

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-12255

YELLOW CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

48-0948788

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

10990 Roe Avenue, P.O. Box 7563, Overland Park, Kansas

66207

(Address of principal executive offices)

(Zip Code)

(913) 696-6100

(Registrant's telephone number, including area code)

No Changes

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class

Outstanding at October 31, 2002

Common Stock, \$1 Par Value Per Share

29,381,181 shares

YELLOW CORPORATION

INDEX

Item	Page
---	----
PART I 1.	
Financial Statements Consolidated Balance Sheets - September 30, 2002 and December 31, 2001 3	
Statements of Consolidated Operations - Three and Nine Months Ended September 30, 2002 and 2001 4	
Statements of Consolidated Cash Flows - Nine Months Ended September 30, 2002 and 2001 5	
Notes to Consolidated Financial Statements 6	
2. Management's Discussion and Analysis of Financial Condition and Results of Operations 15	
3. Quantitative and Qualitative Disclosures About Market Risk 22	
4. Controls and Procedures 24	
PART II 1.	
1. Legal Proceedings 25	
2. Changes in Securities and Use of Proceeds 25	
3. Defaults Upon Senior Securities 25	
4. Submission of Matters to a Vote of Security Holders 25	
5. Other Information 25	
6. Exhibits and Reports on Form 8-K 25	
Signatures 28	

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
 Yellow Corporation and Subsidiaries
 (Amounts in thousands except per share data)
 (Unaudited)

September
 30, December
 31, 2002
 2001 -----

 ASSETS
 CURRENT

ASSETS: Cash
 \$ 16,198 \$
 19,214
 Accounts
 receivable
 294,889
 124,880
 Prepaid
 expenses and
 other 28,254
 75,858
 Current
 assets of
 discontinued
 operations -
 - 92,458 ---

Total
 current
 assets
 339,341
 312,410 ----

PROPERTY AND
 EQUIPMENT:

Cost
 1,665,986
 1,656,298
 Less -
 Accumulated
 depreciation
 1,108,027
 1,096,766 --

Net property
 and
 equipment
 557,959
 559,532 ----

Goodwill and
 other assets
 34,914
 15,345

Noncurrent
 assets of
 discontinued
 operations -
 - 398,490 --

Total assets
 \$ 932,214 \$
 1,285,777
 =====

=====

LIABILITIES

AND

SHAREHOLDERS'

EQUITY

CURRENT

LIABILITIES:

Accounts payable and checks outstanding \$ 83,670 \$ 97,528 Wages and employees' benefits 129,064 103,990 Other current liabilities 105,225 96,740 Current maturities of long-term debt 52 6,281 Current liabilities of discontinued operations - - 64,669 ---

Total current liabilities 318,011 369,208 ----

OTHER LIABILITIES:

Long-term debt 84,300 213,745 Deferred income taxes 36,129 33,868 Claims, insurance and other 125,815 110,326 Noncurrent liabilities of discontinued operations - - 67,641 ---

Total other liabilities 246,244 425,580 ----

SHAREHOLDERS'

EQUITY:

Common stock, \$1 par value per share 31,464 31,028 Capital surplus

72,701
41,689
Retained earnings
311,279
537,496
Unamortized restricted stock awards
(1,175) --
Accumulated other comprehensive income
(loss)
(5,008)
(6,252)
Treasury stock
(41,302)
(112,972) --

Total shareholders' equity
367,959
490,989 ----

Total liabilities and shareholders' equity \$
932,214 \$
1,285,777
=====
=====

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED OPERATIONS
Yellow Corporation and Subsidiaries
For the Three and Nine Months Ended September 30, 2002 and 2001
(Amounts in thousands except per share data)
(Unaudited)

Three Months
Nine Months -

2002 2001
2002 2001 ---

OPERATING
REVENUE \$
682,473 \$
639,462 \$
1,907,336 \$
1,904,599 ---

OPERATING
EXPENSES:
Salaries,
wages and
benefits
444,659
417,999
1,264,680
1,243,225
Operating
expenses and
supplies
97,808
101,698
271,629
309,090
Operating
taxes and
licenses
18,849 18,849
55,950 57,522
Claims and
insurance
14,881 14,203
45,103 42,056
Depreciation
and
amortization
20,517 18,905
58,928 57,756
Purchased
transportation
66,559 55,726
181,276
157,616
Unusual items
5,718 (734)
7,421 1,009 -

----- Total
operating
expenses
668,991
626,646
1,884,987
1,868,274 ---

----- INCOME
FROM
OPERATIONS
13,482 12,816
22,349 36,325

NONOPERATING
(INCOME)
EXPENSES:
Interest
expense 1,306
2,320 5,053
6,157 ABS
facility
charges 756
1,782 2,225
6,855 Loss on
equity method
investment --
1,344 --
5,741 Other,
net (54)
(580) (256)
(1,340) -----

Nonoperating
expenses, net
2,008 4,866
7,022 17,413

INCOME FROM
CONTINUING
OPERATIONS
BEFORE INCOME
TAXES 11,474
7,950 15,327
18,912 INCOME
TAX PROVISION
4,177 2,802
5,549 7,395 -

INCOME FROM
CONTINUING
OPERATIONS
7,297 5,148
9,778 11,517
Income (loss)
from
discontinued
operations,
net (48,578)
1,330
(117,875)
2,363 -----

- NET INCOME
(LOSS) \$
(41,281) \$
6,478 \$
(108,097) \$
13,880
=====

=====

AVERAGE
 SHARES
 OUTSTANDING-
 BASIC 29,175
 24,497 27,525
 24,234

=====
 =====
 =====
 =====

AVERAGE
 SHARES
 OUTSTANDING-
 DILUTED
 29,523 24,854
 27,882 24,533

=====
 =====
 =====
 =====

BASIC
 EARNINGS
 (LOSS) PER
 SHARE: Income
 from
 continuing
 operations \$
 0.25 \$ 0.21 \$
 0.35 \$ 0.47
 Income (loss)
 from
 discontinued
 operations
 (1.66) 0.05
 (4.28) 0.10 -

----- Net
 income (loss)
 \$ (1.41) \$
 0.26 \$ (3.93)
 \$ 0.57 -----

-- DILUTED
 EARNINGS
 (LOSS) PER
 SHARE: Income
 from
 continuing
 operations \$
 0.25 \$ 0.21 \$
 0.35 \$ 0.47
 Income (loss)
 from
 discontinued
 operations
 (1.65) 0.05
 (4.23) 0.10 -

----- Net
 income (loss)
 \$ (1.40) \$
 0.26 \$ (3.88)
 \$ 0.57 -----

--

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS
Yellow Corporation and Subsidiaries
For the Nine Months Ended September 30, 2002 and 2001
(Amounts in thousands)
(Unaudited)

2002 2001 -----

OPERATING
ACTIVITIES: Net
income (loss)
\$(108,097) \$
13,880 Noncash
items included
in net income
(loss):
Depreciation
and
amortization
58,928 57,756
Loss (income)
from
discontinued
operations
117,875 (2,363)
Loss on equity
method
investment --
5,741 Deferred
income tax
provision
(benefit)
(3,186) 4,229
Losses from
property
disposals, net
1,257 1,021
Changes in
assets and
liabilities,
net: Accounts
receivable
(73,060)
(7,209)
Accounts
receivable
securitizations,
net (82,000)
8,500 Accounts
payable and
checks
outstanding
(25,777)
(41,051) Other
working capital
items 85,093
(21,840)
Claims,
insurance and
other 15,357
1,303 Other,
net 1,978 (48)
Net change in
operating
activities of
discontinued
operations
17,250 44,776 -

--- Net cash
from operating
activities
5,618 64,695 --

-- INVESTING
ACTIVITIES:
Acquisition of

property and
 equipment
 (59,338)
 (78,753)
 Proceeds from
 disposal of
 property and
 equipment 1,789
 4,124
 Acquisition of
 subsidiaries
 (18,712)
 (14,300) Other
 -- (6,378) Net
 capital
 expenditures of
 discontinued
 operations
 (24,372)
 (14,060) -----

