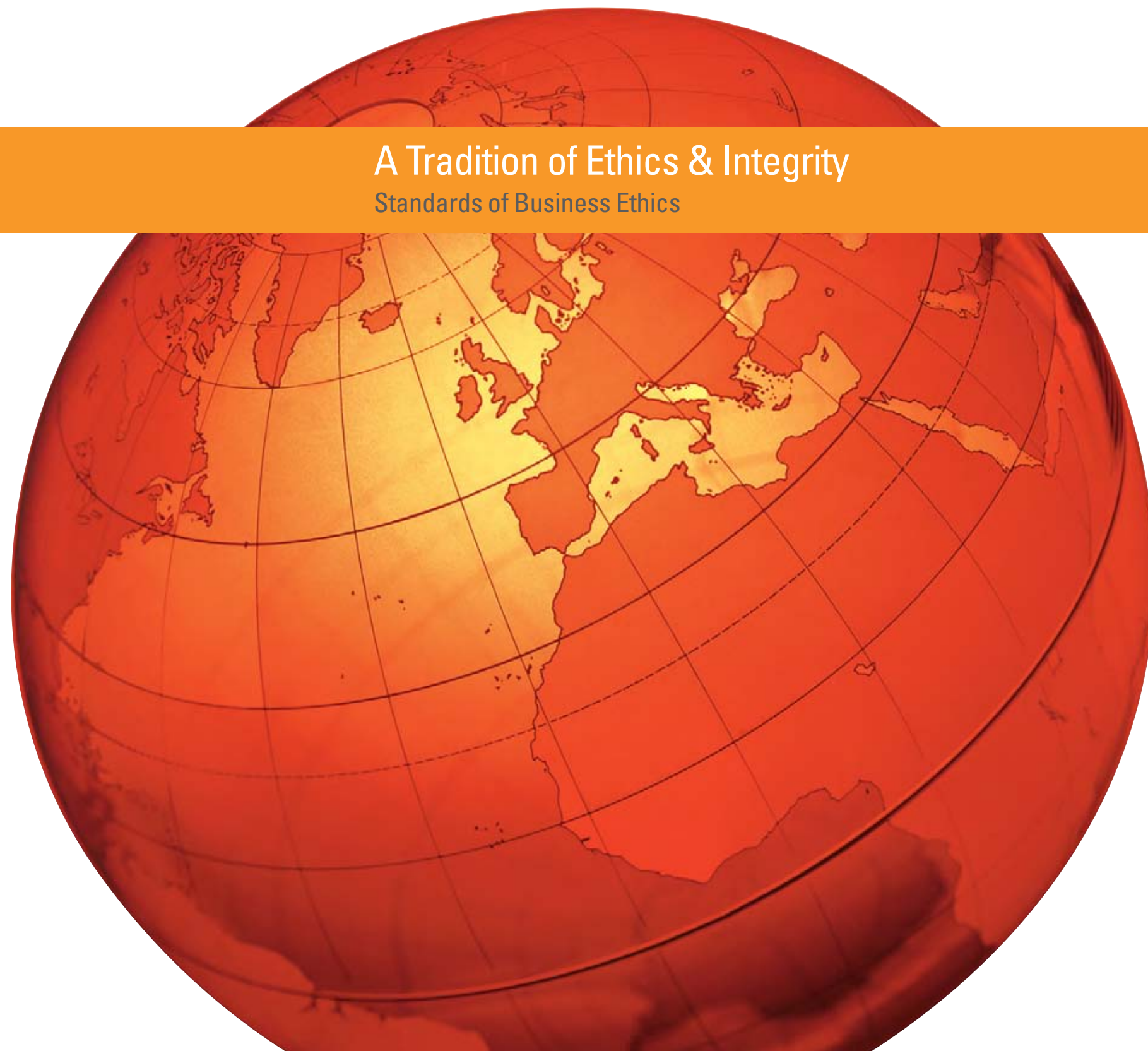


A Tradition of Ethics & Integrity  
Standards of Business Ethics



**TIMKEN**  
Where You Turn

[www.timken.com](http://www.timken.com)

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Printed in U.S.A.  
8M 09-07-29 Order No. 10159E

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# Ethics & Integrity

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# Ethics & Integrity

## Timken Core Values

A century of success is more than the result of just being good at what we do. It is a matter of how we go about our business - treating each other, our customers, suppliers and others with respect and dignity. All Timken associates are expected to act as good citizens within our communities, conduct business in an honest manner and deliver on our promises.

This way of conducting our business is not something new. Timken has a rich tradition of ethics and integrity, stretching back over 100 years to company founders W. R. Timken and H. H. Timken. The founders strongly believed that honesty and honoring their commitments were far more important than short term financial gain. That belief defines what Timken is all about. The founders clearly conducted their business based on that belief in honesty and honoring commitments. Timken's 100+ years of success has justified the brothers' belief in ethics and integrity.

