their average compensation during the highest five consecutive years of the last ten years preceding the valuation date. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

Subsequent Events

The Plan has evaluated subsequent events through September 29, 2017, the date the financial statements were available to be issued. See Note 9.

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

NOTE 3 – PENSION ANNUITIZATION

On November 30, 2015, the Timken Company entered into an agreement pursuant to which the Plan purchased a group annuity contract from Prudential Insurance Company of America (“Prudential”). Prudential irrevocably assumed the obligation to make future payments to approximately 3,400 retirees who began receiving pension payments from the Plan prior to December 31, 2014. The amount of each retiree’s annuity payment equals the amount of such retiree’s previous pension benefit. The group annuity contract replicates the same rights to future payments, such as survivor benefits, that the retiree was receiving from the Plan. During 2015, \$527,995,000 was paid to Prudential in connection with the group annuity purchase, of which, \$6,140,999 was receivable back to the Plan at December 31, 2015, after the final valuation of the transaction. The net payment of \$521,854,001 is reflected in the Statement of Changes in Net Assets Available for Benefits under “Payments to insurance carrier for the provision of benefits.”

NOTE 4 – FINANCIAL DATA CERTIFIED BY THE TRUSTEE

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-5 of the Department of Labor’s (“DOL”) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the following investment information within the Master Trust is certified as complete and accurate or derived from information certified as complete and accurate by the Trustee, as of December 31:

	2016		
	Certified	Audited	Total
Investments, net	\$ 449,765,953	\$ 65,799,604	\$ 515,565,557
Net appreciation	\$ 3,732,832	\$ 18,200,886	\$ 21,933,718
Interest income	\$ 7,811,048	\$ -	\$ 7,811,048
Dividend income	\$ 317,253	\$ -	\$ 317,253

	2015		
	Certified	Audited	Total
Investments, net	\$ 383,796,847	\$ 154,070,833	\$ 537,867,680
Net appreciation	\$ 4,013,103	\$ 3,896,311	\$ 7,909,414
Interest income	\$ 15,403,243	\$ -	\$ 15,403,243
Dividend income	\$ 593,152	\$ -	\$ 593,152

THE TIMKEN COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 – ACCUMULATED PLAN BENEFITS

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

The accumulated plan benefits information was presented as of the beginning of the plan year as follows:

	<u>December 31, 2015</u>
Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving benefits	\$ 16,391,060
Other participants	38,131,716
Total vested benefits	<u>54,522,776</u>
Nonvested benefits	6,048,242
Total actuarial present value of accumulated plan benefits	<u><u>\$ 60,571,018</u></u>

The changes in accumulated plan benefits were as follows:

Actuarial present value of accumulated plan benefits at beginning of year	\$ 482,487,281
Decrease during the year attributed to:	
Benefits accumulated	1,309,443
Actuarial loss	122,672,574
Increase for interest due to the decrease in the discount period	24,938,978
Benefits paid	(45,361,710)
Changes in actuarial assumptions	2,519,452
Pension annuitization	(527,995,000)
Net decrease	<u>(421,916,263)</u>
Actuarial present value of accumulated plan benefits at end of year	<u><u>\$ 60,571,018</u></u>

The discount rate for 2015 changed from 6.00% to 5.75%, which accounted for \$2,519,452 of assumption changes.

THE TIMKEN COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
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Significant assumptions underlying the actuarial computations are:

Actuarial cost method	Projected Unit Credit Cost Method
Assumed rate of return on investments	5.75% per annum, compounded annually for 2015
Salary increases	3.00% per year for 2016 and 2017 2.50% per year for all years after 2017
Retirement	Estimated at rate based upon becoming eligible for retirement at ages ranging between 50 and 65 and older
Mortality basis	The RP-2014 Mortality Tables for males and females for healthy associates set forward for 1-year, with mortality rates increased 10% for blue-collar associates. IRS Revenue Ruling 96-7 tables for males and females for disabled associates

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

NOTE 6 – MASTER TRUST INVESTMENTS

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

THE TIMKEN COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
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The following table presents the fair value of the net assets of the Master Trust at December 31:

