

A background image of a sunset sky with orange and blue clouds and a white contrail.

Annual Corporate Governance Review

The Timken Company

Company Overview

Celebrated 125 years in 2024 since our founding
NYSE listed since 1922
Leader in Engineered Bearings and Industrial Motion
19K Employees Operating in 45 Countries
102+ Years of Continuous Quarterly Dividends
\$4.6B Revenue
1.9% Dividend Yield⁽¹⁾

Sales by Geography⁽²⁾

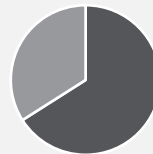
56% Americas
24% Europe, Mid-East,
Africa (EMEA)
20% Asia-Pacific



Key Brands



Business Segment Sales⁽²⁾



66% Engineered Bearings
34% Industrial Motion

Channel Overview⁽²⁾



55% Original Equipment Customers
45% Distributors/End-Users

(1) Total dividend yield as of December 31, 2024.
(2) Percentage of actual sales for 2024.

Experienced and Diverse Executive Officer Team



Tarak B. Mehta
President and
Chief Executive Officer
Over 30 years of industry
experience



Christopher A. Coughlin
Executive Vice President,
President of Industrial Motion
41 years at Timken



Philip D. Fracassa
Executive Vice President,
Chief Financial Officer
19 years at Timken; over 30
years of industry experience



Andreas Roellgen
Executive Vice President
and President of
Engineered Bearings
27 years at Timken



Hansal N. Patel
Executive Vice President,
General Counsel and
Secretary
13 years at Timken; 20 years
of industry experience



Natasha Pollock
Vice President,
Chief Human Resources
Officer
23 years at Timken

Highly Qualified, Diverse Board of Directors



John M. Timken, Jr.
Independent Chairman,
Board of Directors
The Timken Company



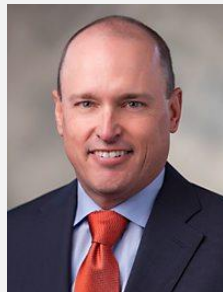
Tarak B. Mehta
President and
Chief Executive Officer
The Timken Company



Maria A. Crowe
Retired President of
Manufacturing Operations
Eli Lilly and Company



Elizabeth A. Harrell
Retired Major General
U.S. Air Force



Richard G. Kyle
Retired President and
Chief Executive Officer
The Timken Company



Sarah C. Lauber
Executive Vice President,
– Chief Financial Officer
Douglas Dynamics, Inc.



Todd M. Leombruno
Executive Vice President
and Chief Financial Officer
Parker Hannifin Corp.



Christopher L. Mapes
Retired Executive Chairman,
President and Chief Executive
Officer
Lincoln Electric Holdings, Inc.



James F. Palmer
Retired Corporate Vice President
and Chief Financial Officer
Northrop Grumman Corporation



Ajita G. Rajendra
Retired Executive Chairman,
President and Chief Executive
Officer
A. O. Smith Corporation



Kimberly K. Ryan
President and
Chief Executive Officer
Hillenbrand, Inc.



Frank C. Sullivan
Chairman and
Chief Executive Officer
RPM International Inc.



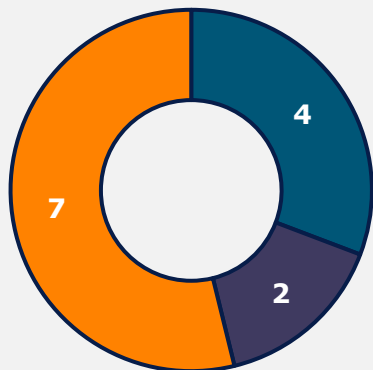
Ward J. Timken, Jr.
Chief Executive Officer
McKinley Strategies LLC