 Net cash used
 in investing
 activities
 (100,633)
 (109,367) -----

**FINANCING
 ACTIVITIES:**
 Increase
 (decrease) in
 long-term debt
 (119,533)
 28,703 Dividend
 from subsidiary
 upon spin-off
 110,790 --
 Proceeds from
 stock options
 and other, net
 6,950 13,983
 Proceeds from
 issuance of
 common stock
 93,792 -- -----

 Net cash
 provided by
 financing
 activities
 91,999 42,686 -

--- NET
 DECREASE IN
 CASH (3,016)
 (1,986) CASH,
 BEGINNING OF
 PERIOD 19,214
 20,877 -----

 CASH, END OF
 PERIOD \$ 16,198
 \$ 18,891
 =====
 =====

**SUPPLEMENTAL
 CASH FLOW
 INFORMATION:**
 Income taxes
 paid, net \$
 6,629 \$ 4,812
 =====
 =====
 Interest paid \$
 9,107 \$ 10,987
 =====
 =====

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Yellow Corporation and Subsidiaries
(unaudited)

1. The accompanying consolidated financial statements include the accounts of Yellow Corporation and its wholly owned subsidiaries (the company or Yellow).

The company has prepared the consolidated financial statements, without audit by independent public accountants, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). In the opinion of management, all normal recurring adjustments necessary for a fair statement of the financial position, results of operations and cash flows for the interim periods included herein have been made. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted from these statements pursuant to SEC rules and regulations. Accordingly, the accompanying consolidated financial statements should be read in conjunction with the consolidated financial statements included in the company's Annual Report on Form 10-K for the year ended December 31, 2001.

2. Yellow Corporation is a holding company with wholly owned operating subsidiaries. Its largest subsidiary, Yellow Transportation, offers a full range of national, regional and international services for the movement of industrial, commercial and retail goods. Meridian IQ is a non-asset based company using Web-native technology to provide customers a single source for transportation management solutions and global shipment management. Yellow Technologies is a captive resource providing innovative technology solutions and services exclusively for Yellow Corporation companies.

On September 30, 2002, the company completed the 100 percent distribution (the spin-off) of all of its shares of SCS Transportation, Inc. (SCST) to Yellow shareholders of record on September 3, 2002. SCST provides regional overnight and second-day less-than-truckload (LTL) and selected truckload (TL) transportation services through two subsidiaries, Saia Motor Freight Line, Inc. (Saia) and Jevic Transportation, Inc. (Jevic). Shares were distributed on the basis of one share of SCST common stock for every two shares of Yellow common stock. As a result of the spin-off, the company's financial statements have been reclassified to reflect SCST as discontinued operations for all periods presented (see Note 3).

3. As required under Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", the company evaluated the carrying value of SCST against the fair value, as determined by the market capitalization of SCST at the spin-off date. The following table presents the net assets (carrying value) of SCST compared to the fair value as determined by the market capitalization (in thousands):

September 30, 2002 --	

Cash \$	
2,383	
Accounts receivable	
99,233	
Other current assets	
18,158	Net
property, plant and equipment	
296,685	
Other assets	
17,925	
Accounts payable and accrued expenses	
(67,175)	
Long-term debt	
(127,100)	
Other liabilities	
(69,342) --	

Total net assets (carrying value)	
170,767	
Fair value at spin-off	
(118,120) -	

Non-cash loss on disposal of SCST \$	
52,647	
=====	

The company's retained earnings on the Consolidated Balance Sheet was impacted by the spin-off at September 30, 2002, as illustrated below (in thousands):

Retained Earnings --	

Balance, December 31, 2001 \$	
537,496	
Income from continuing operations	
- nine months ending 9/30/02	
9,778	
Discontinued operations:	

Income from
continuing
operations
- nine
months
ending
9/30/02
9,947 Loss
on disposal
of SCST
(52,647)
Cumulative
effect of
change in
accounting
for
goodwill
(75,175) --

Loss from
discontinued
operations
(117,875)
Distribution
of SCST at
fair value
(118,120) -

Balance,
September
30, 2002 \$
311,279
=====

Summarized results of operations relating to SCST (as reported in discontinued operations) are as follows (amounts in thousands, except per share data):

	Three Months Ended September 30	Nine Months Ended September 30
	2002	2001
Operating revenue \$	201,155	\$ 195,152
Operating expenses	192,498	188,731
	581,181	\$ 586,764
Income from operations	8,657	6,421
Nonoperating expenses, net	1,635	2,074
	6,386	4,735
Income before income taxes	7,022	4,347
Provision for income taxes	2,953	3,017
	4,241	6,748
Income from continuing operations		

4,069 1,330
9,947 2,363
Loss on
disposal of
SCST
(52,647) --
(52,647) --
Cumulative
effect of
change in
accounting
for
goodwill --
-- (75,175)
-- -----

Income
(loss) from
discontinued
operations
\$ (48,578)
\$ 1,330 \$
(117,875) \$
2,363

=====
=====
=====
=====

Discontinued
operations
basic
earnings
(loss) per
share:

Income from
continuing
operations
\$ 0.14 \$
0.05 \$ 0.36
\$ 0.10 Loss
on disposal
of SCST
(1.80) --
(1.91) --
Cumulative
effect of
change in
accounting
for
goodwill --
-- (2.73) -
- -----

Income
(loss) from
discontinued
operations
\$ (1.66) \$
0.05 \$
(4.28) \$
0.10

=====
=====
=====
=====

Discontinued
operations
diluted
earnings
(loss) per
share:

Income from
continuing
operations
\$ 0.13 \$

0.05	\$	0.36
\$ 0.10	Loss	
on disposal		
of SCST		
(1.78)	--	
(1.89)	--	
Cumulative		
effect of		
change in		
accounting		
for		
goodwill	--	
-- (2.70)	-	

Income		
(loss) from		
discontinued		
operations		
\$ (1.65)	\$	
0.05	\$	
(4.23)	\$	
0.10		
=====		
=====		
=====		
=====		

Management fees and other corporate services previously allocated to SCST were not charged to discontinued operations, as the expenses will continue to be incurred by the company. Interest expense was allocated to discontinued operations based on the overall effective borrowing rate of Yellow applied to the debt reduction realized by Yellow from the spin-off. Interest expense included in discontinued operations was \$1.6 million and \$2.0 million for the three months ended September 30, 2002 and 2001, respectively, and \$4.6 million and \$6.3 million for the nine months ended September 30, 2002 and 2001, respectively.

The company has two reportable segments, which are strategic business units that offer different, but complementary, transportation services to its customers. Yellow Transportation is a unionized carrier that provides comprehensive national, regional and international transportation services. Meridian IQ provides domestic and international freight forwarding, multi-modal brokerage and transportation management services.

The segments are managed separately because each requires different operating and technology strategies. The company evaluates performance primarily on income from operations and return on capital. The accounting policies of the segments are the same as those described in the summary of significant accounting policies in the company's Annual Report on Form 10-K for the year ended December 31, 2001. Management fees and other corporate services are charged to segments based on direct benefit received or allocated based on revenues. The following table summarizes the company's operations by business segment (in thousands):

Yellow	
Corporate	
Transportation	
Meridian IQ	
and Other	
Consolidated	

- - - - -	

----- AS	
of September	
30, 2002	
Identifiable	
assets \$	
856,507 \$	
59,424 \$	
16,283 \$	
932,214 As of	
December 31,	
2001	
Identifiable	
assets \$	
757,484 \$	
17,641 \$	
19,704 \$	
794,829 (1)	
Three months	
ended	
September 30,	
2002	
Operating	
revenue \$	
662,163 \$	
21,522 \$	
(1,212) \$	
682,473	
Income from	
operations	
22,990 27	
(9,535)	
13,482 Three	
months ended	
September 30,	
2001	
Operating	
revenue \$	
636,527 \$	
3,212 \$ (277)	
\$ 639,462	
Income from	
operations	
17,362	
(1,632)	
(2,914)	
12,816 Nine	
months ended	
September 30,	
2002	

Operating
revenue
\$1,855,021 \$
55,866 \$
(3,551)
\$1,907,336
Income from
operations
40,176
(1,944)
(15,883)
22,349 Nine
months ended
September 30,
2001

Operating
revenue
\$1,901,460 \$
4,110 \$ (971)
\$1,904,599
Income from
operations
45,318
(2,651)
(6,342)
36,325

(1) The December 31, 2001 total assets per the Consolidated Balance Sheets include \$490,948 of assets related to discontinued operations not represented above.