	2016	2015
Assets		
Investments:		
Cash and cash equivalents	\$ 33,834,451	\$ 65,811,226
United States government and agency securities	6,868,016	8,783,037
United States government and agency securities on loan	39,645,387	26,396,399
Corporate bonds	65,029,941	55,320,409
Corporate bonds on loan	685,676	698,553
Equity securities	12,946,052	11,056,695
Equity securities on loan	3,738,267	4,773,553
Common collective funds	227,488,545	183,349,501
Securities lending collateral	44,993,683	32,644,571
Limited partnership and real estate interests	65,799,604	154,070,833
Mutual funds	41,607,264	-
Risk parity	17,922,354	27,588,511
Other	-	18,963
Total assets	560,559,240	570,512,251
Liabilities		
Obligation to return securities lending collateral	44,993,683	32,644,571
Total liabilities	44,993,683	32,644,571
Net assets	\$ 515,565,557	\$ 537,867,680

The Plan's interest in the Master Trust was 11.6% and 13.5% as of December 31, 2016 and 2015, respectively. Annually, the Company reports the financial position and changes in assets of the Master Trust in accordance with the DOL's requirements under employer identification number 34-0577130.

Changes in net assets of the Master Trust for the years ended December 31 are as follows:

	2016	2015
Net appreciation in fair value of investments	\$ 21,933,718	\$ 7,909,414
Investment income:		
Interest income	7,811,048	15,403,243
Dividend income	317,253	593,152
	8,128,301	15,996,395
Net transfers	(48,737,597)	(1,252,650,057)
Investment manager and administrative fees	(3,626,545)	(5,821,148)
	\$ (22,302,123)	\$ (1,234,565,396)

THE TIMKEN COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 – FAIR VALUE MEASUREMENTS

Fair value is defined under ASC 820 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 three levels of the fair value hierarchy in ASC 820 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 3 – Unobservable inputs for the asset or liability

The following tables present the fair value hierarchy of the Master Trust's assets measured at fair value on a recurring basis:

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments, at fair value				
Cash and cash equivalents	\$ 33,834,451	\$ -	\$ -	\$ 33,834,451
United States government	43,958,812	2,554,591	-	46,513,403
Corporate bonds	-	65,715,617	-	65,715,617
Equity securities	16,681,277	3,042	-	16,684,319
Mutual funds	41,607,264	-	-	41,607,264
Securities lending collateral	44,288,733	704,950	-	44,993,683
	<u>180,370,537</u>	<u>68,978,200</u>	<u>-</u>	<u>249,348,737</u>
Investments measured using NAV per share as practical expedient:				
Real estate interests				25,876,796
Risk parity				17,922,354
Common collective funds				227,488,545
Limited partnerships				39,922,808
				<u>311,210,503</u>
Total assets	180,370,537	68,978,200	-	560,559,240
Liabilities:				
Obligation to return securities				
lending collateral	44,288,733	704,950	-	44,993,683
Total Liabilities	<u>44,288,733</u>	<u>704,950</u>	<u>-</u>	<u>44,993,683</u>
Net assets	<u>\$ 136,081,804</u>	<u>\$ 68,273,250</u>	<u>\$ -</u>	<u>\$ 515,565,557</u>

THE TIMKEN COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
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	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments, at fair value				
Cash and cash equivalents	\$ 23,917,681	\$ -	\$ -	\$ 23,917,681
United States government	32,952,883	2,226,553	-	35,179,436
Corporate bonds	-	56,018,962	-	56,018,962
Equity securities	15,776,246	54,002	-	15,830,248
Securities lending collateral	31,928,398	716,173	-	32,644,571
Other assets	-	18,963	-	18,963
	<u>104,575,208</u>	<u>59,034,653</u>	<u>-</u>	<u>163,609,861</u>
Investments measured using NAV per share as practical expedient:				
Cash and cash equivalents				41,893,545
Real estate interests				101,264,417
Risk parity				27,588,511
Common collective funds				183,349,501
Limited partnerships				52,806,416
				<u>406,902,390</u>
 Total assets	 104,575,208	 59,034,653	 -	 570,512,251
Liabilities:				
Obligation to return securities				
lending collateral	31,928,398	716,173	-	32,644,571
Total Liabilities	<u>31,928,398</u>	<u>716,173</u>	<u>-</u>	<u>32,644,571</u>
Net assets	<u>\$ 72,646,810</u>	<u>\$ 58,318,480</u>	<u>\$ -</u>	<u>\$ 537,867,680</u>

Cash and cash equivalents are valued at redemption value.