Highly Independent, Diverse Board

Name and Title	Age	Director Since	Independent	Committee Memberships			Other Public Boards
				Audit	Compensation	Nominating & Corporate Governance	
Maria A. Crowe Retired President of Manufacturing Operations, Eli Lilly and Company	65	2014	✓	✓		✓ Chair	–
Elizabeth A. Harrell Retired Major General, U.S. Air Force	71	2017	✓		✓	✓	–
Richard G. Kyle Retired President and Chief Executive Officer, The Timken Company	59	2013					1
Sarah C. Lauber Executive Vice President – Chief Financial Officer, Douglas Dynamics, Inc.	53	2021	✓	✓ (QFE)	✓		–
Todd M. Leombruno Executive Vice President and Chief Financial Officer, Parker Hannifin Corp.	55	2024	✓	✓ (QFE)		✓	–
Christopher L. Mapes Retired Executive Chairman, President and Chief Executive Officer, Lincoln Electric Holdings, Inc.	63	2014	✓	✓		✓	3
Tarak B. Mehta President and Chief Executive Officer, The Timken Company	58	2024					–
James F. Palmer Retired Corporate Vice President and Chief Financial Officer, Northrop Grumman Corporation	75	2015	✓	✓ (QFE) Chair	✓		–
Ajita G. Rajendra Retired Executive Chairman, President and Chief Executive Officer, A. O. Smith Corporation	73	2014	✓	✓	✓ Chair		2
Kimberly K. Ryan President and Chief Executive Officer, Hillenbrand, Inc.	58	2025	✓	✓	✓		1
Frank C. Sullivan Chairman and Chief Executive Officer, RPM International Inc.	64	2003	✓		✓	✓	1
John M. Timken, Jr. Chairman, Board of Directors, The Timken Company	73	1986	✓ Independent Chairman				–
Ward J. Timken, Jr. Chief Executive Officer, McKinley Strategies, LLC	57	2002	✓				–

Board Composition Overview

GENDER AND ETHNIC DIVERSITY



Gender Ethnic Other

Over 45% of Board Members are diverse by either gender or ethnicity

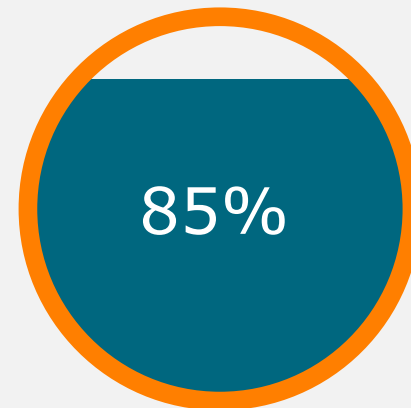
LEADERSHIP

2/3 of Committee Chairs are ethnically or gender diverse

REFRESHMENT

3 new Directors within the past year

INDEPENDENCE



Representative Skills and Attributes of our Board

LEADERSHIP AND GOVERNANCE

Senior leadership experience at a large organization, including current or former service as a public company officer (CEO, CFO, etc.) or high-ranking military officer, or other public company board service leading to valuable insight on corporate governance matters

HUMAN CAPITAL MANAGEMENT

Expertise in talent management, public company compensation structures, key employee development and retention, and executive succession planning

GLOBAL OPERATIONS

Service in a leadership role with multinational companies or in global markets, leading to a deep knowledge of global industry dynamics and international supply chain management

MANUFACTURING AND ENVIRONMENTAL MANAGEMENT

Expertise in manufacturing operations and logistics and environmental management to drive operating performance through sustainable means

FINANCIAL REPORTING AND CAPITAL ALLOCATION

Experience in the finance function of an enterprise, including an in-depth understanding of financial management, financial reporting and capital allocation processes

MARKETING AND SALES

Expertise in marketing, sales, and customer service in a business-to-business (B2B) context

CORPORATE SOCIAL RESPONSIBILITY

Experience with management oversight of a public-company corporate social responsibility program or sustainability function

STRATEGY AND M&A

Responsibility for driving growth through innovative strategic initiatives and through acquisitions and other business combinations

RISK MANAGEMENT

Experience with risk management and compliance oversight relevant to the exercise of fiduciary responsibilities

