



#34820

TO: ALL CLEARING MEMBERS

DATE: JUNE 20, 2014

**SUBJECT: THE TIMKEN COMPANY - DISTRIBUTION
OPTION SYMBOL: TKR
NEW SYMBOL: TKR1
DATE: 7/1/14**

CONTRACT ADJUSTMENT - OPTIONS

EFFECTIVE DATE: July 1, 2014

OPTION SYMBOL: TKR changes to TKR1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 67.50 yields \$6,750)

NEW DELIVERABLE PER CONTRACT

- 1) 100 The Timken Company (TKR) Common Shares
- 2) 50 TimkenSteel Corporation (TMST) Common Shares

SETTLEMENT ALLOCATION:

TKR: 75%

TMST: 25%

CUSIPS:

TKR: 887389104

TMST: 887399103

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

PRICING

The underlying price for TKR1 will be determined as follows:

$$\text{TKR1} = \text{TKR} + 0.50 (\text{TMST})$$

BACKGROUND

The Timken Company (TKR) has announced a distribution of TimkenSteel Corporation (TMST) Common Shares. The distribution ratio is 0.50 TMST Shares for each TKR Common Share held. The record date is June 23, 2014; the mail date is June 30, 2014. The New York Stock Exchange (NYSE) has set July 1, 2014, as the ex-distribution date for this distribution.

TimkenSteel Corporation Common Shares began trading on a when issued basis on June 19, 2014 on the New York Stock Exchange (NYSE) under the trading symbol TMST WI.

DISCLAIMER

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

Questions regarding this memo can be addressed to Member Services at (800) 544-6091. Within Canada call (800) 424-7320.

CATEGORY: CONTRACT ADJUSTMENT