That same spirit, that belief in ethics and integrity, is contained in Timken's Standards of Business Ethics Policy, which is applicable to Timken's associates, agents, officers and directors. Our principles that define ethics and integrity - honesty, fairness, loyalty and responsibility - are applied in this booklet to various situations that you will face everyday.

We know that this booklet cannot address every situation. When you have questions or concerns about a particular situation not covered by this booklet, or just want to ask a question or obtain guidance, we offer a variety of resources. You may talk to your supervisor, human resources or internal auditing. You may contact our ethics officer in Canton, Ohio (ext. 4226). You may call the toll free Timken Helpline (see page 6). Finally, under our "open door" policy, you are welcome to talk to either of us or any other Timken manager about such matters. Our business leaders are committed to upholding our principles of ethics and integrity.

We want to thank you for doing your part to continue to build on Timken's outstanding reputation for ethics and integrity.



Ward J. Timken, Jr.  
Chairman



James W. Griffith  
President & CEO



# Ethics & Integrity

## Defining Principles

As Timken's ethics officer, my responsibilities include ensuring that Timken associates are given guidance on what is meant by "ethics and integrity". The following principles define "ethics and integrity" at Timken:

### HONESTY

We tell the truth. We do not lie, cheat or steal. If we make a mistake, we do not try to cover it up or hide it. We behave so that all of our stakeholders can rely on us to do what we say we will do. Whether preparing a financial report, responding to a question from auditors, talking to a customer, or dealing with a supplier or other stakeholder, we always "tell it like it is." We refrain from any conduct that is questionable on ethical grounds.

### FAIRNESS

We treat others fairly. We can buy and sell based on our business merits, without unethical practices. We do not and will not coerce, bribe, or otherwise participate in illegal acts, to obtain or maintain business. We will not engage in deceitful, unfair or dishonest practices in the conduct of our business. We will treat each other with dignity and mutual respect.

### LOYALTY

We understand that Timken's business interests, opportunities and information belong to Timken and should only be used in Timken's best interests. We avoid conflicts of interest. We do not misuse or compromise any Timken asset, for personal gain or otherwise. We will always advance Timken's legitimate business interests when the opportunity to do so arises.

### RESPONSIBILITY

We are guardians of Timken's outstanding reputation for ethics and integrity. We act responsibly, exercising sound judgment and do what is necessary to preserve and enhance that reputation - we do not wait for others to tell us what we need to do. We step up and do what is required to do our job right - including understanding how the law affects our actions.

The remainder of this booklet is dedicated to providing more detail on these principles and how they are applied to our jobs at Timken. Fundamental to our acting with ethics and integrity is complying with applicable laws, rules and regulations. All associates, officers and directors are expected to comply fully with the policies of The Timken Company and its subsidiaries (collectively referred to as "Timken" in the booklet.) Should any question arise concerning the applicability of a prevailing law, rule or regulation to any contemplated action, please contact me or the General Counsel in Canton, Ohio, USA.



Scott Scherff - Ethics Officer  
Canton, Ohio (ext. 4226)

# Ethics & Integrity

## The Timken HelpLine

Your supervisor is your primary contact to discuss any problem, concern or question. However, there may be times when you have a problem, concern or question that you are reluctant to discuss with your supervisor or another member of management. In that situation you are encouraged to use the Timken HelpLine. The objective of the Timken HelpLine is to offer you an alternative channel of communication.

**Communication with the Timken HelpLine is confidential and unauthorized disclosure of such communication is strictly prohibited.**

<https://www.timkenhelpline.com>

Call toll free:

### Australia

Telstra 1-800-881-011  
Optus 1-800-551-155

### Hungary

06 800-01111

### South Africa

0-800-99-0123

### Belgium

0-800-100-1

### India

000-017

### Spain

800-846-5636

### Brasil

0-800-891-3803

### Italy

800-846-5363

### Sweden

020 799 11

### Canada

800-846-5363

### Netherlands

0800-022-9111

### Switzerland

0-800-89-0011

### China

10-800-711-0640  
10-800-110-0584

### Poland

0-0-800-111-1633

### Taiwan

00801-10288-0

### Czech Republic

800-142-847

### Romania

800-846-5636

### Turkey

00-800-12277

### France

0-800-846-5363

### Singapore

80-0001-0001  
800-0111-111

### United Kingdom

0-800-89-0011

### U.S.

1-800-846-5363

**PLEASE NOTE:** Web site submissions will be completely anonymous unless you include your contact information. If you desire Timken HelpLine feedback, include contact information.