GEOPOLITICAL AND GOVERNMENT AFFAIRS

Experience with geopolitical uncertainty and managing governmental and regulatory affairs in a complex global business environment

INFORMATION SECURITY

Expertise in managing the information security and data privacy functions of complex organizations

Strong Corporate Governance Practices

BOARD INDEPENDENCE

- 11 of 13 Directors are independent
- Independent Chair of the Board

DIRECTOR ELECTIONS

- Commitment to Board refreshment and diversity – 3 new Directors (2 diverse) added in the past year
- 2 of 3 of the committee chairs are ethnically or gender diverse
- All committee members are independent
- Declassified Board with annual Board elections
- Directors are elected by a majority of votes cast, and our Majority Voting Policy requires any Director who fails to receive a majority of the votes cast in favor of his or her election to submit his or her resignation to the Board

BOARD PRACTICES

- Stock ownership requirements for nonemployee Directors (5x cash retainer)
- At each Board meeting, the independent Directors have the opportunity to conduct executive sessions
- Annual Board, committee and Director evaluations
- Over-boarding policy limits the number of public company boards a Director can serve on

SHAREHOLDER RIGHTS

- Shareholder proxy access with 3/3/20/20 parameters
- Special meetings may be called by shareholders holding 25% of the Company's common shares
- No "supermajority" voting requirements

OTHER BEST PRACTICES

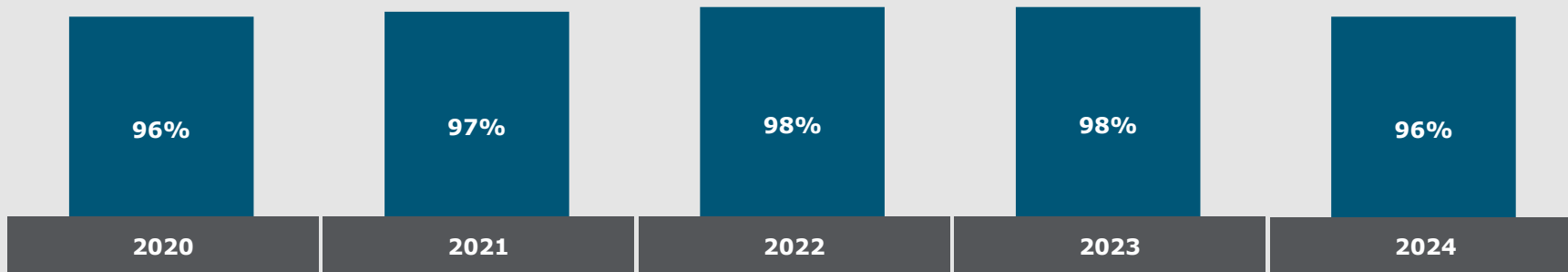
- Annual advisory vote on our named executive officer compensation with consistently strong shareholder support over the past five years
- 6 of 13 Directors are ethnically or gender diverse
- Code of Conduct for Directors, officers and employees
- Strong focus on shareholder engagement – over 450 interactions with investors in 2024
- Audit Committee or Board receives reports on cyber security threats and trends at least annually and receives regular updates on our information security program
- Nominating and Corporate Governance Committee provides oversight for Corporate Social Responsibility program
- Annual corporate social responsibility report references GRI, SASB and TCFD in response to investor preferences

Executive Compensation Philosophy – Pay for Performance and Strong Alignment with Shareholders

We design our executive compensation program to help us attract, motivate, reward and retain highly qualified executives who are capable of creating and sustaining value for our shareholders over the long term.

