

THE TIMKEN COMPANY**FINANCE COMMITTEE CHARTER****Purpose**

The Finance Committee has been established to advise and consult with management and the Board of Directors regarding capital structure, dividend and investment policies and other financial matters affecting the Company.

Composition

Size. The size of the Committee shall be determined by the Board, but it shall consist of no fewer than three members.

Qualifications. Each Committee member must satisfy the applicable independence requirements set forth in the rules of the New York Stock Exchange.

Selection. The Board will select the members and Chair of the Committee based on recommendations of the Nominating and Corporate Governance Committee. Each Committee member will serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member.

Activities

The Committee will advise and consult with management and the Board regarding the financial affairs of the Company, including issues such as the following:

1. the Company's capital structure, including debt and equity securities, credit agreements and changes thereto, and investment policy;
2. the Company's dividend policy;
3. the financial terms and implications of strategic plans and transactions, such as mergers, acquisitions, divestitures, joint ventures and other equity investments;
4. major commercial banking, investment banking, financial consulting and other financial relationships of the Company;
5. funding strategies and costs of the Company's pension obligations;
6. corporate financial aspirations and targets;
7. the impact of various finance activities on the Company's credit ratings; and
8. other matters delegated to the Committee by the Board from time to time.

Meetings

The Committee will meet as frequently as necessary to carry out its responsibilities under this Charter. The Committee Chair will, in consultation with the other members of the Committee and appropriate officers of the Company, call meetings of the Committee, establish the agenda for each Committee meeting and supervise the conduct of the meetings.

Resources and Authority

The Committee shall have appropriate resources and authority to discharge its responsibilities, including, without limitation, appropriate funding, in such amounts as the Committee deems necessary, to compensate any consultants or any other advisors retained by the Committee.

November 3, 2006