**No retaliation will be taken or will be permitted to be taken against anyone for raising any concern, question or complaint in good faith.**

# Ethics & Integrity

## In The Workplace

Timken recognizes that in order to succeed, we need to have a workplace where:

- We treat each other with respect and dignity
- We value diverse perspectives
- We show we are a good corporate citizen
- We can work safely
- We foster honesty and we reward delivery of our promises

Fundamental to such a workplace is a commitment by each of us to comply with the following:

## Equal Employment Opportunity and Global Inclusion (Including Harassment Free Workplace)

### DIVERSITY



All associates and applicants shall be treated equally according to their individual qualifications, abilities, experiences and other employment standards. Timken does not tolerate discrimination due to race, religion, color, national origin, gender, age, disability or veteran/military status.

The prohibition of discrimination based on gender includes sexual harassment. Every associate, officer and director is expected to comply with Timken's policy against harassment, set forth in the associate handbook, and on TimkeNet at <http://www.cis.corp.inside.tkr/lawinet/700/sexual.htm>.

Global inclusion fosters an inclusive corporate culture that reflects the customers and communities of our business. We believe this will drive diversity of thought and enhance our ability to build stronger business performance and shareholder return. Our global inclusion policy is at:

<http://content.inside.tkr/timkenet/pages/hr/index.asp?contentid=2197>

*Q: One of my co-workers continually makes comments about my attire, which has sexual overtones. This makes me uncomfortable. I've asked him repeatedly to stop, but he will not. I've threatened to tell our supervisor about it, but he says our supervisor will just ignore me. What can I do?*

*A: You are correct to immediately contact your supervisor. Timken supervisors have an obligation to act in such situations. If the conduct continues, contact the Timken HelpLine (page 6) immediately. Timken does not tolerate the type of conduct that you have described.*

## Health, Safety and Environmental



It is Timken's policy, as an environmental leader, to protect the environment for the health, safety and quality of life of our communities, our associates, our customers and the public. Conducting our operations in an environmentally responsible manner is both our ethical commitment and good business practice. Every



associate should be familiar with the Environmental Policy Statement in the associate handbook. The policy and other necessary information can be found at <http://www.cis.corp.inside.tkr/lawinet/702/index.htm>.

Our goal is to protect all associates from work hazards and personal injury. Our Workplace Safety and Health Policy contains our objectives and strategies to meet our goal. All operations of Timken worldwide are subject to this policy. The policy may be found in the associate handbook, or on TimkeNet at <http://www.cis.corp.inside.tkr/hrpcinet/035/index.htm>.

*Q: Our department had some trouble degreasing bearings that needed repair. A supplier has told us that they can give us a free sample of a much stronger degreasing solution. I indicated that Timken's policy is to have a safety review first. The supplier said that Timken only reviews purchased chemicals, and not free samples. This seems wrong to me.*

*A: You are correct to raise this issue. Timken's policy is to review any chemicals, before we use them, regardless if they are "free samples" or not. The issue is that the solution may not be safe, and there was no Material Safety Data Sheet (MSDS) to give any warning of its ingredients. If someone had gotten hurt as a result of the solution, the medical team would have no idea what had caused the harm. Timken permits only specified types of chemicals to be used at its facilities.*

## Drug & Alcohol Free Workplace



The company recognizes that our associates are a valuable resource and their health and safety is a significant concern. Drug and alcohol abuse imperils the health, safety and well-being of associates. The company has a policy of maintaining a drug and alcohol free workplace, and strictly prohibits the unlawful manufacture, distribution, dispensation, possession or use of controlled substances or alcohol in the workplace. It is the company's policy to comply with The Federal Drug-Free Workplace Act. Associates are subject to discipline for violating this prohibition or other prohibitions relating to drugs and alcohol. The company promotes education and awareness of the dangers of substance abuse, and will encourage and assist associates with a drug and/ or alcohol problem in seeking professional diagnosis, treatment and rehabilitation. Timken's policy regarding its drug and alcohol free workplace may be found in your associate handbook or from your OA representative.

## Wage and Hour Laws



Timken is committed to full compliance with applicable wage and hour laws. Supervisors and managers are expected to be leaders in such compliance. Obligations generally include maintenance of accurate records of hours worked, compliance with all overtime and maximum hour laws and regulations, strict adherence to child labor laws and good faith application of any exemptions from such wage and hour requirements. Supervisors and managers need to be familiar not only with national wage and hour laws, but also state and local laws that might affect their operations. Contact Legal Services in Canton, Ohio with any questions.