OBJECTIVES	PHILOSOPHY
<ul style="list-style-type: none">Align the interests of our executives and shareholdersReward sustained, strong business resultsIncentivize profitable growth and capital deployment disciplineAttract, retain and motivate the best talent	<ul style="list-style-type: none">Recognizing that our employees are our most important resourceRewarding results linked to both short- and long-term performance (pay-for-performance)Positioning our pay to be competitive in the marketplaceFocusing on increasing shareholder value

Consistent, Strong Support of Named Executive Officer Compensation



Compensation Best Practices

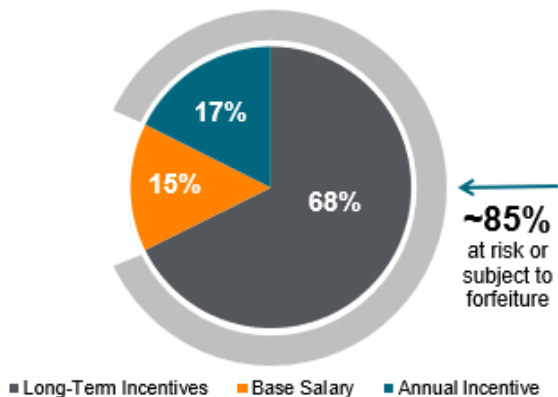
What We Do	What We Do Not Do
<ul style="list-style-type: none">✓ We utilize stock ownership requirements for executives (7x base salary for CEO and 3x for the other named executive officers)✓ We have a standalone clawback policy that provides for the recovery of excess compensation as required by the SEC and NYSE while also incorporating additional clawback and forfeiture provisions✓ We use shareholder-approved plans to provide short- and long-term incentives✓ We use different metrics for short- and long-term incentive plans that are designed to align pay with performance, including relative TSR for long-term incentive compensation✓ We provide very limited perquisites✓ We have a standard minimum one-year vesting period on all regular, annual equity grants (in addition to any other criteria for vesting)	<ul style="list-style-type: none">⊘ We do not provide excise tax gross-ups under named executive officer severance agreements⊘ We do not allow hedging or pledging of our shares⊘ We do not have employment agreements for our named executive officers*⊘ We do not have single-trigger accelerated vesting⊘ We stopped providing defined benefit pension programs to newly appointed executive officers over a decade ago*

*Note: Excludes statutorily mandated employment contracts and pension benefits provided in certain jurisdictions outside the United States.

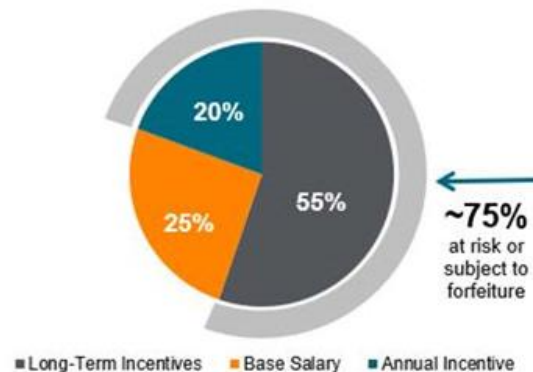
Targeted Performance Based Pay for CEO and other NEOs

The Company's incentive compensation program for executives is designed to link compensation with key financial and operational goals, some of which are short term, while others take several years or more to achieve. The Company uses a balance of short- and long-term incentives as well as cash and non-cash compensation to meet these objectives:

2024 Target Pay Mix for Mr. Mehta



2024 Other NEOs Target Pay Mix (Average, excluding Mr. Kyle)



2024 Incentive Compensation Plans

	SHORT-TERM INCENTIVE PLAN	LONG-TERM INCENTIVE PLAN	
OBJECTIVE	Short-Term Operational Business Priorities	3-Year Strategic Business Priorities	Long-Term Shareholder Value Creation
PARTICIPANTS	~11,300 Employees Globally	~260 Leadership Employees	~260 Leadership Employees
TIME HORIZON	1 Year	3 Years	4 Years (25% each year)
METRICS	EBITDA – 60%(¹) EBITDA Margin – 20%(¹) Free Cash Flow – 20%(¹)	Cumulative EPS – 50% ROIC – 30% Relative TSR – 20%	
AWARD	Cash	Equity – Performance-Based Restricted Stock Units	Equity – Time-Based Restricted Stock Units

Performance targets are established annually by the Compensation Committee with input from its external compensation consultant. The Committee establishes performance targets at levels that are challenging for the management team to achieve based on a variety of factors including consideration of prior-year results for the Company compared to results for U.S. industrial peers, current market conditions, cyclicality and outlook, among other things. The Committee selects metrics that it believes are highly correlated to driving long-term shareholder value with an emphasis on pay-for-performance.