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

Certain corporate bonds are valued at the closing price reported in the active market in which the bond is traded.

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

THE TIMKEN COMPANY PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
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Common collective funds are valued based on a net asset value ("NAV") per share as a practical expedient to fair value. The primary objective of common collective funds – equities is to approximate the risk and return characteristics of the global equity markets. The primary objective of common collective funds – fixed income is to maximize total return by investing primarily in a diversified portfolio of intermediate- and long-term debt securities.

Limited partnerships include investments in funds that invest primarily in private equity, venture capital, and distressed debt. Limited partnerships are valued based on the Plan's ownership interest in the NAV of the investment, which is used as a practical expedient to fair value, per the underlying investment fund, which is based upon the general partner's own assumptions about the assumptions a market participant would use in pricing the assets and liabilities of the partnership.

Real estate interests include funds that invest in companies that primarily invest in commercial and residential properties, commercial mortgage backed securities, debt and equity securities of real estate operating companies, and real estate investment trusts.

Risk parity investments include funds that invest in diversified global asset classes (equities, bonds, inflation-linked bonds, and commodities) with leverage to balance risk and achieve consistent returns with lower volatility. Risk parity investments are valued based on the closing prices of the underlying securities in the active markets in which they are traded.

When such prices are unavailable, the Trustee determines a valuation from the market maker dealing in the particular security. Management may also estimate the value of an investment if no other information is available.

The following tables summarize investments measured using NAV per share as a practical expedient for fair value as of December 31:

2016				
Investment Class	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common collective funds:				
U.S. equities	\$ 6,328,512	N/A	Daily	Day of trade
International equities	\$ 12,272,103	N/A	Monthly	5 business days prior to trade
Fixed income	\$ 208,887,930	N/A	Daily	5 business days prior to trade
Limited partnerships	\$ 39,922,808	\$ 15,035,154	Not eligible	N/A
Real estate interests	\$ 25,876,796	\$ 5,644,689	Not eligible	N/A
Risk parity	\$ 17,922,354	N/A	Semi-monthly and weekly	3 business days prior to trade

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

2015

Investment Class	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Cash and cash equivalents	\$ 41,893,545	N/A	Daily	Day of trade
Common collective funds:				
U.S. equities	\$ 5,753,581	N/A	Daily	Day of trade
International equities	\$ 5,163,794	N/A	Daily	5 days prior to trade
International equities	\$ 7,241,194	N/A	Monthly	5 business days prior to trade
Fixed income	\$ 165,190,932	N/A	Daily	5 business days prior to trade
Limited partnerships	\$ 52,806,416	\$ 17,949,762	Not eligible	N/A
Real estate interests	\$ 20,451,874	N/A	Quarterly	45 days prior to end of quarter
Real estate interests	\$ 51,445,443	N/A	Quarterly	90 days prior to end of quarter
Real estate interests	\$ 29,367,100	\$ 5,973,007	Not eligible	N/A
			Semi-monthly	
Risk parity	\$ 27,588,511	N/A	and weekly	3 business days prior to trade

Some of the unfunded commitments disclosed above may not be required as some of these investments are in the liquidation phase and there may be no further calls for capital investments.

NOTE 8 – SECURITIES LENDING

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

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

The Master Trust maintains full ownership rights to the securities loaned and, accordingly, classifies loaned securities as investments. Since the securities received as collateral may be replugged or sold, the Master Trust recognizes the amount of collateral received and a corresponding obligation to return such collateral on the statement of net assets available for benefits. The fair value of securities on loan was \$44.1 million and \$31.9 million and the fair value of collateral was approximately \$45 million and \$32.6 million at December 31, 2016 and 2015, respectively.

NOTE 9 – INCOME TAX STATUS

The Plan received a determination letter from the Internal Revenue Service (“IRS”) dated April 26, 2017, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the “Code”) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualified status. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and therefore, believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States require Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the taxation authorities. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of and for the years ended December 31, 2016 and 2015, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2013.

NOTE 10 – ADMINISTRATIVE EXPENSES

The Plan incurs administrative expenses directly related to the Plan which consist primarily of PBGC fees, actuarial fees, legal fees and administrative expenses. These expenses are reported on the Statements of Changes in Net Assets Available for Benefits as administrative expenses.