The three months and nine months ended September 30, 2001 segment data presented for Meridian IQ represents the results of operations of other non-asset based services. As previously discussed in Note 4, Transportation.com was accounted for under the equity method of accounting during the first eight months of 2001. Accordingly, nonoperating expenses include losses from Transportation.com of \$1.3 million in the third quarter of 2001 and \$5.7 million in the first nine months of 2001. If Transportation.com had been consolidated for all of 2001, Meridian IQ revenue would have been \$7.9 million and \$22.3 million and operating losses would have been \$3.2 million and \$11.9 million for the three months ended September 30, 2001 and nine months ended September 30, 2001, respectively.

7. The difference between average common shares outstanding used in the computation of basic earnings per share and fully diluted earnings per share is attributable to outstanding common stock options and restricted stock awards.

The outstanding stock options of Yellow were adjusted to reflect the impact of the spin-off. For employees who continued employment with Yellow the option remained an option for Yellow common stock with the number of shares covered by the option and related exercise price adjusted to preserve the financial value. For employees who worked for SCST after the spin-off, the Yellow options were cancelled and SCST options were issued to purchase SCST common stock with the number of shares of SCST common stock and exercise price set to preserve the financial value.

Yellow options expire ten years from the initial issue date and vest ratably over the original four-year vesting period. At September 30, 2002, options on 1,741,899 shares were outstanding at a weighted average exercise price of \$17.37 per share and options on 1,120,894 shares were exercisable at a weighted average exercise price of \$17.76 per share. The weighted average remaining contract life on outstanding options at September 30, 2002 was 6.4 years.

8. The company's comprehensive income includes net income, changes in the fair value of an interest rate swap and foreign currency translation adjustments. Comprehensive income (loss) for the three months ended September 30, 2002 and 2001 was \$(41.7) million and \$4.6 million, respectively. Comprehensive income (loss) for the nine months ended September 30, 2002 and 2001 was \$(106.9) million and \$10.3 million, respectively.

9. On June 30, 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (Statement No. 142), that was adopted by the company on January 1, 2002. Statement No. 142 requires that upon adoption and at least annually thereafter, the company assess goodwill impairment by applying a fair value based test. With the adoption of Statement No. 142, goodwill will no longer be subject to amortization.

As a result of the spin-off, results of operations for SCST, including prior year goodwill amortization, are reported under discontinued operations. Meridian IQ had not amortized goodwill in accordance with provisions of Statement No. 142. Therefore, income from continuing operations does not include goodwill amortization for any period presented.

At December 31, 2001 the company had \$100.6 million of goodwill on its Consolidated Balance Sheet, consisting primarily of \$75.2 million remaining from the acquisition of Jevic included in noncurrent assets of discontinued operations. In valuing the goodwill of Jevic the company used an estimate of that business unit's discounted cash flows in measuring whether goodwill was recoverable. Based on this estimate, the company determined that 100 percent of the Jevic goodwill was impaired due to lower business volumes, compounded by a weak economy, and an increasingly competitive business environment. As a result, the company recorded a non-cash charge of \$75.2 million in the first quarter 2002, which was reflected as a cumulative effect of a change in accounting principle. Due to the spin-off, the non-cash charge was reclassified to discontinued operations on the Statement of Consolidated Operations. For a detail of discontinued operations, refer to Note 3.

The carrying amount of goodwill and related changes are (in thousands):

December	
31, 2001	
Impairment	
Adjustment	
Spin-off/ Acquisitions	
September	
30, 2002 --	

-- SCST \$	
89,971 \$	
(75,175) \$	
(14,796) \$	
-- Meridian	
IQ 10,600 -	
- 9,891	
20,491 ----	

-- \$	
100,571 \$	
(75,175) \$	
(4,905) \$	
20,491	

In connection with adopting Statement No. 142, the company also reassessed the useful lives and the classification of its identifiable intangible assets and determined that they continue to be appropriate. The components of amortized intangible assets follow (in thousands):

September
30, 2002
December
31, 2001 --

-- Average
Gross Gross
Life
Carrying
Accumulated
Carrying
Accumulated
(years)
Amount
Amortization
Amount
Amortization

Customer
related 11
\$5,622 \$
171 \$ 317 \$
34
Marketing
related 6
1,550(1) 8
1,963 812
Technology
based 5
1,061 74
231 19 ----

\$8,233 \$
253 \$2,511
\$865

(1) Includes approximately \$0.9 million of trade name fees with an indefinite life.

The gross carrying amount of intangibles at December 31, 2001 included approximately \$2 million of SCST assets and the related accumulated amortization of \$.8 million. SCST intangibles and accumulated amortization are not reflected in the September 30, 2002 balances. Identifiable intangibles of approximately \$7.7 million are reflected in the September 30, 2002 balances as a result of the Meridian IQ acquisitions in the third quarter of 2002.

Amortization expense for intangible assets, as reflected in income from continuing operations, for the three months ended September 30, 2002 was \$121,206, for the nine months ended September 30, 2002 was \$200,717, and is estimated to be \$482,425 for the full year 2002. Estimated amortization expense for the next five fiscal years follows (in thousands):

Estimated
Amortization
Expense ---

2003 \$ 972
2004 942
2005 859
2006 750
2007 606

10. The company incurs rental expenses under noncancelable lease agreements for its buildings and operating equipment. Rental expense is charged to operating expenses and supplies on the Statements of Consolidated

Operations. The following table represents the actual rental expense, as reflected in income from continuing operations, incurred during each period presented (in thousands):

Three Months Ended Nine Months Ended September 30 September 30 2002	2001	2002
2001 ---	---	---
---- ---	---	---
---- ---	---	---
---- ---	---	---
---	---	---
Rental expense		
\$ 8,559	\$8,980	\$25,514
		\$28,033

11. Under current legislation regarding multi-employer pension plans, a termination, withdrawal or partial withdrawal from any multi-employer plan that is in an under-funded status would render the company liable for a proportionate share of such multi-employer plans' unfunded vested liabilities. The company's unionized subsidiary, Yellow Transportation, has no intention of taking any action that would subject the company to present obligations under the legislation. This potential unfunded pension liability also applies to the company's unionized competitors who contribute to multi-employer plans. Based on the limited information available from plan administrators, which the company cannot independently validate, the company believes that its portion of the contingent liability would be material to its financial position and results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the company's Consolidated Financial Statements and the Notes to the Consolidated Financial Statements. MD&A and certain statements in the Notes to Consolidated Financial Statements include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended, (each a "Forward-Looking Statement"). The words "believe," "intends," "expected," "will" and similar expressions, and the negative of those expressions, are intended to identify Forward-Looking Statements. It is important to note that the company's actual future results could differ materially from those projected in Forward-Looking Statements because of a number of factors, including (without limitation), labor relations, inclement weather, price and availability of fuel, competitor pricing activity, expense volatility, changes in and customer acceptance of new technology and a downturn in general or regional economic activity.

FINANCIAL CONDITION

September 30, 2002 Compared to December 31, 2001

The company's liquidity needs arise primarily from capital investment in new equipment, land and structures and information technology, as well as funding working capital requirements. To provide short-term and longer-term liquidity, the company maintains capacity under a bank credit agreement and an asset backed securitization (ABS) agreement involving Yellow Transportation accounts receivable. The company believes that these facilities provide adequate capacity to fund current working capital and capital expenditure requirements. It is not unusual for the company to have a deficit working capital position. The company can operate with a deficit working capital position due to rapid turnover of accounts receivable, effective cash management and ready access to funding.