Compensation Aligned to Shareholder Value Creation

⁽¹⁾ Represents metrics applicable to participants in the corporate STIP plan in 2024 (approximately 500 participants). Other participants are eligible for specific business unit STIPs. Metrics for individual business unit STIPs can vary.

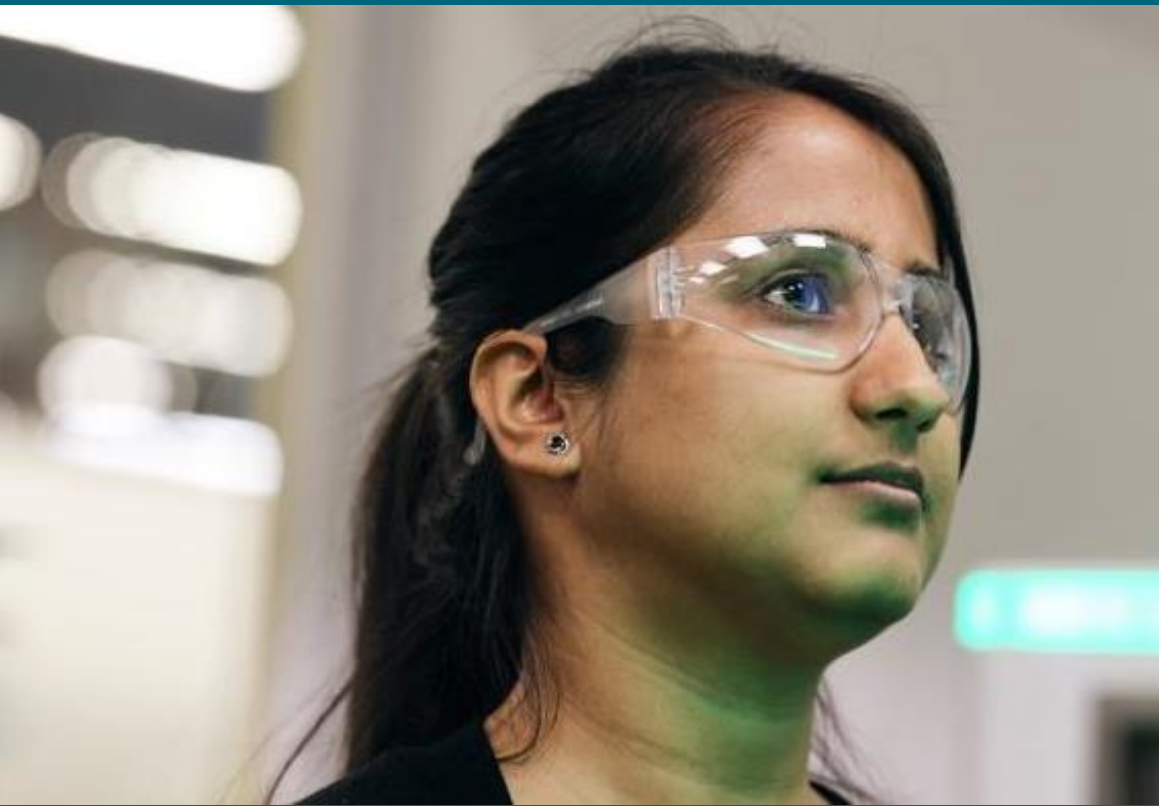
Our CSR Vision

As a global technology leader in engineered bearings and industrial motion, our corporate social responsibility (CSR) vision is to:

- Improve the lives of individuals and communities
- Benefit the planet
- Strengthen our business

We align our global programs with our engineering expertise to build a world that is more efficient and more resilient.