*Q: One of our department's administrative assistants routinely works through his lunch time, but does not record the time worked. I've mentioned to him that he is cheating himself. He said that he wants to be a team player, and doesn't feel right charging the time to the company, as he would be at his desk at lunch anyway.*

*A: You are doing the right thing, to bring this to management's attention. Generally, wage and hour laws will require an employer to treat such time as paid time. Timken will vigorously comply with such laws.*

# Ethics & Integrity

## Dealing with Customers, Suppliers, Competitors and Governments

Making sales goals and earnings targets is not enough. At Timken, how we conduct our business is just as important as the end result. No amount of money can justify dishonest or illegal conduct. While conducting Timken's business, associates need to keep in mind Timken's rules of conduct in these key areas:

### Antitrust and Competition Laws

Associates should avoid contacts with competitors and their employees except in those limited situations where contacts are clearly necessary and for a lawful purpose. All associates in sales, product pricing, marketing functions and purchasing, as well as other associates requiring further information regarding antitrust laws, should obtain the Antitrust Guidelines from the assistant general counsel in Legal Services (Canton, Ohio), or refer to TimkeNet at <http://www.cis.corp.inside.tkr/lawinet/700/antitrust1.htm>.

*Q: Recently, I had lunch with an old friend who is my sales counterpart from one of our competitors. We used to work together and caught up on old times. Our discussion came around to our current jobs. She started to talk business, but I told her now that we worked for competitors, talking business is "off limits". I could tell she was hurt. Didn't I do the right thing?*

*A: Yes, you did. Discussions between competitors about current business arrangements are dangerous. The law prohibits competitors from agreeing to fix prices, allocating territories and customers, boycotting suppliers and certain other things. Any discussion of such topics between competitors may give rise to criminal liability, so stay away from these and other business related topics, without prior advice and guidance from Legal Services. If you are in sales, marketing, corporate development, purchasing or any other area of Timken where you may interact with competitors, be sure to review and understand the Timken Antitrust Guidelines. You may obtain a copy from Legal Services in Canton, Ohio, or view the Antitrust Guidelines on TimkeNet at: <http://www.cis.corp.inside.tkr/lawinet/700/antitrust1.htm>.*

### Fair Dealing

Also refer to "Gifts, Entertainment, Conflicts of Interest and Improper Conduct" on pg. 10.



Timken is committed to dealing fairly and honestly with its customers, suppliers and competitors.

Doing business in an honest and fair manner with our customers means that we must earn their business based on the quality of our products and services and our ability to fulfill our commitments. Associates, officers and directors may not offer customers (or associates of customers) any benefits, rewards or things of value, which may violate the law, the customer's policies, or our business practices.

Associates responsible for buying or leasing materials and services on behalf of Timken must do so objectively. Associates must not accept or seek out any benefit from a supplier or potential supplier that would even appear to compromise their judgment.

Our policy is to compete solely on the merits of our products and services. No false or misleading statements or innuendo about our

competitors, their products or their services will be tolerated. All comparisons of our products or services with those of our competitors must be accurate and factually supported. Associates, officers and directors are strictly forbidden from using any illegal or unethical methods to gather competitive information.

## Gifts, Entertainment, Conflicts of Interest and Improper Conduct



### Giving Gifts; Bribery Prohibited

No offer of or payment of any gift, loan or gratuity is to be made either directly or indirectly to any business or government entity or any associate of such in exchange for or otherwise in an attempt to procure business for Timken. Gifts and entertainment may be used with representatives of customers or potential customers if they are of limited value, are customary in the situation, are legal and their public disclosure would not embarrass the Company. Gratuities may be paid to an associate of a government entity to expedite, or facilitate the performance of a routine administrative function, where such gratuities are legal, customary, are of limited value and their public disclosure would not embarrass the Company. Further information is available in Timken's Foreign Corrupt Practices booklet, which may be obtained from Legal Services in Canton, Ohio or on TimkeNet at: <http://www.cis.corp.inside.tkr/lawinet/700/fcpa.htm>.

*Q: We have a business opportunity to enlist a new distributor in the country where I am located. This distributor has a reputation of "convincing" government buyers to exclusively contract with the distributor. If we decide to sell product to this distributor, but we do not participate in "convincing," nor reduce our price to help the distributor "convince," the buyers, are we OK, since we are not bribing nor are we participating in any bribery?*

*A: No - we would be taking advantage of the distributor's unethical (and illegal) conduct. We would be just as guilty. We do not turn a blind eye to a business partner's shady dealings to make money. That is not how we do business.*

### Conflict of Interest; Receiving Gifts

Each associate, officer and director has the legal duty to carry out his or her responsibilities with the utmost good faith and loyalty to the Company. An associate, officer and director should never place himself or herself in a position where his or her personal interests could interfere in any way – or even appear to interfere – with the interests of the Company or any of its subsidiaries. Such a situation could arise when an individual takes actions or has interests that may make it difficult to perform his or her Company-related work objectively and effectively. One example of a conflict of interest is when the associate or associate's immediate family member is employed by a competitor, customer, or supplier. Further examples of such situations are set forth in Timken's Conflicts of Interest Policy at: <http://content.inside.tkr/timkenet/documents/Conflicts%20of%20Interest%20Policy.doc>.

