THE TIMKEN COMPANY

COMPENSATION COMMITTEE CHARTER

Purposes

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") has been delegated responsibility by the Board to ensure that the compensation available to the Board, executive officers and other senior management of the Company enables the Company to attract and retain associates with superior quality management and leadership competencies and is consistent with the Company's compensation philosophies. The Committee establishes and administers the Company's policies, programs and procedures for compensating its senior management and Board.

Composition

Size. The Committee shall consist of no fewer than three members.

Qualifications. Each Committee member must (a) satisfy the applicable independence requirements set forth in the rules of the New York Stock Exchange, (b) be a "non-employee director" for purposes of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, (c) not be a party to any interlocking arrangement that would need to be disclosed in the Company's proxy statement under Item 407(e)(4) of Regulation S-K, and (d) satisfy any other requirements imposed by applicable law, regulations or rules. Desirable qualifications for Committee members include, without limitation, experience in business management, executive compensation, employee benefits, and human resources. In determining whether a director is eligible to serve on the Committee, the Board must also consider all factors specifically relevant to determining whether the director has a relationship to the Company that is material to the director's ability to be independent from management in connection with the duties of a Committee member or that would impair the director's ability to make independent judgments about the Company's executive compensation. These factors must include but are not limited to (1) the source of compensation of the director, including any consulting, advisory or other compensatory fee paid by the Company to the director and (2) whether the director is affiliated with the Company, a Company subsidiary or an affiliate of a Company subsidiary.

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.

Duties and Responsibilities

The duties and responsibilities of the Committee shall include the following:

1. Oversee Executive Compensation Policies and Programs. The Committee will oversee the Company's compensation policies and programs for executive officers and Board members.

2. Review and Approve Executive Officer Compensation. The Committee will review and approve base salaries, salary increases, bonuses, perquisites and other remuneration for executive officers of the Company. The Committee will review and approve, at least annually, corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO") and the other executive officers of the Company. The Committee will (a) evaluate the performance of the CEO and the other executive officers in general (including, without limitation, with respect to their assigned duties and responsibilities to the Company); (b) evaluate the performance of the CEO and the other executive officers in light of the corporate goals and objectives approved by the Committee; and (c) determine and approve compensation levels for the CEO and the other executive officers based on this evaluation and such other factors as the Committee deems appropriate.

3. Recommend Incentive Compensation Plans. The Committee will review management's recommendations and approve and make recommendations to the Board with respect to the approval, adoption and amendment of all cash and/or equity-based incentive compensation plans in which any executive officer of the Company participates. The Committee will determine and measure achievement of corporate and individual goals and objectives for the executive officers under the Company's incentive compensation plans. In determining the long-term incentive component of CEO compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years.

4. Recommend Equity-Based Plans. The Committee will also make recommendations to the Board with respect to the approval, adoption and amendment of all other equity-based plans.

5. Administer Compensation Plans. The Committee will administer and interpret the Company's equity-based incentive compensation plans and other plans adopted by the Board that contemplate administration by the Committee. The Committee shall approve all grants of stock options and other equity-based awards, taking into consideration recommendations of management and other factors related to any such plan, subject to the terms and conditions of applicable plans. The Committee's administrative authority shall include the authority to approve the acquisition by the Company of shares of the Company's stock from any plan participant.

6. Determine Exceptions. The Committee shall determine whether exceptions should be made to compensation policies or plans under appropriate circumstances.

7. Assist in Succession Planning. At least annually, the Committee will review succession planning, management development and organizational matters.

8. Oversee Regulatory Compliance. The Committee will, in consultation with appropriate officers of the Company, oversee regulatory compliance with respect to compensation matters.

9. Review Offer Letters, Employment Agreements and Severance Arrangements. The Committee will review and approve offers to potential executive officers to join the Company, and will also review and approve any proposed employment agreement with, and any proposed severance or retention plans or agreements applicable to, any executive officer of the Company. The Committee shall review and approve any severance or other termination payments proposed to be made to any executive officer of the Company.

10. Review Director Compensation. The Committee will periodically review director compensation in relation to other comparable companies and in light of such other factors as the Committee may deem appropriate. The Committee shall discuss this review with the Board and make recommendations to the Board with respect to appropriate changes in director compensation.

11. Review and Discuss Compensation Discussion and Analysis and Compensation Committee Report. The Committee, with the assistance of management and any outside advisors the Committee deems appropriate, shall (a) review and discuss with management the Company's disclosures under its Compensation Discussion and Analysis ("CD&A") and, based on this review, make a recommendation to the Board as to whether it should include the CD&A in the Company's annual report on Form 10-K and proxy statement relating to the Company's annual meeting of shareholders, and (b) prepare a Compensation Committee Report for inclusion in the Company's annual report on Form 10-K and proxy statement, all in accordance with applicable rules and regulations.

12. Board Reports. The Committee will report its actions and any recommendations to the Board after each Committee meeting.

13. Other Delegated Duties or Responsibilities. The Committee will perform any other duties or responsibilities delegated to the Committee by the Board from time to time.

Meetings

The Committee will meet as frequently as necessary to fulfill its responsibilities under this Charter. The Committee Chair will, in consultation with the other members of the Committee and

appropriate officers of the Company, establish the agenda for each Committee meeting. Any Committee member may submit items to be included on the agenda. Committee members also may raise at any meeting subjects that are not on the agenda. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time, and a majority of the members of the Committee shall constitute a quorum. The Committee shall conduct its business as provided in the Amended Regulations of the Company. The Committee Chair will supervise the conduct of the meetings and will have other responsibilities as the Committee may specify from time to time.

The Committee may request any officer or other employee of the Company, or any representative of the Company's legal counsel or other advisors, to attend a meeting or to meet with any members or representatives of the Committee. Any Committee member may be excused from a meeting to permit the remaining members of the Committee to act on any matter in which the excused member's participation is not appropriate, and such member's absence shall not destroy the quorum for the meeting.

Delegation

The Committee may, in its discretion, delegate specific duties and responsibilities to a subcommittee or an individual Committee member, to the extent permitted by applicable law.

Resources and Authority

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the Committee, including the sole authority to retain and terminate such advisers. The Committee shall have appropriate resources and authority to discharge its responsibilities, including, without limitation, appropriate funding provided by the Company and in such amount as determined by the Committee, for payment of reasonable compensation to any compensation consultants, independent legal counsel or other advisers retained by the Committee. In the performance of its duties, the Committee and its members will have unrestricted access to management.

In selecting and retaining, or receiving advice from, a compensation consultant, legal counsel or other adviser (other than in-house legal counsel or any compensation consultant, legal counsel or other adviser whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; or providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the compensation consultant, and about which the compensation consultant does not provide advice), the Committee must first take into consideration all factors relevant to that person's independence from management, including the following factors:

- The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;

- The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;

- The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;

- Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;

- Any Company stock owned by the compensation consultant, legal counsel or other adviser; and

- Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

Annual Review

At least annually, the Committee will (a) review this Charter with the Board and recommend any changes to the Board, and (b) evaluate its own performance in the manner prescribed by the Nominating and Corporate Governance Committee and report the results of this evaluation to the Board.

Publication

Consistent with New York Stock Exchange listing requirements, this Charter will be included on the Company's website and will be made available upon request sent to the Company's Corporate Secretary. The Company's annual proxy statement or annual report on Form 10-K will state that this Charter is available on the Company's website and will be available upon request sent to the Company's Corporate Secretary.