A Global Community of Problem Solvers



We view equal access to basic needs and education, with an emphasis on STEM, as critical to developing stronger individuals, more resilient communities and a better future. And for those who pursue careers with us, we offer meaningful, fulfilling work with a deep sense of purpose.

Strengthening Culture and Community

Human Capital

As a global company, we recruit the best talent, invest in their development, advancement and wellbeing, and foster an inclusive environment that both celebrates and benefits from the diversity of our people, suppliers and communities.

Community Relations

We strengthen generations through our long-standing commitment to the communities where we live and work.



Advancing Our People and Operating Safely

Development

Lifelong learning and professional development are key to our culture. We strengthen the skills of our employees and develop future leaders for the company and the manufacturing industry.

Safety

We're committed to operating safely and responsibly, everywhere we conduct business.



Reducing Emissions and Sharing Best Practices

Reducing Emissions

- Doubled capital improvement budget from 2022 to 2023
- Select suppliers who share our commitment to sustainability

Sharing Best Practices

- Conduct plant training and waste walks
- Encourage and review suggestions for efficiency projects
- Prioritize and invest in programs



Greenhouse Gas Reduction Progress Report

Target

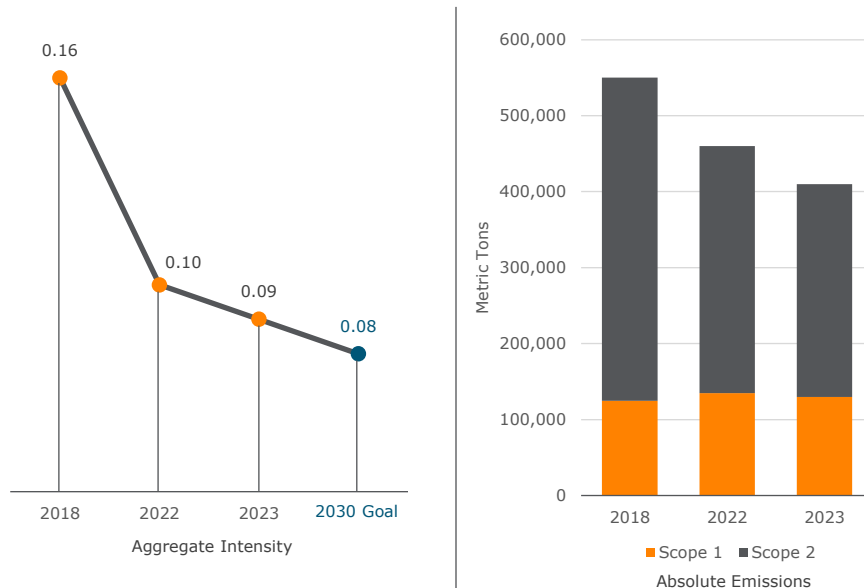
- Reduce our aggregate Scope 1 and 2 greenhouse gas emissions intensity by 50% by 2030 off of a 2018 baseline.

Progress

- As of December 31, 2023, aggregate Scope 1 and Scope 2 emissions intensity was reduced by 40% from 2018.
- On an absolute basis, we have reduced our aggregate Scope 1 and Scope 2 GHG emissions by approximately 20% as of December 31, 2023.

*The normalizing factor for our GHG emissions intensity calculation is total company revenue. As such, our emissions intensity could experience volatility during both recessions and high growth periods for industrial markets.

CO₂e Reduction



Product Innovation for Sustainable Solutions

We engineer and design efficient and sustainable products that respond to the needs of our customers and the markets we serve. Sustainability is core to our customer-centric product innovation.



CSR Recognition

Timken continues to be recognized for the roles we play as a responsible corporate citizen and innovator.

We appreciate the external recognition we have received for our CSR-related activities.



Discover More – Web Links

[Timken
Corporate Social
Responsibility](#)

[2023
CSR Report](#)



We regularly engage with our shareholders through pro-active outreach. We listen to and respond to their views.