*Q: One of our suppliers had a customer appreciation golf outing. There was a random drawing for a week vacation in Hawaii. I won the vacation. Is it appropriate for me to accept?*

*A: You must discuss this with your manager. From a corporate perspective, additional information would be required, in order to make that determination: How many customer representatives attended? How was the drawing conducted? What impact will acceptance of the vacation have on your judgment and relationship with this supplier? How will Timken appear, especially to other suppliers, if it permits you to accept the vacation?*

# International Trade Regulations

Refer any custom or import questions to the manager - transportation, in Canton, Ohio. Also, you may view Timken's customs and import policy and obtain more information at: <http://www.brg.inside.tkr/import/>

Timken wants to continue to be a good corporate citizen in all the countries in which it does business. This includes understanding and complying with the various international trade laws. Timken wants government agencies to understand we do the right thing, and wants to cooperate with them. This includes complying with the following international trade requirements:

## Customs and Import

Each government controls imports into its country. No exception is made for intercompany ("Timken to Timken") shipments. Some general customs rules to keep in mind, if you are involved in sending items from one country to another (even if it is an intercompany shipment) include:

- Customs law requires that items be declared at the time of entry into a country, with proper documentation.
- Documentation presented to customs officials must reflect the actual transaction.
- Transactions are expected to be "arms length", that is, generally, there are no exceptions for related parties or intercompany transfers; such related party transactions are to be treated as sales and purchases as if between unrelated parties.
- Customs matters require a special expertise. When questions or issues arise in areas such as the proper customs value, the correct tariff classification, the proper country of origin and similar questions, please contact your local transportation or traffic manager, or contact the manager - transportation (Canton, Ohio, ext. 3961).

**CAUTION - DO NOT HAND CARRY GOODS**  
Generally, associates should not hand carry items from one country to another, i.e., items such as tooling, machine parts, or other equipment or items. If such items are hand carried, then an appropriate customs declaration must be made and any duty owed must be paid (this excludes "tools of the trade", which the associate or agent retains, and are required for their job).

*Q: Our supplier said that automotive bearings seem like "auto parts" for customs duty purposes. This seems inconsistent with how we have treated this product in the past, so I want to get our transportation manager involved. The supplier is now concerned, as their paperwork is wrong, and delivery may be delayed.*

*A: You are correct to have the transportation manager get involved. Customs law has very specific rules on classification for duty purposes. The transportation manager (Canton, Ohio) is an expert in this area.*

## Exports

Export laws and regulations are established country by country, however, there are several international organizations and treaties, that make these export laws and regulations very similar. As a result, export laws and regulations all control the same things: what is being exported, where is it going, who is going to receive it and how is it going to be used. Timken associates need to be sure that they have reviewed these four things with their local export manager prior to exporting any goods, software or technical data.

Export laws and regulations control literally hundreds of different categories of goods, software and technology. Some common

**Deemed Export Rule**  
Export laws and regulations control not only the export of goods, but also control the transfer and sharing of software and technical data, including intercompany ("Timken to Timken") exports. Sharing technical data is considered an export, even if the sharing takes place totally within the U.S., if a non U.S. person receives or has access to the technical data.

examples of controlled exports affecting Timken's business include military products, technical data and services, super precision bearings and technical data, CNC machine tools and gauging devices, software and technical data and coating technology. A complete list of export controls may be obtained through your local export manager, the manager - transportation (Canton, Ohio) or at: <http://content.inside.tkr/timkenet/pages/ecompliance/home.asp>. Timken has also published a desk reference guide, "Timken Export Control Basics"; which can be obtained from the manager - transportation or from Legal Services (Canton, Ohio).

**Q:** We had an international teleconference the other day to review installation instructions for combat aircraft bearings shipped to a customer. Someone said that we had to screen the call participants before we could discuss anything, due to the "deemed export" rule. What is the deemed export rule?

**A:** The "deemed export" rule is an export regulation which states that transferring technical data to a citizen of a country is deemed to be the same as exporting that technical data to the country of the recipient. This is true even if the person disclosing is in the same room as the recipient or if the discloser and the recipient work for the same employer - the key is citizenship/residency status. If the technical data being disclosed would require a license before it could be exported to the recipient's country, the data could not be shared at the teleconference if the recipient participated, unless a license had been obtained first. For more information about the deemed export rule and exporting data, refer to: <http://www.cis.corp.inside.tkr/brgexcomp/technical.htm>

### **Embargoes, Sanctions and "Prohibited Parties" Lists**

In addition to export controls, Timken is subject to laws and regulations that prohibit Timken from doing business in certain countries, and with certain entities and individuals that may be connected to terrorism or similar illegal activities.