The ABS facility enables the company to borrow money from the asset-backed commercial paper market at attractive rates. Financing under the ABS facility is provided in two primary steps. The first step is the sale of receivables, with limited recourse, by Yellow Transportation to a special purpose entity, Yellow Receivables Corporation (YRC). YRC is a wholly owned subsidiary of Yellow Transportation designed to protect the assets for bankruptcy purposes. At this stage, all receivables are still reported on the Consolidated Balance Sheets of Yellow Corporation.

The second step is the sale of an undivided interest in the receivables by YRC to a conduit provided by a large financial institution. The

(1) Cash obligations for the remainder of 2002.

(2) The ABS facility renews annually in April; however, the company views this revolving facility as long-term debt, since available capacity exists under the bank credit agreement to refinance the ABS obligations in the unlikely event it is necessary to do so. Although the company has no assurance it will be able to renew the facility, it believes other sources of funding are readily available.

The preceding table is consistent with the manner in which the company communicates its financial position, including measures such as debt-to-capitalization, with investors, creditors and rating agencies.

OTHER
 COMMERCIAL
 COMMITMENTS
 AMOUNT OF
 COMMITMENT
 EXPIRATION
 BY FISCAL
 YEAR 2002
 2003 2004
 2005 2006
 Thereafter
 Total ----
 -- -----

Available
 line of
 credit \$ -
 - \$ --
 \$124.1(1)
 \$ -- \$ --
 \$ --
 \$124.1

Letters of
 credit 6.4
 159.5 -- -
 - - - -
 165.9
 Surety
 bonds --
 48.6 -- --
 -- -- 48.6

Total
 commercial
 commitments
 \$ 6.4
 \$208.1
 \$124.1 \$ -
 - \$ -- \$ -
 - \$338.6
 =====
 =====
 =====
 =====
 =====
 =====
 =====

(1) The line of credit renews in April 2004. Although the company has no assurance it will be able to renew the facility, renewal is completed well in advance of the expiration and the company believes other sources of funding are readily available.

At September 30, 2002, the company had \$10 million in outstanding borrowings against the \$300 million bank credit agreement, which expires in April 2004. This facility is also the source of letters of credit used to provide collateral for the self-insurance programs of the company, primarily in the areas of workers' compensation and auto liability. Letter of credit requirements increased significantly during 2002. Insurance providers increased collateral requirements in response to the events of September 11, 2001 and the bankruptcies of several large companies. In addition, the availability of surety bonds, an alternative form of insurance collateral, has decreased due to the same factors.

The company intends to refinance under the bank credit facility all other debt maturing within one year, (\$11.3 million at September 30, 2002 and \$22.0 million at December 31, 2001), and has classified these amounts as long-term debt on the balance sheet.

The \$85.1 million of other working capital items on the Statement of Consolidated Cash Flows for the nine months ended September 30, 2002 primarily relates to pension and other employee benefits. Included in the change of other working capital is approximately \$40 million due to the amortization of a prefunded benefit contribution for the company's employees covered by collective bargaining agreements, \$16.2 million related to timing of wages and vacation payments, and \$11.3 million due to timing of pension payments (accrued but not paid). Additionally, workers' compensation reserves increased by \$7.3 million for the nine months.

Net capital expenditures for property and equipment, excluding discontinued operations, during the first nine months of 2002 were \$57.5 million, compared to \$74.6 million during the first nine months of 2001. The decrease in capital expenditures is due primarily to timing of revenue equipment purchases in 2002 compared to 2001, and higher spending in 2001 for a large terminal facility at Yellow Transportation. Full year 2002 revenue equipment spending is expected to be near 2001 levels, and total net capital expenditures are expected to be approximately \$90 million.

In April 2002 the company completed the equity offering of 3.4 million shares and a fifteen-percent over-allotment of .5 million shares at a price of \$25.50 per share. The company received \$93.8 million of net proceeds from the offering. The net proceeds were used to repay debt and will provide capacity for investments in the company's growth strategy.

In July 2002, Meridian IQ announced that it had acquired selected assets, consisting primarily of customer contracts, of Clicklogistics for nominal cash consideration and the assumption of certain obligations. Clicklogistics provides non-asset transportation and logistics management services.

In August 2002, Meridian IQ completed the acquisition of MegaSys, a Greenwood, Indiana based provider of non-asset transportation and logistics management services, for approximately \$17 million. MegaSys offers carrier procurement, routing and scheduling, audit and payment and other shipment management capabilities. Meridian IQ employed key members of the MegaSys management team as part of the transaction.

On September 30, 2002, the company successfully completed the 100 percent distribution of all of the shares of SCST to the company's shareholders of record at the close of business on September 3, 2002. Shares were distributed on the basis of one share of SCST common stock for every two shares of Yellow common stock. On September 30, 2002, as part of the spin-off agreement, SCST paid Yellow \$111 million in cash and assumed debt of \$16 million. Yellow used the proceeds to pay down the ABS balance and pay spin-off related fees. In October 2002, SCST paid Yellow an additional \$3 million for a total dividend of \$130 million.

RESULTS OF OPERATIONS

Comparison of Three Months Ended September 30, 2002 and 2001

Net loss for the three months ended September 30, 2002 was \$41.3 million, or \$1.40 per share, compared with net income of \$6.5 million, or \$.26 per share in the third quarter of 2001. The three months ended September 30, 2002 included income from continuing operations of \$7.3 million, income from discontinued operations of \$4.1 million and a non-cash charge of \$52.6 million related to the spin-off of SCST.

Consolidated operating revenue for the third quarter of 2002 was \$682 million, up 6.7 percent from \$639 million in the third quarter of 2001. Consolidated income from operations was \$13.5 million, compared to \$12.8 million in the prior year. The three months ended September 30, 2002 included unusual charges of approximately \$5.3 million of spin-off fees.

On September 3, 2002, Consolidated Freightways (CF) announced it was filing for Chapter 11 bankruptcy. CF was the third largest, national LTL carrier with 2001 annual revenues of approximately \$2 billion. Yellow Transportation followed a disciplined approach regarding assumption of the former CF business. Yellow Transportation evaluated the potential business based on return on investment and available capacity. As a result of this strategic approach, Yellow Transportation has experienced revenue and incremental margin increases, while maintaining quality of service.

Although the closure of CF had and will continue to have an impact on the industry, Yellow Transportation would have reported increased operating income for the third quarter 2002 compared to 2001 without the CF impact. Operating income was \$23.0 million and \$17.4 million for the

three months ended September 30, 2002 and 2001, respectively. Yellow Transportation revenue for the three months ended September 30, 2002 was \$662 million, up \$25.6 million or 4% from \$637 million for the three months ended September 30, 2001. The operating ratio was 96.5 for the third quarter of 2002, compared with 97.3 a year earlier.

Yellow Transportation third quarter 2002 LTL tonnage per day increased by 1.9 percent and the number of LTL shipments per day increased 3.3 percent compared to the third quarter of 2001. The primary reasons for the increase in volumes are increased market share from the CF closure and growth in premium services. LTL revenue per hundred weight, excluding fuel surcharge, for the third quarter of 2002 was up 3.0 percent over the third quarter of 2001.

Higher workers' compensation expenses at Yellow Transportation impacted consolidated operating results. Increased costs per claim and longer duration of cases over the past several years have resulted in the ultimate cost of claims being higher than were originally anticipated. This has occurred despite the continued improvement of safety statistics at Yellow Transportation year over year. On a consolidated basis, workers' compensation costs have increased over \$6.7 million, or nearly 65 percent from the third quarter of last year. The company is adding additional resources aimed at managing and moderating these claims.