Administrative expenses related to the Master Trust are allocated to the Plan and are reflected in the net investment gain from the Master Trust. Expenses relating to purchases, sales or transfers of the Plan’s investments are charged to the particular investment fund to which the expenses relate.

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

NOTE 11 – RISKS AND UNCERTAINTIES

The Master Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

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

Plan Name	The Timken Company
Plan Sponsor EIN	34-0577130
ERISA Plan #	001
Plan Year Ending	12/31/2016

The required attachment marked with an "X" in the Attachment column is included within the "Signed Schedule MB or Schedule SB" attachment to Schedule SB location which consists of the entire Schedule SB and its attachments.

Form / Schedule	Line#	Description	Attachment Title (if different from Description)	Attach- ment
5500 Sch. SB	None	Statement by Enrolled Actuary		X
5500 Sch. SB	Line 27	Actuarial Information Based on Pre-PPA Funding Rules		
5500 Sch. SB	Line E	Information for Each Individual Employer		
5500 Sch. SB	Line 4	Additional Information for Plans in At-Risk Status		
5500 Sch. SB	Line 7	Explanation of Discrepancy in Prior Year Funding Standard Carryover Balance or Prefunding		
5500 Sch. SB	Line 8	Late Election to Apply Balances to Quarterly Installments		
5500 Sch. SB	Line 9	Explanation of Credit Balance Discrepancy		
5500 Sch. SB	Line 18	Contributions Made to the Plan for the Plan Year		
5500 Sch. SB	Line 19	Discounted Employer Contributions		
5500 Sch. SB	Line 20c	Liquidity Requirement Certification		
5500 Sch. SB	Line 22	Description of Weighted Average Retirement Age		X
5500 Sch. SB	Line 23	Information on Use of Multiple Mortality Tables		
5500 Sch. SB	Line 23	Information on Use of Substitute Mortality Tables		
5500 Sch. SB	Part V	Statement of Actuarial Assumptions/Methods		X
5500 Sch. SB	Part V	Summary of Plan Provisions		X
5500 Sch. SB	Line 24	Change in Actuarial Assumptions		X
5500 Sch. SB	Line 25	Change in Method		
5500 Sch. SB	Line 26	Schedule of Active Participant Data		X
5500 Sch. SB	Line 27	Balances Subject to Binding Agreement with PBGC		
5500 Sch. SB	Line 27	Alternative 17-Year Funding Schedule of Airlines		
5500 Sch. SB	Line 32	Schedule of Amortization Bases		X
5500 Sch. SB		Other Attachment [Enter Description]		

Plan Name	The Timken Company
Plan Sponsor EIN	34-0577130
ERISA Plan #	001
Plan Year Ending	12/31/2016

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5500 Sch. SB	Line 32	Schedule of Amortization Bases		X
5500 Sch. SB		Other Attachment [Enter Description]		

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 THE TIMKEN COMPANY PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF THE TIMKEN COMPANY	D Employer Identification Number (EIN) 34-0577130	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information				
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>			
2	Assets:			
	a Market value.....	2a	72,512,048	
	b Actuarial value.....	2b	79,763,253	
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.....	3,306	16,298,507	16,298,507
	b For terminated vested participants.....	468	13,647,210	13,647,210
	c For active participants.....	211	23,745,478	29,561,032
	d Total.....	3,985	53,691,195	59,506,749
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	6.18%	
6	Target normal cost.....	6	1,594,267	

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

SIGN HERE	 Signature of actuary	<u>10/10/17</u> Date
	Mark P Eldridge Type or print name of actuary	1707166 Most recent enrollment number
	Towers Watson Delaware Inc. Firm name	216-937-4000 Telephone number (including area code)
	1001 Lakeside Avenue, Suite 1500 Cleveland OH 44114-1172 Address of the firm	

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

For Paperwork Reduction Act Notice, 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
----------------	--

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)	0	52,831,745
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	52,831,745
10	Interest on line 9 using prior year's actual return of <u>-0.24%</u>	0	-126,796
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>6.12%</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	0	21,000,000
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	31,704,949