Currently, those countries where Timken cannot (directly or indirectly) do business include Iran, Cuba, Syria and Sudan. In addition, there are countries under an arms embargo, where no military products or services may be provided. Check the Timken Export Web Site at: <http://content.inside.tkr/timkenet/pages/ecompliance/index.asp?contentid+1207> to get the most up-to-date list.

There are also several "prohibited parties" lists, which include over 10,000 names, mainly terrorists and export law violators. These lists change daily. Timken cannot do business with any person or entity on these lists. Check with your export manager or the manager - transportation (Canton, Ohio) for further information about Timken's business systems and screening transactions against these lists.

### **Anti-Boycott**

Under U.S. law, Timken may not cooperate in unsanctioned foreign boycotts. An example is the Arab boycott against Israel. Timken's policy and further information may be found at: [http://www.cis.corp.inside.tkr/lawinet/700\\_antiboycott%20SAS%20Letter.html](http://www.cis.corp.inside.tkr/lawinet/700_antiboycott%20SAS%20Letter.html).

## Product Integrity

The TIMKEN brand is known around the world, and stands for superior quality and performance. The TIMKEN brand is our single most valuable asset. A key part of maintaining that value is product excellence. That can be achieved when each of us:

- Ensures that all new products, either developed in-house or purchased from outside Timken, satisfy all applicable Timken standards and agreed customer requirements, and procedures for quality, before being offered for sale. Contact the appropriate market or product manager with questions.
- Follows all Timken product specifications. Contact the appropriate product design engineering group.
- Follows Timken production processes and quality control procedures. Contact your facility quality manager or business unit quality management.
- Follows all applicable product laws, regulations and industry standards governing product and process specifications.
- Complies with all product storage, handling and shipping policies and procedures. Contact your packaging or shipping coordinator, or the corporate packaging group.
- Makes sure that monitoring systems are in place for product and process compliance, and detect violations of law and Timken policy.

It must be recognized that all standards and procedures continually improve. Each of us has the responsibility to bring concerns or suggestions regarding those standards or procedures to the attention of management as necessary.

You can find more information about Timken's quality policies and procedures at <http://content.inside.tkr/timkenet/pages/quality/home.asp?contentid=1470>.

If you have any questions or concerns relating to Product Integrity, please do not hesitate to contact our Vice-President – Quality, or use the Timken HelpLine (refer to page 6, above).

## Respecting Other's Intellectual Property Rights



Timken respects the intellectual property rights of others, just as we expect others to respect Timken's rights. Respecting the intellectual property rights of others includes Timken associates following these simple rules:

### Software

Purchase or license all commercial software. Do not copy commercial software unless the software license expressly permits copying.

### Journals & Publications

Purchase multiple copies of trade journals and other similar periodicals. Do not copy significant portions of such materials, unless prior permission has been obtained from the copyright holder.

### Music & Videos

License the use of music or videos. Do not use commercial music or video CDs and DVDs in Timken's business, without first obtaining a license or other permission from the copyright holder. Contact the manager - corporate communications in Canton, Ohio for more information.

### Customer Confidential Information

Information obtained from customers under a nondisclosure agreement should be kept confidential using efforts similar to what Timken uses for its own information. Customer confidential information should not be used for any purpose other than what the customer clearly permits. Contact Legal Services in Canton, Ohio with any questions.

### Trademarks & Logos

Permission should always be obtained, before using the trademarks and logos of others. Contact the director - customer communications and branding in Canton, Ohio for further information.

### Hiring Competitor's Associate

Always honor the nondisclosure obligations that associates have with their former employers. Never hire a competitor's associate in order to obtain the competitor's confidential information.

Contact the senior intellectual property attorney in Canton, Ohio (ext. 2097) with any questions or concerns.

## Government Interaction

When interacting with national, regional or local governments, be sure to keep the following rules in mind, in order to avoid problems:

### Gifts and Entertainment

Gifts, money, entertainment or other things of value, no matter how small in value, should never be given to government officials, without first reviewing with Legal Services in Canton, Ohio. The term "government official" includes an employee of a government-owned business. Please refer to Page 10, above, regarding giving gifts to customers for further information, or contact Legal Services.

### Contributions and Influencing Legislation and Policy

No contributions from Timken funds are to be made, directly or indirectly, to any political candidates or political organizations unless permitted by law and approved by the General Counsel. Timken will not reimburse an associate, officer or director for personal contributions.

Additionally, any Timken associate, officer, director and agent who contacts elected or appointed federal, state, county, city or other officials and associates to influence legislation, regulations, or enforcement activities on behalf of Timken may be engaging in lobbying. As such, they must first contact the vice president –

government affairs regarding registration requirements. All Timken lobbying activities and significant contact with government personnel should be coordinated with the vice president - government affairs.