The National Master Freight Agreement (the agreement) covering the company's collective-bargaining associates expires on March 31, 2003. Yellow Transportation began formal labor negotiations with the International Brotherhood of Teamsters in October 2002, with a goal to renegotiate the agreement prior to its expiration.

In October 2002, the Environmental Protection Agency issued new engine emission standards that apply to heavy-duty vehicles. Yellow Transportation is testing several units for fuel economy, reliability and performance standards. As Yellow Transportation uses tractors an average of seven years over the road and then converts them to city use for another seven to eight years, the emission standards are not expected to have a material impact on the company's capital expenditures or operating expenses for the remainder of 2002 and 2003.

Meridian IQ was formed in January of this year, and formally launched in March, as the Yellow platform for non-asset-based transportation services. These capabilities include international and domestic freight forwarding services, multi-modal brokerage services and transportation management solutions.

Meridian IQ operating revenue for the third quarter of 2002 was \$21.5 million with slightly profitable income from operations, an improvement from the \$.5 million operating loss in the second quarter of 2002, and consistent with company expectations for this newly formed entity.

Corporate and other expenses were \$9.5 million in the third quarter of 2002, compared to \$2.9 million in the third quarter of 2001. The increase is due to spin-off fees of \$5.3 million, higher incentive compensation accruals of \$0.9 million and professional services and other of \$0.4 million. Spin-off fees include bank fees and external legal and audit services.

Nonoperating expenses were \$2.0 million for the three months ended September 30, 2002 compared to \$4.9 million for the three months ended September 30, 2001. The third quarter of 2001 included a loss on Transportation.com of \$1.3 million and \$2.0 million of higher financing costs, including interest expense and ABS borrowing costs due to higher interest rates and higher average borrowings outstanding. The effective tax rate was 36.4 percent in the third quarter of 2002 compared to 35.2 percent in the third quarter of 2001.

Comparison of Nine Months Ended September 30, 2002 and 2001

Net income (loss) for the nine months ended September 30, 2002 was \$(108.1) million, or \$(3.88) per share, compared with net income of \$13.9 million, or \$.57 per share in the first nine months of 2001. The nine months ended September 30, 2002 included income from continuing operations of \$9.8 million, income from discontinued operations of \$9.9 million, a non-cash charge of \$75.2 million for the impairment of goodwill associated with Jevic and a non-cash charge of \$52.6 million related to the spin-off of SCST, both non-cash charges were recorded in discontinued operations.

Consolidated operating revenue was \$1.9 billion for the nine months ended September 30, 2002 and 2001. Consolidated income from operations was \$22.3 million, compared to \$36.3 million in the prior year.

Yellow Transportation reported operating income of \$40.2 million for the nine months ended September 30, 2002 down from \$45.3 million in 2001. Although effective cost management continues to be a focus, increased workers' compensation costs of approximately \$15 million for the nine months ended September 30, 2002 compared to the nine months ended September 30, 2001, have negatively impacted operating results. Yellow Transportation revenue was \$1.9 billion for the nine months ended September 30, 2002 and 2001. The nine month operating ratio for 2002 was 97.8, compared with 97.6 a year earlier.

Yellow Transportation year-to-date 2002 LTL tonnage per day decreased by 1.3 percent and the number of LTL shipments per day decreased 1.1 percent from the same period in 2001. LTL revenue per hundred weight, excluding fuel surcharge, was up 1.3 percent over the first nine months of 2001.

Meridian IQ operating revenue for the nine months ended September 30, 2002 was \$55.9 million and operating losses were \$1.9 million. Meridian IQ has had consistent revenue and operating income improvement and results are consistent with company expectations for this newly formed entity.

Corporate and other expenses were \$15.9 million in the first nine months of 2002, compared to \$6.3 million in the first nine months of 2001. The increase is due to spin-off fees of \$6.2 million, higher incentive compensation accruals of \$2.0 million and professional services and other of \$1.4 million. Spin-off fees include bank fees and external legal and audit services.

Nonoperating expenses were \$7.0 million for the nine months ended September 30, 2002, compared to \$17.4 million for the nine months ended September 30, 2001. The first nine months of 2001 included a loss on Transportation.com of \$5.7 million and \$5.7 million higher financing costs, including interest expense and ABS borrowing costs, due to higher interest rates and higher average borrowings. The effective tax rate was 36.2 percent for the nine months ended September 30, 2002 and 39.1 percent for the nine months ended September 30, 2001. The decrease in tax rate is due to a variety of factors including the projected full-year profit before tax, the implementation of prudent tax planning strategies and decreased travel and entertainment expenses.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The company is exposed to a variety of market risks, including the effects of interest rates, foreign currency exchange rates and fuel prices. To ensure adequate funding through seasonal business cycles and minimize overall borrowing costs, the company utilizes both fixed rate and variable rate financial instruments with varying maturities.

At September 30, 2002, approximately 48 percent of the company's debt and off-balance sheet financing are at variable rates with the balance at fixed rates. The company uses an interest rate swap to hedge a portion of its exposure to variable interest rates. The company has hedged approximately 72 percent of its variable debt at September 30, 2002.

The table below provides information regarding the company's interest rate risk as of September 30, 2002. For fixed-rate debt, principal cash flows are stated in millions and weighted average interest rates are by contractual maturity. The fair value of fixed-rate debt has been estimated by discounting the principal and interest payments at rates available for debt of similar terms and maturity. The fair value of variable-rate debt is estimated to approximate the carrying amounts due to the fact that the interest rates are generally set for periods of three months or less, and is excluded from the following table. For interest rate swaps, the table presents notional amounts (in millions) and contractual interest rates by instrument.

Financial instruments subject to interest rate market risk as of September 30, 2002:

There- Carrying Fair 2002 2003 2004 2005 2006 After Amount Value ---- -- ----- ----- ----- ----- -----
- Fixed- Rate Debt
\$ -- \$
24.3 \$
16.0 \$
16.4 \$ 7.0
\$ 10.5 \$
74.2 \$
81.7
Average interest rate N/A
6.00%
6.77%
6.58%
6.71%
6.06%
Interest Rate Swap Notional amount -- \$ 50.0(1) -- -- --
- \$ 50.0 \$
52.7 Avg. pay rate (fixed)
N/A 6.06%
N/A N/A
N/A N/A
Avg. receive rate (variable)
N/A 1.79%

N/A N/A
N/A N/A

(1) Interest rate swap on the ABS facility. The variable rate is based on the 3-month LIBOR as of September 30, 2002.

The company's revenues and operating expenses, and assets and liabilities of its Canadian and Mexican subsidiaries are denominated in foreign currencies, thereby creating exposure to fluctuations in exchange rates. The risks related to foreign currency exchange rates are not material to the company's consolidated financial position or results of operations.

Yellow Transportation has implemented an effective fuel surcharge program. These programs are well established within the industry and customer acceptance of fuel surcharges remains high. Since the amount of fuel surcharge is based on average, national diesel fuel prices and is reset weekly, company exposure to fuel price volatility is significantly reduced.

Item 4. Controls and Procedures

The company maintains a rigorous set of disclosure controls and procedures and internal controls designed to ensure that information required to be disclosed in its filings under the Securities and Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. The company's principal executive and financial officers have evaluated its disclosure controls and procedures within 90 days prior to the filing of this Quarterly Report on Form 10-Q and have determined that such disclosure controls and procedures are effective.

Subsequent to the evaluation by the company's principal executive and financial officers, there were no significant changes in internal controls or other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings - None

Item 2. Changes in Securities and Use of Proceeds - None

Item 3. Defaults Upon Senior Securities - None

Item 4. Submission of Matters to a Vote of Security Holders - None

Item 5. Other Information - None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3.1 - Bylaws, as amended on October 25, 2002.

4.1 - Bylaws, as amended on October 25, 2002 (filed above as Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002).

10.1 - Executive Severance Agreement dated as of October 25, 2002, between Yellow Corporation and Daniel J. Churay.

10.2 - Master Separation and Distribution Agreement between Yellow Corporation and SCS Transportation, Inc.