Part III	Funding Percentages
-----------------	----------------------------

14	Funding target attainment percentage	14	80.76%
15	Adjusted funding target attainment percentage	15	134.04%
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	112.28%
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)

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
---------	---------	---------	---------

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 57
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	1,594,267										
b Excess assets, if applicable, but not greater than line 31a	31b	0										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>11,448,445</td> <td>1,891,551</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	11,448,445	1,891,551	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	11,448,445	1,891,551										
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	3,485,818										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement		0	3,485,818									
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	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	The Timken Company
EIN/PN	34-0577130/001
Plan Name	The Timken Company Pension Plan
Valuation Date	January 1, 2016
Enrolled Actuary	Mark P. Eldridge
Enrollment Number	17-07166

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

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

Plan Name:	The Timken Company Pension Plan
EIN / PN:	34-0577130 / 001
Plan Sponsor:	The Timken Company
Valuation Date:	January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2016

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

Age of Retirement	Rates of Retirement	% Retiring	Weighted Ages
(A)	(B)	(C)	(A)*(C)
50	6.00%	6.00%	3.0000
51	6.00%	5.64%	2.8764
52	6.00%	5.30%	2.7568
53	6.00%	4.98%	2.6413
54	10.00%	7.81%	4.2160
55	10.00%	7.03%	3.8647
56	10.00%	6.32%	3.5415
57	15.00%	8.54%	4.8664
58	15.00%	7.26%	4.2090
59	15.00%	6.17%	3.6393
60	20.00%	6.99%	4.1945
61	30.00%	8.39%	5.1173
62	40.00%	7.83%	4.8544
63	25.00%	2.94%	1.8498
64	25.00%	2.20%	1.4093
65	100.00%	6.61%	4.2941

Average Retirement Age =====> 57

Plan Name: The Timken Company Pension Plan
EIN / PN: 34-0577130 / 001
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24 Change in Actuarial Assumptions as of January 1, 2016

In addition to the required mortality and interest rate updates, the valuation recognized the following assumption change as of January 1, 2016:

- The salary scale was changed to 3.00% per year for 2016 and 2017 and 2.50% per year for all years after 2017 from 3.00% per year.

Plan Name: The Timken Company Pension Plan
EIN / PN: 34-0577130 / 001
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2016

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		1		0		0		0		0		0		0		0		0	
25 - 29	0		3		0		0		0		0		0		0		0		0	
30 - 34	0		2		2		2		1		0		0		0		0		0	
35 - 39	0		5		2		0		3		0		0		0		0		0	
40 - 44	0		7		1		0		8		7		0		0		0		0	
45 - 49	0		2		0		1		7		16		14		0		0		0	
50 - 54	0		0		1		0		5		15		25	73,175	3		0		0	
55 - 59	0		0		1		1		4		7		18		8		13		0	
60 - 64	0		1		0		4		3		2		2		0		5		6	
65 - 69	0		0		0		1		1		0		0		0		0		1	
70 & Over	0		0		0		0		0		0		0		0		0		0	

Plan Name: The Timken Company Pension Plan
 EIN / PN: 34-0577130 / 001
 Plan Sponsor: The Timken Company
 Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2016

Type of Base		Date Established	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2016	7.00000	11,448,445	1,891,551
Total				11,448,445	1,891,551

Plan Name: The Timken Company Pension Plan
EIN / PN: 34-0577130 / 001
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Assumptions/Methods

Economic Assumptions

Interest rate basis:

■ Applicable month	September
■ Interest rate basis	3-Segment Rates
■ HATFA applied for funding	Yes
■ HATFA applied for benefit restrictions	Yes

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
■ First segment rate	4.43%	1.34%
■ Second segment rate	5.91%	4.03%
■ Third segment rate	6.65%	5.06%
■ Effective interest rate	6.18%	4.46%
■ ASC 960 discount rate		5.75%

Annual rates of increase

■ Compensation:	3.00% per year for 2016 and 2017 2.50% per year for all years after 2017
■ Future Social Security wage bases	3.00%
■ Social Security cost of living increase	2.50%
■ Statutory limits on compensation	0.00%

Administrative expenses

The amount included this year for plan-related expenses is \$503,568

Plan Name: The Timken Company Pension Plan
EIN / PN: 34-0577130 / 001
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Demographic Assumptions

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

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

Mortality

■ **Healthy** For funding purposes, the prescribed mortality under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants

For ASC 960, RP-2014 separate mortality table with blue collar adjustment for males and females set forward one year, with mortality rates increased 10%, projected using Scale MP-2014 with generational projection.