### Government Requests for Information

As a good corporate citizen, Timken wants to cooperate with appropriate government requests and investigations. Should you receive such a request, please contact Legal Services immediately. All information provided to the government must be truthful and accurate. No Timken associate may obstruct or impede any government investigation. Associates should not alter, falsify, cover up, dispose of or destroy any documents or records related to a government request, investigation or legal proceeding.

### Selling to Governments

Company associates, officers, directors and agents who contact elected or appointed federal, state, county, city or other officials and associates to promote the Company's products or services for sale to a government agency may be required to make a government filing and must first contact the vice president – government affairs, regarding filing requirements.

Purchase and sale contracts with governments may contain obligations beyond those which are found in typical commercial contracts. Examples of such obligations include mandatory cost and profit disclosures, limits by citizenship on who can access technical data, limits on where raw materials may be acquired, and special timekeeping and accounting rules. Before accepting government orders or contracts, Timken sales management needs to be sure that any such obligations are understood and can be complied with. Contact Legal Services in Canton, Ohio with any questions or concerns.

*Q: We recently received a government subcontract, which contains an obligation that all products must be made entirely in the government's country. We do not believe all of our products will comply, but the purchasing agent said the government doesn't really pay attention to that requirement, so we can use non-compliant product. This seems wrong to me.*

*A: Your instinct is correct; it is wrong. The answer here is simple. If we gave our word that the product meets the content requirement, that is the only product we will provide. If we cannot provide compliant product, we don't agree to sell it.*

# Ethics & Integrity

## Using Information & Other Assets

Timken's information and assets are dedicated to use in its business, and should not be used for other purposes, without prior approval by a Timken officer. Associates need to keep in mind these rules regarding use of Timken information and other assets:

### Confidential Information

All Timken property, including proprietary and confidential information, may be used only in connection with Timken's business. The duty to preserve the confidentiality of proprietary and confidential information continues even after you have left Timken. Timken's confidential information should not be disclosed unless pursuant to a written nondisclosure agreement approved by Legal Services. Contact the senior intellectual property attorney in Canton, Ohio (ext. 2097) with any questions.

**Q: Timken has personal information about me in its files. How is that information protected from disclosure?**

**A: Timken complies with all laws and regulations that apply to associates' personal information (e.g., medical, earnings, ...). In addition, Timken takes reasonable precautions with associate's personal information when there is no law or regulation on point.**

### Record Retention

Associates are reminded that Timken's document retention policy prohibits the destruction or alteration of documentation undertaken with the intent to obstruct any pending or threatened investigation or lawsuit or other proceeding of any kind, or in contemplation of such a proceeding. Timken's Record Retention Policy may be found at: <http://content.inside.tkr/timkenet/documents/uploads/law/RecordRetentionPolicy.doc>.

### Inside Information

Until its release to the public consistent with federal and state securities laws, material non-public information is considered inside information and is governed by these securities laws. These laws prohibit the use of such inside information in buying or selling securities of the Company, nor shall such inside information be used to recommend the purchase or sale of securities of the Company to others. Each associate, officer and director is expected to comply with the Company's Policy Regarding Trading in Stock, or see the TimkeNet at <http://www.cis.corp.inside.tkr/lawinet/700/stock.htm>.

**Q: If I know something important about a supplier or customer and trade in the securities of that supplier or customer, am I outside the Timken policy on insider trading?**

**A: The Timken policy prohibits insider trading any securities, including those of our customers and suppliers. The same rules apply. You should contact the assistant general counsel with any questions.**

## Corporate Opportunities

Associates and directors are expected always to act in the best interests of the company. No associate or director may pursue for personal gain, any opportunity that arises from use of Timken's property, company information or their position with Timken.

## Protection and Use Of Timken Assets and Services

All associates, officers and directors are expected to protect Timken's assets and ensure their proper use. Strictly prohibited is the use of any Timken funds or assets or provision of services for purposes not authorized by the company or that violate any domestic or foreign laws.

No undisclosed or unrecorded funds or assets of Timken shall be established for any purpose.

The TIMKEN trademark and other trademarks and brand identifiers may only be used in compliance with Timken's Branding Policy, which can be found at:

<http://content.inside.tkr/timkenet/pages/communications/index.asp?contentid=8>.

Associates shall, at all times comply with the Computer Systems Policies as set forth at <http://www.infosec.inside.tkr/>.

## Accurate And Complete Records

Timken's Finance Policies may be found at [www.cis.corp.inside.tkr/fininet/index.htm](http://www.cis.corp.inside.tkr/fininet/index.htm)

Associates should ensure that corporate records fairly and accurately reflect all transactions and dispositions of our assets in reasonable detail. No false or artificial entries shall be made in any Company books or records for any reason, and no associate shall engage in any arrangement that results in such a prohibited act. No payment shall be approved or made with the intention or understanding that it is to be used for any purpose other than that described by the document supporting the payment. Associates are expected to cooperate fully with our internal and external auditors.