10.3 - Tax Indemnification and Allocation Agreement between Yellow Corporation and SCS Transportation, Inc.

10.4 - Amendment to Revolving Credit Agreement.

99.1 - Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 - Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

On July 19, 2002, a Form 8-K was filed under Item 5, Other Events, which reported that the company announced its Board of Directors had formally approved the terms of the spin-off. The Board of Directors of Yellow anticipated that the spin-off would occur during the third quarter of 2002.

On August 7, 2002, a Form 8-K was filed under Item 9, Regulation FD Disclosure, William D. Zollars, Yellow Corporation's Chief Executive Officer, and Donald G. Barger, Jr., Yellow Corporation's Chief Financial Officer, had each executed a Statement Under Oath of Principal Executive Officer and Principal Financial Officer Regarding Facts and Circumstances Relating to Exchange Act Filings.

On August 12, 2002, a Form 8-K was filed under Item 5, Other Events, which stated that the company received a favorable ruling from the Internal Revenue Service confirming the tax-free nature of the pending spin-off of SCST.

On August 26, 2002, a Form 8-K was filed under Item 5, Other Events, which announced a record date of September 3, 2002, for the spin-off of SCST. Yellow Corporation shareholders of record as of the close of business on September 3, 2002, would receive one share of SCST common stock for every two shares of Yellow common stock.

On September 10, 2002, a Form 8-K was filed under Item 5, Other Events, declaring the Registration Statement on Form 10 for SCST, relating to the spin-off of Yellow's 100 percent interest in SCST, the holding company for its regional operating companies, Saia and Jevic to its shareholders, effective by the SEC.

On September 11, 2002, a Form 8-K was filed under Item 5, Other Events, reporting that following the distribution, on or near October 1, 2002, of the shares of its SCST subsidiary, Yellow would continue to trade on The NASDAQ National Market under the symbol "YELL," and SCST had been approved to trade as a separate issue on The NASDAQ National Market under the symbol "SCST." Yellow further announced that "when issued" trading was expected to develop for both Yellow and SCST during the period beginning September 11, 2002 and end with the distribution date.

On September 30, 2002, a Form 8-K was filed under Item 5, Other Events, announcing the completion of the 100 percent distribution of the shares of SCST to Yellow shareholders of record. SCST shares had been distributed to Yellow shareholders on the basis on one SCST share for every two Yellow shares held on the record date of September 3, 2002.

On October 22, 2002, a Form 8-K was filed under Item 7, Financial Statements and Exhibits, and Item 9, Regulation FD Disclosure. The company made available the unaudited historical consolidated balance sheets as of March 31, 2001, June 30, 2001, September 30, 2001, December 31, 2001, March 31, 2002, June 30, 2002 and September 30, 2002, statements of consolidated operations and statements of consolidated cash flows for the three months ended March 31, 2001, June 30, 2001, September 30, 2001, December 31, 2001, March 31, 2002, June 30, 2002, September 30, 2002, the twelve months ended December 31, 2001, and the nine months ended September 30, 2002. These historical financial statements have been presented to reflect the operations of SCST as a discontinued operation as required by the spin-off of SCST to shareholders on September 30, 2002.

Revenue/shipment
- pickup basis:
 LTL 193.39
191.21 1.1 TL
 1,139.38
1,135.45 0.3
Total 205.04
204.73 0.2

SIGNATURES

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.

YELLOW CORPORATION

Registrant

Date: November 14, 2002

/s/ William D. Zollars

William D. Zollars
Chairman of the Board of
Directors, President & Chief
Executive Officer

Date: November 14, 2002

/s/ Donald G. Barger, Jr.

Donald G. Barger, Jr.
Senior Vice President
& Chief Financial Officer

CERTIFICATION

I, William D. Zollars, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of Yellow Corporation;
- (2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

(6) The registrant's other certifying officer and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/ William D. Zollars

William D. Zollars
Chairman of the Board of
Directors, President & Chief
Executive Officer

CERTIFICATION

I, Donald G. Barger, Jr., certify that:

- (1) I have reviewed this quarterly report on Form 10-Q of Yellow Corporation;
- (2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

(6) The registrant's other certifying officer and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/ Donald G. Barger, Jr.

Donald G. Barger, Jr.
Senior Vice President
& Chief Financial Officer

YELLOW CORPORATION
BYLAWS

(As Amended through October [o], 2002)

ARTICLE I
STOCKHOLDERS

SECTION 1. ANNUAL MEETING

An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held on such date in April and at such location and time of day as the Board of Directors shall each year fix.

SECTION 2. SPECIAL MEETINGS

Special meetings of the stockholders, for any purpose or purposes prescribed in the notice of the meeting, may be called by the Chairman of the Board, Chief Executive Officer or a majority of the Board of Directors and shall be held at the principal office of the company in Overland Park, Kansas on such date, and at such time as they shall fix.

SECTION 3. NOTICE OF MEETING

Written notice of the place, date and time of all meetings of the stockholders shall be given, not less than ten nor more than sixty days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the General Corporation Law of the State of Delaware or the Certificate of Incorporation).

When a meeting is adjourned to another date or time, written notice need not be given of the adjourned meeting if the place, date and time thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more

than fourteen days after the date for which the meeting was originally notice, or if a new record date is fixed for the adjourned meeting, written notice of the place, date and time of the adjourned meeting shall be given in conformity herewith. At any adjourned meeting any business may be transacted which might have been transacted at the original meeting.

SECTION 4. QUORUM

At any meeting of the stockholders, the holders of a majority of the outstanding shares (exclusive of treasury stock) of each class of stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for the transaction of any business, unless or except to the extent that the presence of a larger number may be required by law.

If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the shares of the stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another date or time.

If a notice of any adjourned special meeting of stockholders is sent to all stockholders entitled to vote thereat, stating that it will be held with those present constituting a quorum, then except as otherwise required by law, those present at such adjourned meeting shall constitute a quorum, and all matters shall be determined by a majority of the votes cast at such meeting.

SECTION 5. ORGANIZATION

The Chairman of the Board or, in his absence, the Chief Executive Officer, shall call to order any meeting of the stockholder and act as chairman of the meeting and the Secretary or Assistant Secretary shall act as secretary of the meeting. In the absence of the Secretary or Assistant Secretary of the Corporation, the secretary of the meeting shall be such person as the chairman appoints.

SECTION 6. CONDUCT OF BUSINESS

At an annual meeting of the stockholders, only such business may be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a stockholder.

For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's notice must be received at the principal executive offices of the Corporation not less than 60 days nor more than 90 days prior to the meeting; provided, however, that in the event that less than 70 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made.

To be in proper written form, a stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business.

Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at any annual meeting unless it has been properly brought before the meeting. The Chairman of the annual meeting shall determine whether business has been properly brought before the meeting in accordance with the provisions of this Section 6. If he should determine that it has not, he shall so declare to the meeting. Any business not properly brought before the meeting shall not be transacted.

SECTION 7. PROXIES AND VOTING

At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing filed in accordance with the procedure established for the meeting.

Each stockholder shall have one vote for every share of stock entitled to vote which is registered in his name on the record date for the meeting, except as otherwise required by law or provided in the Certificate of Incorporation or these Bylaws.

All voting, except on the election of directors and where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefor by a stockholder entitled to vote or his proxy, a stock vote shall be taken. Every stock vote shall be taken by ballot, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. Every vote taken by ballot shall be counted by an inspector or inspectors appointed by the chairman of the meeting.

All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law or provided in the Certificate of Incorporation or these Bylaws, all other matters shall be determined by a majority of the votes cast.

SECTION 8. NOTICE OF NOMINATION

Nominations for the election of directors may be made by the Board of Directors or by any stockholder entitled to vote for the election of directors. Such nominations shall be made by notice in writing, delivered or mailed by first class United States mail, postage prepaid, to the Secretary of the Corporation not less than 14 days nor more than 50 days prior to any meeting of the stockholders called for the election of directors; provided, however, that if less than 21 days' notice of the meeting is given to stockholders, such written notice shall be delivered or mailed, as prescribed, to the Secretary of the Corporation not later than the close of the seventh day following the day on which notice of the meeting was mailed to stockholders. Notice of nominations which are proposed by the Board of Directors shall be given by the Chairman on behalf of the Board.

