

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): December 16, 2020



TIMKENSTEEL CORPORATION

(Exact name of registrant as specified in its charter)

Ohio
(State or Other Jurisdiction
of Incorporation)

1-36313
(Commission
File Number)

46-4024951
(I.R.S. Employer
Identification No.)

1835 Dueber Avenue, SW, Canton, OH 44706
(Address of Principal Executive Offices) (Zip Code)

(330) 471-7000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, without par value	TMST	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 16, 2020, the Board of Directors (the “Board”) of TimkenSteel Corporation (the “Company”) appointed and elected Michael S. Williams as President and Chief Executive Officer of the Company, effective January 1, 2021. The Board further appointed and elected Mr. Williams as a director, also effective January 1, 2021.

Mr. Williams, age 60, was most recently with Bayou Steel Group, a U.S. producer of structural steel and merchant bar, where he served as CEO from May 2019 to September 2019. Prior to joining Bayou Steel, Mr. Williams served as President Outokumpu Americas for Outokumpu Oyj, a global leader in the stainless steel industry, from 2015 to 2019. Before that, Mr. Williams held a number of leadership roles at US Steel Corporation, a Fortune 250 company and leading integrated steel producer, from 2006 to 2015, including Senior Vice President, North American Flat Rolled and, most recently, Senior Vice President, Strategic Planning and Business Development. Earlier in his career, Mr. Williams served as Vice President of Commercial Products at Special Metals Corporation (a leader in the invention, production and supply of high-nickel alloys) and, prior to that, as Chairman and Chief Executive Officer of Ormet Corporation (a manufacturer of foil, sheet, billet and other aluminum products).

For his service as President and Chief Executive Officer of the Company, Mr. Williams will be entitled to receive the following compensation:

- an initial base salary of \$800,000 per year;
- participation in the Company’s Annual Performance Award plan, with a target award opportunity equal to 100% of base salary and a potential payout range from 0% to 260% of target based on actual results for each performance measure and consideration of individual performance;
- starting in 2022, participation in the Company’s long-term incentive plan, with a target annual grant opportunity equal to \$2,000,000 and expected awards comprised of at least 50% performance-based restricted stock units and the balance in time-based restricted stock units; and
- participation in the Company’s other standard benefit programs for executives.

Mr. Williams will not receive any additional compensation for his service as a director of the Company.

In connection with his appointment as President and Chief Executive Officer, on January 5, 2021 (the “Grant Date”) Mr. Williams will be awarded a sign-on inducement equity grant consisting of performance-based restricted stock units with a target value of approximately \$2,000,000 and time-based restricted stock units with a value of approximately \$2,000,000. The actual number of performance-based restricted stock units and time-based restricted stock units to be awarded will be determined on the Grant Date by dividing the values noted above by the average closing price for TimkenSteel common shares on the New York Stock Exchange for the five trading days immediately preceding the Grant Date. In general, the performance-based restricted stock units will be subject to relative total shareholder return performance over a three-year period ending December 31, 2023.

Mr. Williams and the Company will enter into a severance agreement, effective January 1, 2021, that provides for compensation in the event of termination of employment under certain circumstances. Pursuant to the severance agreement, if certain events occur within two years following a change in control of the Company (as defined or described in the severance agreement), such as a reduction in responsibilities or a particular termination of employment without cause, Mr. Williams will be entitled to receive a cash severance payment in an amount equal to 2.5 times the sum of (i) his annual base salary and (ii) the greater of: (1) his target amount of annual incentive compensation for the year in which he terminates employment; or (2) his target amount of annual incentive compensation for the year in which the change in control occurs. The severance agreement does not contain an excise tax gross-up provision. If Mr. Williams is terminated without cause within two years after a change in control of the Company, he also will be

entitled to continuation of health and welfare benefits for thirty months and a pro-rata payout of his annual incentive compensation award at target for the year in which he terminates employment. The severance agreement further provides that if Mr. Williams is involuntary terminated without cause other than in connection with a change in control of the Company, he will be entitled to severance equal to 1.5 times the sum of his base salary and his target annual amount of incentive compensation for the year in which his employment terminates. Under these circumstances, he also will be entitled to continuation of health and welfare benefits for 18 months and a pro-rata payout of his annual incentive compensation award based on actual performance for the year in which his employment terminates. The severance agreement is subject to clawback provisions and customary restrictive covenants applicable to Mr. Williams (including regarding non-competition, non-solicitation, non-disparagement and confidentiality), and payouts under the severance agreement are subject to a customary release of claims executed as described in the severance agreement.