## Public Reporting and Communication

The Timken Company is a public company and as a result files reports and other documents with the Securities and Exchange Commission ("SEC") and the New York Stock Exchange. Timken also issues press releases and makes other public statements that include financial and other information about the Company's business, financial condition and results of operations. The Company endeavors to make full, fair, accurate, timely and understandable disclosure in reports and documents it files with, or submits to, the SEC and in press releases and public communications.

All associates are required to help the company's chief executive officer and senior financial officers discharge their responsibilities

including establishing and maintaining adequate and effective disclosure controls and procedures. Associates need to provide reliable and accurate information and otherwise support appropriate disclosure practices.

If you are requested to provide, review or certify information in connection with Timken's disclosure controls and procedures, you must provide the requested information or otherwise respond in a full, accurate and timely manner. Moreover, even in the absence of a specific request, you should report any information that you believe should be considered for disclosure in the Company's reports to the SEC.

## Cooperation with Auditors

The Company requires cooperation and open communication with its internal and external auditors. It is illegal to take any action to fraudulently influence, coerce, manipulate, or mislead any internal or external auditor engaged in the performance of an audit of the Company's financial statements.

# Ethics & Integrity

## Getting Help & Reporting Violations

Associates who have doubts about the best course of action in a particular situation or have other questions about this policy are urged to contact their supervisor or manager. Alternatively, associates may contact the assistant general counsel or the general counsel in Canton, Ohio or call the Company's confidential Timken Help Line (see page 6).

Associates are expected to promptly report violations of law or this policy to the assistant general counsel or the general counsel or through the Timken Help Line. No retaliation will be taken or will be permitted to be taken against anyone for raising any concern, question or complaint in good faith.

This Policy does not in any way alter existing legal rights and obligations of the Company and its associates, including, without limitation, the right of either the associate or the Company to terminate employment at any time, with or without cause.

# Ethics & Integrity

## Compliance With This Policy

Timken is committed to prompt and consistent action in the case of violation of this policy.

All officers and managers of Timken are responsible for the enforcement of and compliance with this policy and to ensure associates' knowledge and compliance. All Timken associates, directors and agents have the responsibility to fully comply with this policy. The general counsel will hold ultimate responsibility for the interpretation of this policy.

Although the statements contained in this policy pertain to many types of business conduct generally considered to be improper, they do not specifically list every type of conduct that Timken would consider undesirable or detrimental to its reputation or interests or is prohibited.

This policy is accessible on Timken's website ([www.timken.com](http://www.timken.com)). This policy will be enforced at all organizational levels. Anyone who violates this policy will be subject to disciplinary action, up to and including discharge.

# Ethics & Integrity

## Waiver Of This Policy

If an associate believes that a waiver of this policy is necessary or appropriate, including, but not limited to any potential or actual conflict of interest, a request for a waiver and the reasons for the request must be submitted to the general counsel. An officer or director must submit the request for a waiver to the Chair of the Nominating and Corporate Governance Committee of the Board of Directors. Any waiver of this policy for executive officers and directors may be made only by the Board of Directors or the Nominating and Corporate Governance Committee of the Board and will be promptly disclosed in accordance with applicable law and rules of the New York Stock Exchange.

# Ethics & Integrity

## Additional Resources

### Ethics Officer

The assistant general counsel in Canton, Ohio is also the Ethics Officer for Timken. The Ethics Officer chairs the corporate compliance committee and reports to the Audit Committee of the Board of Directors periodically on matters concerning ethics and compliance. The Ethics Officer may be contacted about matters regarding ethics or compliance at ext. 4226 in Canton, Ohio, or by e-mail at [Scott.Scherff@timken.com](mailto:Scott.Scherff@timken.com).

### Open Door Policy

There may be times when you have a problem, question or complaint. Management needs and wants to be aware of these issues. Our Open Door Policy is an affirmation of our belief that people are entitled to receive answers to their concerns from their immediate supervisor/manager and they have the right to take questions further if they believe they have not received proper consideration.

The Open Door Policy consists of these general guidelines:

1. You should consult with your own supervisor/manager whenever you need help, information or advice. He or she works with you every day and should be in the best position to answer your questions fairly and promptly.
2. If you wish to discuss the matter further, you may want to take the subject up with progressively higher levels of management or, if you prefer, discuss the matter with a human resources/organizational advancement representative.

### More information on Applicable Laws

There are a number of brochures available, including Timken's Antitrust Compliance Guidelines, The Foreign Corrupt Practices Act, and Export Control Basics. Contact Legal Services for copies (ext. 3950).

The Law Center website also has a listing of resources, including information about training and education, as well as other information: <http://content.inside.tkr/timkenet/pages/law/home.asp>.



