

December 8, 2014

The Timken Company  
Mail Code: WHQ-03  
4500 Mt. Pleasant St., NW  
North Canton, OH 44720-5450

**RE: Spin-off of TimkenSteel Corporation by The Timken Company**

We are replying to your correspondence dated September 10, 2014, in which was submitted information with regard to the tax treatment of the spin-off undertaken June 30, 2014 by The Timken Company of its subsidiary TimkenSteel Corporation.

Based on the information that you provided, the distribution meets the requirements of paragraph 86.1(2)(e) of the Income Tax Act (Canada). Since you have provided all of the information required under this paragraph and it was received within the time limits set out in the legislation, shareholders will be entitled to elect under section 86.1 in respect of the distribution.

However, if IRS reviews the distribution at a later date and determines the distribution taxable, we will reverse our decision.

Should you have any questions, please do not hesitate to contact me at 418 649-4993, extension 4104.

Yours truly,



Sandra Careau  
International Tax Division  
Quebec Taxation Services Office  
Canada Revenue Agency