Mr. Williams and the Company also will enter into an indemnification agreement, substantially in the form of the Form of Officer Indemnification Agreement that is filed as Exhibit 10.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

In connection with the appointment of Mr. Williams as the Company's new President and Chief Executive Officer, the Board determined that Terry L. Dunlap's service as Interim Chief Executive Officer and President will cease at 11:59 p.m. on December 31, 2020. In recognition of his successful and exemplary leadership of the Company under challenging business conditions, made more difficult by the COVID-19 pandemic, the Board awarded Mr. Dunlap a cash bonus of \$500,000 for his service as Interim Chief Executive Officer and President, such bonus to be paid on or before December 31, 2020.

Following the cessation of his service as Interim Chief Executive Officer and President, Mr. Dunlap will continue to serve as a director of the Company. The Board has determined that, once Mr. Dunlap's service as Interim Chief Executive Officer and President concludes, Mr. Dunlap will once again meet all of the standards for independence under the regulations of the Securities and Exchange Commission and Rule 303A of the New York Stock Exchange Listed Company Manual, and that he will be free of any material relationships with the Company other than through his service as a director.

Also, on December 16, 2020, Marvin A. Riley notified the Board of his intention to resign as a director effective December 31, 2020. Mr. Riley further notified the Board that his decision to resign was for personal reasons and not due to any disagreement with the Company.

Finally, on December 16, 2020, the Board approved the separation from employment for Frank A. DiPiero, Executive Vice President, General Counsel & Secretary, effective December 31, 2020. To succeed Mr. DiPiero, the Board elected Kristine C. Syrvalin as Executive Vice President, General Counsel & Secretary of the Company, effective January 1, 2021.

In connection with his separation from the Company, Mr. DiPiero generally will be entitled to receive the compensation and benefits for a "termination without cause" under the terms of a severance agreement he had previously entered into with the Company. Mr. DiPiero also is expected to enter into a consulting agreement with the Company, effective January 1, 2021, pursuant to which he has agreed to provide consulting services to the Company on an as-needed basis through June 30, 2021, for which he will receive a monthly retainer in the amount of \$17,500.

Item 7.01. Regulation FD Disclosure.

On December 18, 2020, the Company issued a press release announcing (i) the appointment of Mr. Williams as President and Chief Executive Officer of the Company effective January 1, 2021, and the related conclusion of Mr. Dunlap's service as Interim Chief Executive Officer and President, and (ii) the separation from service of Mr. DiPiero as Executive Vice President, General Counsel and Secretary effective December 31, 2020, and the appointment of Ms. Syrvalin to succeed him in this role effective January 1, 2021. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference. The press release is also available on the Company's website at www.timkensteel.com.

The information in this Item 7.01 on Form 8-K (including Exhibit 99.1) is being furnished and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise be subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are filed with this Current Report on Form 8-K:

Exhibit No.	Description
99.1	Press Release dated December 18, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: December 18, 2020

TimkenSteel Corporation

By: /s/ Kristopher R. Westbrook

Name: Kristopher R. Westbrook

Title: Executive Vice President and
Chief Financial Officer



NEWS RELEASE

TimkenSteel Announces Executive Leadership Changes

- *Michael S. Williams Appointed President and Chief Executive Officer*
- *Interim CEO Terry L. Dunlap to Remain on Board of Directors and Resume Role as Independent Director*
- *Executive Vice President and General Counsel Frank A. DiPiero to step down at end of 2020*
- *Kristine C. Syrvalin promoted to Executive Vice President and General Counsel for 2021*

CANTON, Ohio, December 18, 2020 – TimkenSteel (NYSE: TMST), a leader in customized alloy steel products and services, today announced its Board of Directors has approved several important executive leadership changes. Michael S. Williams has been named president and chief executive officer of the company and has also been elected to the board of directors effective January 1, 2021. Terry L. Dunlap, who has served as the company's interim chief executive officer and president since October 2019, will remain on the board and resume his role as an independent director of the company, effective January 1, 2021.

"Mike is the right person to lead TimkenSteel into the future, given his extensive industry experience and proven track record," said Terry Dunlap, interim chief executive officer and president. "The TimkenSteel team has worked diligently with me over the past 15 months to improve the financial results of the company, and I know Mike is prepared to build on that momentum. I look forward to supporting Mike and the company in my continued role as a director."

Williams was most recently the chief executive officer of Bayou Steel Group, a U.S. producer of structural steel and merchant bar. Prior to joining Bayou, Williams served as President Outokumpu Americas for Outokumpu Oyj, a global leader in the stainless steel industry. Before that, Williams held a number of leadership roles at U.S. Steel including senior vice president North American Flat Rolled, and most recently senior vice president, strategic planning and business development. Earlier in his career, Williams served as vice president of commercial products at Special Metals Corporation and as chairman and chief executive officer of Ormet Corporation.