Key topics discussed during such outreach include:

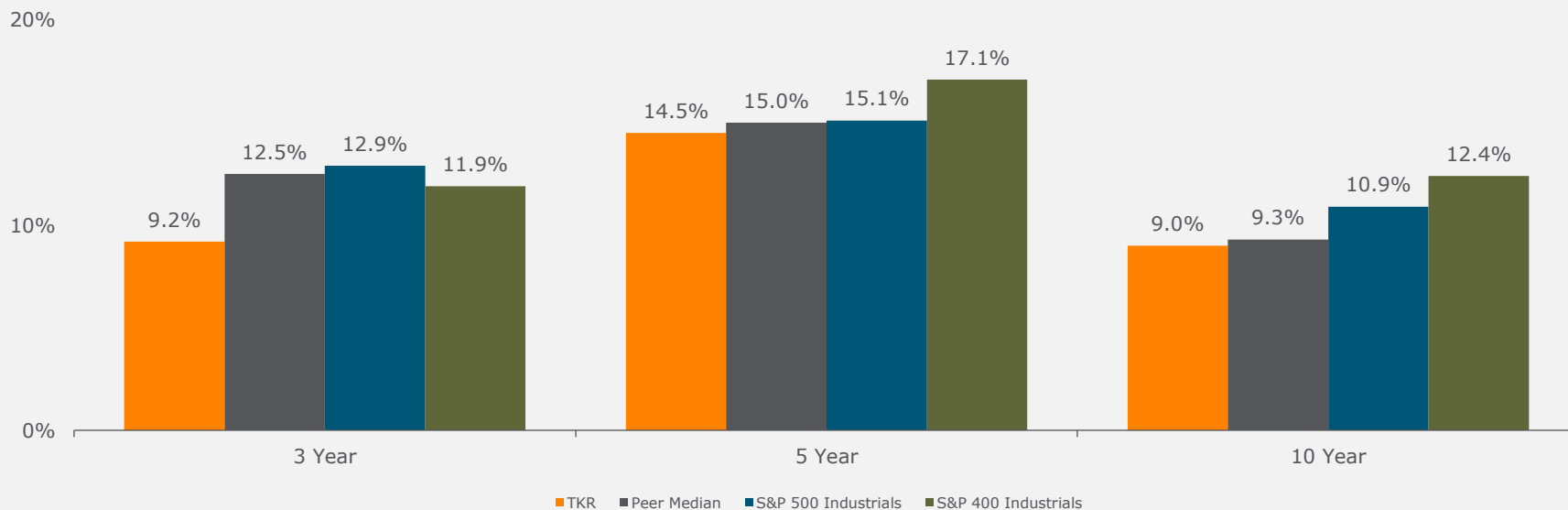
Company strategy, financial and operating performance, competitive differentiation, near-term challenges (lower demand across several market-sectors, inflation, inventory de-stocking, etc.), cost reduction actions, capital allocation priorities and recent acquisitions, CEO transition, long-term financial targets, operational excellence and outgrowth initiatives, emerging trends and technologies, executive compensation and human capital management, corporate governance, and CSR initiatives including 2030 emission reduction targets

In addition, we have made several significant enhancements to our **proxy statement and CD&A disclosures** over the past several years and we plan to continue to advance our program based on stakeholder feedback.

Shareholder Outreach in 2024:

- Investor Conferences: 9
- Non-Deal Roadshows: 8
- Total Investor Contacts in 2024: >450
- Several discussions with shareholders regarding CSR initiatives
- Comprehensive third-party perception study conducted to gather feedback from shareholders and potential investors

Total Shareholder Returns as of 02/28/25 (Dividends Reinvested)



TSR for the Company was calculated on an annualized basis and assumes quarterly reinvestment of dividends. Peers represent composite of an 18-company group consisting primarily of S&P 400 Mid-Cap Industrials and referenced in our 2025 Proxy Statement as the compensation peer group for 2024. The S&P 500 Industrials and S&P 400 Industrials comprise those companies that are classified as members of the Global Industry Classification Standard industrials sector included in the S&P 500 index and S&P MidCap 400 index, respectively.



TIMKEN