Each notice under the above paragraph shall set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in such notice, (ii) the principal occupation or employment of each such nominee and (iii) the number of shares of stock of the Corporation which are beneficially owned by each such nominee.

The Chairman of the meeting may, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 9. STOCK LIST

A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder

and the number of shares registered in his name shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least ten (10) days prior to the meeting, either at a place within the metropolitan area where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held.

The stock list shall also be kept at the place of the meeting during the whole time thereof and shall be open to the examination of any such stockholder who is present. This list shall presumptively determine the identify of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

ARTICLE II
BOARD OF DIRECTORS

SECTION 1. DIRECTORS

A. NUMBER AND TERM OF OFFICE

The number of directors who shall constitute the whole board shall be nine. Each director shall hold office until his successor is elected and qualified or until his earlier resignation, removal from office or death except as otherwise provided herein or required by law.

Whenever the authorized number of directors is increased between annual meetings of the stockholders, a majority of the directors then in office shall have the power to elect such new directors for the balance of a term and until their successors are elected and qualified. Any decrease in the authorized number of directors shall not become effective until the expiration of the term of the directors then in office unless, at the time of such decrease, there shall be vacancies on the board which are being eliminated by the decrease.

B. CHAIRMAN OF THE BOARD

The Board of Directors shall elect a member of the Board of Directors as Chairman of the Board of Directors (the "Chairman of the Board" or "Chairman") at its first meeting after every annual meeting of stockholders. The Chairman of the Board shall hold office until his successor is elected and qualified or until his earlier resignation, removal from office (as Chairman or director) or death except as other required by law.

The Chairman of the Board shall preside over all meetings of the Board of Directors and meetings of the shareholders and shall undertake such other tasks as he and the Board of Directors shall agree. The Chairman may also serve as an officer with respect to any of the offices described in Article IV hereof, however, the Chairman, solely in his capacity as Chairman of the Board, shall not be deemed an officer of the Corporation.

SECTION 2. VACANCIES

If the office of any director becomes vacant by reason of death, resignation, disqualification, removal or other cause, a majority of the directors remaining in office, although less than a quorum, may elect a successor for the unexpired term and until his successor is elected and qualified.

SECTION 3. REMOVALS

A director may be removed only for cause by a majority vote of the stockholders entitled to vote for the election of directors. If the Chairman, pursuant to the preceding sentence, is removed from his office as director, such removal shall also constitute his removal as Chairman of the Board. The Chairman of the Board may be removed as Chairman (but not as director) at any time, with or without cause, by a majority vote of the Board of Directors. "For cause" shall

mean only such circumstances as described in the last paragraph of Article FIFTH of the Corporation's Certificate of Incorporation.

SECTION 4. REGULAR MEETINGS

Regular meetings of the Board of Directors shall be held at such places or places, on such date or date, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

SECTION 5. SPECIAL MEETINGS

Special meetings of the Board of Directors shall be called upon written request of two directors then in office or by the Chairman of the Board and shall be held at such place, on such date, and at such time as they or he shall fix. Notice of the place, date and time of each such special meeting shall be given each director by whom it is not waived by mailing written notice not less than three days before the meeting or by telegraphing the same not less than eighteen hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

SECTION 6. QUORUM

At any meeting of the Board of Directors, one-third of the total number of the whole board, but not less than two, shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date, or time, without further notice or waiver thereof.

SECTION 7. PARTICIPATION IN MEETINGS BY CONFERENCE TELEPHONE

Members of the Board of Directors, or of any committee thereof, may participate in a meeting of such board or committee by means of conference telephone or similar

communications equipment that enables all persons participating in the meeting to hear each other. Such participation shall constitute presence in person at such meeting and any action duly taken by Directors at such a meeting shall have the same force and effect as if taken at a meeting duly called and attended in person by the Directors.

SECTION 8. CONDUCT OF BUSINESS

At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present, except as otherwise required by law or provided in the Certificate of Incorporation or these Bylaws. Action may be taken by the Board of Directors without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

SECTION 9. POWERS

The Board of Directors may, except as otherwise required by law, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, including, without limiting the generality of the foregoing, the unqualified power:

1. To declare dividends from time to time in accordance with law;
2. To purchase or otherwise acquire any property, rights or privileges on such terms as it shall determine;
3. To authorize the creation, making and issuance, in such form as it may determine, of written obligations of every kind, negotiable or non-negotiable, secured or unsecured, and to do all things necessary in connection therewith;

4. To remove any officer of the Corporation with or without cause, and from time to time transfer the powers and duties of any officer to any other person for the time being;

5. To confer upon any officer of the Corporation the power to appoint, remove and suspend subordinate officers and agents;

6. To adopt from time to time such stock option, stock purchase, bonus or other compensation plans for officers and agents of the Corporation and its subsidiaries as it may determine;

7. To adopt from time to time such insurance, retirement, and other benefit plans for officers and agents of the Corporation and its subsidiaries as it may determine;

8. To adopt from time to time regulations, not inconsistent with these bylaws, for the management of the Corporation's business and affairs; and

9. To adopt from time to time an order of succession designating the officers to perform the duties and exercise the powers of the president in the event of the President's absence, death, inability or refusal to act.

SECTION 10. COMPENSATION OF DIRECTORS

Directors, as such, may receive, pursuant to resolution of the Board of Directors, fixed fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the directors.

ARTICLE III
COMMITTEES

SECTION 1. COMMITTEE OF THE BOARD OF DIRECTORS

The Board of Directors, by resolution, may from time to time designate committees of the Board, each of which shall have the respective powers and duties necessary or proper to carry out the purposes for which appointed, to serve at the pleasure of the board and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternative members who may replace any absent or disqualified member at any meeting of the committee. Any committee so designated may exercise the power and authority of the Board of Directors to declare a dividend or to authorize the issuance of stock if the resolution which designates the committee or a supplemental resolution of the Board of Directors shall so provide. In the absence or disqualification of any members of the committee present at the meeting and not disqualified from voting, whether or not he or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

SECTION 2. CONDUCT OF BUSINESS

Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members, which may be by telephone or telegraph, of all meeting; one-third of the members shall constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum; and all matter shall be determined by a majority vote of the members present. Action

may be taken by any committee without a meeting if all members thereof consent in writing, and the writing or writings are filed with the minutes of the proceedings of such committee.

ARTICLE IV OFFICERS

SECTION 1. GENERALLY

The officers of the Corporation shall consist of a Chief Executive Officer, a President (who may be, but need not be, the Chief Executive Officer), a Secretary and Treasurer. The Board of Directors may elect such additional officers as it deems necessary, including vice presidents, assistant secretaries and assistant treasurers. Officers shall be elected by the Board of Directors, which shall consider that subject at its first meeting after every annual meeting of stockholders. Each officer shall hold his office until his successor is elected and qualified or until his earlier resignation or removal. Any number of offices may be held by the same person.

SECTION 2. CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall be the senior officer of the Corporation and shall be responsible in general for the supervision and control of all the business and affairs of the Corporation.

SECTION 3. PRESIDENT

If the Board of Directors elects a Chief Executive Officer who is not the President, the President shall act in the place of the Chief Executive Officer in his absence or in the event of his death, inability or refusal to act. He shall perform all duties and have all powers which are delegated to him by the Board of Directors or Chief Executive Officer. He shall have power to sign all stock certificates, contracts and other instruments of the Corporation which are authorized. In the event of the absence, death, inability or refusal to act of the President, the

officer designated by the Board of Directors shall perform the duties and exercise the powers of the President.

If the Board of Directors does not elect a Chief Executive Officer, the President shall also perform the duties and exercise the powers of the Chief Executive Officer.