■ **Disabled** The tables provided by the IRS Revenue Ruling 96-7 for those eligible for Social Security Disability benefits.

Termination

Attained Age	Percentage leaving during the year	
	Males	Females
20	11.199	18.170
25	7.435	11.199
30	5.163	7.435
35	3.627	5.163
40	2.068	3.627
45	1.170	2.068
50	0.200	1.170
55	0.000	0.200
60 and older	0.000	0.000

Disability The rates at which participants become disabled are taken from the Wyatt 1985 disability study class 1.

Plan Name: The Timken Company Pension Plan
EIN / PN: 34-0577130 / 001
Plan Sponsor: The Timken Company
Valuation Date: January 1, 2016

SCHEDULE SB ATTACHMENTS

Retirement Disregarding at risk assumptions, the rates at which participants retire by are shown below:

Age	Percentage retiring during the year
50-53	6%
54-56	10%
57-59	15%
60	20%
61	30%
62	40%
63-64	25%
65 & older	100%

Form of payment Participants are expected to elect the normal form.

Percent married 80% of males; 50% of females. Used to value pre-retirement surviving spouse benefits and in determining the optional forms expected to be elected at commencement.

Spouse age Wife three years younger than husband

Covered pay Compensation assumed paid in the current year beginning on the valuation date is the current hourly rate of pay. Associates work 2,080 hours per year plus 5.00% overtime paid at time plus one-half time.

Timing of benefit payments Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Methods

Valuation date First day of plan year

Benefits not valued Shutdown benefits: No contingent liability for potential plan shutdown benefits has been included

Changes in assumptions and methods since prior valuation For ASC 960, the interest rate changed from 6.00% in 2015 to 5.75% in 2016.

ASC 960 mortality was changed to the tables provided by the IRS Revenue Ruling 96-7 for those eligible for Social Security Disability benefits.

The salary scale was changed to 3.00% per year for 2016 and 2017 and 2.50% per year for all years after 2017 from 3.00% per year.

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Assumptions Rationale - Significant Economic Assumptions

Interest rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time. The ASC 960 interest rate is based on the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and expectations for future market conditions. The return is net of estimated administrative expenses to be paid from the plan.
Rates of increase in compensation, National Average Wages (NAW), and CPI	Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience.
Administrative expenses	Administrative expenses are estimated by determining the expected actual expenses for the year, reflecting items like expected PBGC premiums and the actual expenses paid from the trust during the preceding year.

Assumptions Rationale - Significant Demographic Assumptions

Healthy and Disabled Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h). The ASC 960 mortality assumption and disability mortality assumptions were selected by the plan sponsor and, as required by U.S. GAAP, represent a best estimate of future experience. Healthy mortality rates were based on an experience study from 2013.
Termination and Retirement	Termination and retirement rates were based on an experience study conducted in 2004, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

Source of Prescribed Methods

Funding methods	The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.
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Schedule SB, Part V Summary of Plan Provisions

Plan Sponsor

The Timken Company

EIN/PN:

34-0577130/001

Plan

The Timken Company Union Agreement Pension Plan

Effective Date and Most Recent Amendment

January 1, 1950 (Amended and restated January 1, 2012).

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

Attained age 21 and at least 1 year of service. Effective November 30, 2015, the majority of plan annuitants as of January 1, 2015 were annuitized through Project Pioneer.

Normal Retirement Benefit

Normal Retirement Date: Age 65.

Normal Monthly Pension:

(a) For associates hired prior to November 1, 2009:

For up to 25 years of service, 1.165% of average monthly compensation during highest 130 out of the last 260 bi-weekly pay periods immediately preceding retirement per year of service. For service earned over 25 years but less than 35 years, 1.515% of such average compensation per year of

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service. For service earned at or above 35 years or more, 1.265% of such average compensation per year of service. Such benefit is subject to a minimum of:

\$56.25 per month per year of service for service up to 30 years for service earned prior to January 1, 2012.

\$75.00 per month per year of service for service at or beyond 30 years for service earned prior to January 1, 2012.