John P. Reilly, chairman of TimkenSteel's Board of Directors said, "I would sincerely like to thank Terry for his focus and strong leadership during a challenging time for TimkenSteel amid a global pandemic. Under Terry's leadership, we have strengthened the company's balance sheet and streamlined the company to better serve our customers now and in the future."

Additionally, Frank A. DiPiero will step down as executive vice president, general counsel and secretary of the company, effective December 31, 2020. DiPiero has served in this role since 2014.

To succeed DiPiero, the Board named Kristine C. Syrvalin as executive vice president, general counsel and secretary effective January 1, 2021. Syrvalin is currently the assistant general counsel and vice president of ethics and compliance at TimkenSteel. Prior to joining the company in 2014, she was vice president, assistant general counsel and corporate secretary for OMNOVA Solutions Inc.

Reilly said, “Frank was instrumental in structuring the company at the spinoff in 2014 and helping guide it since then, and his leadership will be greatly missed. We thank him for his many contributions, and we wish him well in his future endeavors. At the same time, we are pleased to have an experienced and capable successor in Kris, who has partnered with Frank since the spinoff, bringing critical expertise and leadership at an important time in the company’s journey.”

About TimkenSteel Corporation

TimkenSteel (NYSE: TMST) manufactures high-performance carbon and alloy steel products in Canton, OH serving demanding applications in automotive, energy and a variety of industrial end markets. The company is a premier U.S. producer of alloy steel bars (up to 16 inches in diameter), seamless mechanical tubing and precision components. In the business of making high-quality steel primarily from recycled materials for more than 100 years, TimkenSteel’s proven expertise contributes to the performance of our customers’ products. The company employs approximately 2,055 people and had sales of \$1.2 billion in 2019. For more information, please visit us at www.timkensteel.com.

FORWARD-LOOKING STATEMENTS

This news release includes “forward-looking” statements within the meaning of the federal securities laws. You can generally identify the company’s forward-looking statements by words such as “will,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “outlook,” “intend,” “may,” “possible,” “potential,” “predict,” “project,” “seek,” “target,” “could,” “may,” “should” or “would” or other similar words, phrases or expressions that convey the uncertainty of future events or outcomes. The company cautions readers that actual results may differ materially from those expressed or implied in forward-looking statements made by or on behalf of the company due to a variety of factors, such as: the potential impact of the COVID-19 pandemic on the company’s operations and financial results, including cash flows and liquidity; whether the company is able to successfully implement actions designed to improve profitability on anticipated terms and timetables and whether the company is able to fully realize the expected benefits of such actions; deterioration in world economic conditions, or in economic conditions in any of the geographic regions in which the company conducts business, including additional adverse effects from global economic slowdown, terrorism or hostilities, including political risks associated with the potential instability of governments and legal systems in countries in which the company or its customers conduct business, and changes in currency valuations; the effects of fluctuations in customer demand on sales, product mix and prices in the industries in which the company operates, including the ability of the company to respond to rapid changes in customer demand, the effects of customer bankruptcies or liquidations, the impact of changes in industrial business cycles, and whether conditions of fair trade exist in U.S. markets; competitive factors, including changes in market penetration, increasing price competition by existing or new foreign and domestic competitors, the introduction of new products by existing and new competitors, and new technology that may impact the way the company’s products are sold or distributed; changes in operating costs, including the effect of changes in the company’s manufacturing processes, changes in costs associated with varying levels of operations and manufacturing capacity, availability of raw materials and energy, the company’s ability to mitigate the impact of fluctuations in raw materials and energy costs and the effectiveness of its surcharge mechanism, changes in the expected costs associated with product warranty claims, changes resulting from inventory management, cost reduction initiatives and different levels of customer demands, the effects of unplanned work stoppages, and changes in the cost of labor and benefits; the success of the company’s operating plans, announced programs, initiatives and capital investments and ability to maintain appropriate relations with unions that represent its associates in certain locations in order to avoid disruptions of business; unanticipated litigation, claims or assessments, including claims or problems related to intellectual property, product liability or warranty, and environmental issues and taxes, among other matters; the availability of financing and interest rates, which affect the company’s cost of funds and/or ability to raise capital, including the ability of the company to refinance or repay at maturity the remaining balance on the convertible notes due June 1, 2021, the company’s pension obligations and investment performance, and/or customer demand and the ability of customers to obtain financing to purchase the company’s products or equipment that contain its products; the amount of any dividend declared by the company’s Board of Directors on the company’s common shares; and the overall impact of pension and other postretirement benefit mark-to-market accounting. Additional risks relating to the company’s business, the industries in which the company operates, or the company’s common shares may be described from time to time in the company’s filings with the SEC. All of these risk factors are difficult to predict, are subject to material uncertainties that may affect actual results and may be beyond the company’s control. Readers are cautioned that it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results and that the above list should not be considered to be a complete list. Except as required by the federal securities laws, the company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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