Effective January 1, 2012, the above dollar multiplier increases for future service only as follows:

\$67.00 per month per year of service for service up to 30 years.

\$85.00 per month per year of service for service at or beyond 30 years.

(b) For associates hired on or after November 1, 2009:

\$45.00 per month per year of service for service up to 30 years.

\$60.00 per month per year of service for service at or beyond 30 years.

Form of Payment

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

Retirement benefits, regardless of optional form, are payable as a 5 year certain benefit, in addition to the form of payment elected.

Disability Benefit

Eligibility:

If disabled after 15 years of service, such disability continuing at least 5 months, the associate is eligible for a pension as determined in the "Normal Retirement Benefit" section above. A disability pensioner hired prior to November 1, 2009 will receive an additional \$400 monthly supplement until such time as he is eligible for unreduced Social Security benefits or until age 62, if earlier.

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Early Retirement

- (a) For associates hired prior to November 1, 2009:

Permitted between age 60 and 65 if 15 or more years of service for normal pension benefits, subject to actuarial reduction for commencement prior to age 62, except reduction not applicable if service is 25 years or more. An associate may retire voluntarily on full pension if he has at least 30 years of service.

- (b) For associates hired on or after November 1, 2009:

Permitted if associate has attained either:

- (i) age 62 with 15 or more years of service, or
- (ii) age 60 with 25 or more years of service, or
- (iii) 30 or more years of service.

The normal pension benefit is subject to a reduction of 3% per year for associates who retire before age 65, except the reduction is not applicable if, at retirement, age plus service is equal to or greater than 85 and age is at least 55.

Vested Benefits Upon Termination of Service

Associates terminating with at least 5 years of service are eligible for normal pension and payable without actuarial reduction commencing at age 65. If an associate hired before November 1, 2009 has at least 15 years of service at termination, benefits can commence at any time after age 60, but will be actuarially reduced if commencing before age 65. If an associate is hired on or after November 1, 2009 and has at least 15 years of service at termination, benefits can commence at any time after age 62 but will be actuarially reduced if commencing before age 65. If an associate has at least 25 years of service at termination, benefits can commence at any time after age 60 but will be actuarially reduced if commencing before age 65.

Rule of 70/80 Benefit

If an associate is laid off (1) after age 55 and 15 years of service with combined age and service equal to 70 or more, or (2) after 15 years of service with age and service equal to 80 or more, because of permanent plant shutdown, reduction in force, or disability, full pension is payable (except for employees hired on or after November 1, 2009 the pension is reduced as described under "Early Retirement"), subject to proper application following notification by the administrator. A terminated associate who satisfies (1) or (2) above and was hired prior to November 1, 2009, will receive an additional \$400 monthly until such time as he is eligible for unreduced Social Security benefits or until age 62, if earlier.

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Rule of 65 Benefit

If (1) an associate is laid off after 20 years of service with a combined age and service equal to 65 or more because of permanent plant shutdown, reduction in force, or disability, and (2) the associate has not refused an opportunity for employment with the Company, full pension is payable (except for employees hired on or after November 1, 2009 the pension is reduced as described under "Early Retirement"), subject to proper application following notification by the administrator. A terminated associate who satisfies (1) and (2) above and was hired prior to November 1, 2009 will receive an additional \$400 monthly until such time as he is eligible for unreduced Social Security benefits or until age 62, if earlier.

Special Retirement Payment

Associates hired prior to November 1, 2009 are eligible for a Special Retirement Payment. To calculate this benefit, the average straight time hourly rate during two pay periods before retirement is multiplied by 400 for associates with 14 to 18 years of service or by 360 for associates with 18 years of service or over. Regular pension payments, as indicated above, then commence three months after this payment is made from the Pension Fund.

Optional Benefits

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

Surviving Spouse's Benefit/Death Benefit

Participants who have been married one year and who have completed 15 years of service at the time of their death are eligible for a pre-retirement spouse's benefit equal to 50% of their accrued benefit. The minimum benefit is \$200 per month.

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

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

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Beneficiaries of active participants who die with at least 30 years of service will receive a benefit for 60 months equal to the participants accrued benefit before any survivor benefits are paid.

Special Pension Benefit Option

This option is available to all associates hired prior to November 1, 2009 with 30 or more years of service at the time of retirement, or who are age 60 with at least 25 years of service. Eligible associates who retire and choose this option will receive a minimum monthly pension of \$1,500. The supplemental amount added to the regular pension will be at least \$400 per month.

This special benefit will be paid until the age of eligibility for 80 percent Social Security benefits as established by existing law (age 62 for those born prior to 1937) or for a minimum of 12 payments. After this time, payments to retirees choosing this option will revert to the pension amount calculated according to minimum or percentage formulas.

An associate retiring with at least 30 years of service who was hired prior to November 1, 2009 may elect to instead receive a minimum monthly benefit based on the following schedule:

Age at Retirement	Minimum Monthly Benefit
Less than 55	\$1,000
55 to 58	1,200
59 to 61	1,400
62 to 64	1,750
65 and older	2,000

Special Pension Supplement

An associate hired prior to November 1, 2009 and retiring with 30 or more years of service at the time of retirement, or who are age 60 with at least 25 years of service, or who are age 62 with at least 15 years of service and does not elect a Special Pension Benefit Option may elect to receive a monthly supplement equal to the difference between \$1,000 and the recipient's monthly pension.

The Special Pension Supplement will commence with the month following the month in which the participant attains eligibility for 80 percent Social Security Benefits as established by existing law.

Special Retiree Lump Sums

An associate hired prior to November 1, 2009 who retires or becomes disabled prior to June 30, 2012 is entitled to a \$5,000 lump sum payment.

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Certain surviving spouses are entitled to various lump sum payments throughout the term of the 2012 Pension Agreement.

Annuitants who were annuitized through Project Pioneer were offered one-time Additional Pension Benefit Agreement lump sum payments of \$1,000, \$1,200, or \$1,400, depending on Timken medical coverage as of November, 2015.

Changes in Plan Provisions since Last Actuarial Valuation

Annuitants who were annuitized through Project Pioneer were offered one-time Additional Pension Benefit Agreement lump sum payments of \$1,000, \$1,200, or \$1,400, depending on Timken medical coverage as of November, 2015.

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Plan Name	The Timken Company
Plan Sponsor EIN	34-0577130
ERISA Plan #	001
Plan Year Ending	12/31/2016

The required attachment marked with an "X" in the Attachment column is included within the "Signed Schedule MB or Schedule SB" attachment to Schedule SB location which consists of the entire Schedule SB and its attachments.

Form / Schedule	Line#	Description	Attachment Title (if different from Description)	Attach- ment
5500 Sch. SB	None	Statement by Enrolled Actuary		X
5500 Sch. SB	Line 27	Actuarial Information Based on Pre-PPA Funding Rules		
5500 Sch. SB	Line E	Information for Each Individual Employer		
5500 Sch. SB	Line 4	Additional Information for Plans in At-Risk Status		
5500 Sch. SB	Line 7	Explanation of Discrepancy in Prior Year Funding Standard Carryover Balance or Prefunding		
5500 Sch. SB	Line 8	Late Election to Apply Balances to Quarterly Installments		
5500 Sch. SB	Line 9	Explanation of Credit Balance Discrepancy		
5500 Sch. SB	Line 18	Contributions Made to the Plan for the Plan Year		
5500 Sch. SB	Line 19	Discounted Employer Contributions		
5500 Sch. SB	Line 20c	Liquidity Requirement Certification		
5500 Sch. SB	Line 22	Description of Weighted Average Retirement Age		X
5500 Sch. SB	Line 23	Information on Use of Multiple Mortality Tables		
5500 Sch. SB	Line 23	Information on Use of Substitute Mortality Tables		
5500 Sch. SB	Part V	Statement of Actuarial Assumptions/Methods		X
5500 Sch. SB	Part V	Summary of Plan Provisions		X
5500 Sch. SB	Line 24	Change in Actuarial Assumptions		X
5500 Sch. SB	Line 25	Change in Method		
5500 Sch. SB	Line 26	Schedule of Active Participant Data		X
5500 Sch. SB	Line 27	Balances Subject to Binding Agreement with PBGC		
5500 Sch. SB	Line 27	Alternative 17-Year Funding Schedule of Airlines		
5500 Sch. SB	Line 32	Schedule of Amortization Bases		X
5500 Sch. SB		Other Attachment [Enter Description]		

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