SECTION 4. VICE PRESIDENT

Each vice president shall perform such duties as the Board of Directors shall prescribe.

SECTION 5. TREASURER

The Treasurer shall have charge and custody of all monies and securities of the Corporation, shall in general perform all of the duties commonly incident to the office of Treasurer, and shall perform such other duties as may be assigned him by the Chief Executive Officer, President, or Board of Directors. He shall make such disbursements of the funds of the Corporation as are proper and shall render from time to time an account of all such transactions and of the financial condition of the Corporation.

SECTION 6. SECRETARY

The secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board of Directors. He shall have charge of the corporate minute books.

SECTION 7. DELEGATION OF AUTHORITY

The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

SECTION 8. REMOVAL

Any officer of the Corporation may be removed at any time, with or without cause, by the Board of Directors.

SECTION 9. ACTION WITH RESPECT TO SECURITIES OF OTHER CORPORATIONS

Unless otherwise directed by the Board of Directors, the Chief Executive Officer shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE V INDEMNIFICATION OF DIRECTORS, OFFICERS, AND OTHERS

SECTION 1. RIGHT TO INDEMNIFICATION

a. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he or she or a person for whom he or she is the legal representative is or was a director, officer or employee or agent of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent such amendment permits the corporation to provide broader indemnification

rights than said law permitted the corporation to provide prior to such amendment) against all expenses, liability and loss (including attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith; provided, however, that with respect to any agent or employee, to the extent any such expenses, liabilities or losses are covered by insurance, other than insurance maintained by the corporation, the corporation shall be required to indemnify and hold harmless such agent or employee only to the extent that such expenses, liabilities or losses are not covered by such insurance. Such right shall be a contract right and shall include the right to be paid by the corporation expenses incurred in defending any such proceedings in advance of its final disposition; provided, however, that the payment of such expenses incurred by a director or officer of the corporation in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such proceeding, shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this section or otherwise.

b. Any person who is or was an agent of the corporation, and who would be entitled to be indemnified by the corporation under the circumstances set forth in Section 1(a) but for the fact that such person is not or was not a director, officer or employee of the corporation, may be indemnified by the corporation (but shall not be entitled to be indemnified by the corporation) in a specific case to all or part of the extent set forth in Section 1 (a), if the Board of Directors determines that it is in the best interests of the corporation

to grant such indemnity. Authorization for such indemnity and the extent thereof shall be determined by majority vote of a quorum of the Board of Directors.

SECTION 2. RIGHT OF CLAIMANT TO BRING SUIT

If a claim under Section 1 is not paid in full by the corporation within 90 days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant had not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant had not met the applicable standard of conduct.

SECTION 3. NON-EXCLUSIVITY OF RIGHTS

The rights conferred by Sections 1 and 2 shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 4. INSURANCE

The corporation may maintain insurance, at its expense, to protect itself and any such director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

SECTION 5.

For purposes of this Article, reference to "other enterprise" shall include entities of any kind, including associations, rate bureaus and conferences.

ARTICLE VI STOCK

SECTION 1. CERTIFICATE OF STOCK

Shares of the stock of the Corporation may be represented by certificates or uncertificated. Owners of shares of the stock of the Corporation shall be recorded in the share register of the Corporation, and ownership of such shares shall be evidenced by a certificate or book-entry notation in the share register of the Corporation. Any certificates representing such shares shall be signed by, or in the name of the Corporation by, the chairman or vice chairman of the Board of Directors, or the president or a vice president, and by the secretary or any assistant secretary, if one be appointed, or the treasurer or an assistant treasurer of the Corporation,

certifying the number of shares represented by the certificate owned by such stockholder in the Corporation. Any or all of the signatures on the certificate may be facsimile.

SECTION 2. TRANSFERS OF STOCK

Upon surrender to the Corporation, or the transfer agent of the Corporation, of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to issue a new certificate or other evidence of such new shares to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Uncertificated shares shall be transferred in the share register of the Corporation upon the written instruction originated by the appropriate person to transfer the shares.

SECTION 3. TRANSFER AND CHANGE OF ADDRESS

Title to a certificate and to the shares represented thereby can be transferred only:

(1) By delivery of the certificates, endorsed either in blank or to a specific person, by the person appearing in the certificate to be the owner of the shares represented thereby; or

(2) By delivery of the certificate and a separate document containing a written assignment of the certificate or a power of attorney to sell, assign or transfer the same of the shares represented thereby, signed by the person appearing by the certificates to be the owner of the shares represented thereby. Such assignment or power of attorney may be either in blank or to a specified person.

SECTION 4. CHANGE OF ADDRESS

Stockholders shall be responsible for notifying in writing the secretary, or the transfer agent or registrar as the case may be, if appointed by resolution of the Board, of any changes in their addresses from time to time, and failure to do so shall relieve the Corporation, its shareholders, directors, officers and the transfer agent and/or registrar, if any, of liability, for failure to direct notices, dividends, or other documents or property to an address other than the one appearing in the records of the secretary, or, if appointed, the transfer agent or registrar.

SECTION 5. RECORD DATE

The Board of Directors may fix a record date, which shall not be more than sixty or less than ten days before the date of any meeting of stockholders, nor more than sixty days prior to the time for the other action hereinafter described, as of which there shall be determined the stockholders who are entitled: to notice of or to vote at any meeting of stockholders or any adjournment thereof; to receive payment of any dividend or other distribution or allotment of any rights; or to exercise any rights with respect to any change, conversion or exchange of stock with respect to any other lawful action.

SECTION 6. LOST, STOLEN OR DESTROYED CERTIFICATES

In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to such regulations as the board of directors may establish concerning proof of such loss, theft or destruction and concerning the giving of a satisfactory bond or bonds of indemnity.

SECTION 7. REGULATIONS

The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board of Directors may establish.

SECTION 8. REGISTERED STOCKHOLDER

The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact hereof and, accordingly, shall not be bound to recognize any equitable or other claim or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Delaware.

ARTICLE VII NOTICES

SECTION 1. NOTICES

Whenever notice is required to be given to any stockholder, director, officer, or agent, such requirement shall not be construed to mean personal notice. Such notice may in every instance be effectively given by depositing a writing in a post office or letter box, in a postpaid, sealed wrapper, or by dispatching a prepaid telegram, addressed to such stockholder, director, officer, or agent at his or her address as the same appears on the books of the Corporation. The time when such notice is dispatched shall be at the time of the giving of the notice.

SECTION 2. WAIVERS

A written waiver of any notice, signed by a stockholder, director, officer, or agent, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such stockholders, director, officer, or agent. Neither the business nor the purpose of any meeting need be specified in such a waiver.

ARTICLE VIII
MISCELLANEOUS

SECTION 1. FACSIMILE SIGNATURES

In addition to the provisions for the use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

SECTION 2. CORPORATE SEAL

The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in charge of the secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the treasurer or by the assistant secretary or assistant treasurer.

SECTION 3. RELIANCE UPON BOOKS, REPORTS AND RECORDS

Each director, each member of any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his duties, be fully protected in relying good faith upon the books of accounts or other records of the Corporation, including reports made to the Corporation by any of its officers, by an independent certified public accountant, or by an appraiser with reasonable care.

SECTION 4. FISCAL YEAR

The fiscal year of the Corporation shall be as fixed by the Board of Directors.

SECTION 5. TIME PERIODS

In applying any provisions of these Bylaws which require that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified

number of days after an event, calendar days shall be used, the day of the doing of the act shall be excluded and the day of the event shall be included.

ARTICLE IX
AMENDMENTS

SECTION 1. AMENDMENTS

These Bylaws may be amended or repealed, or new bylaws may be adopted (a) by the affirmative vote of seventy-five percent of the shares issued and outstanding and entitled to vote at any annual or special meeting of stockholders; provided that the notice of such meeting of stockholders whether regular or special, shall specify as one of the purposes thereof the making of such amendment or repeal; or (b) by telling the affirmative vote of the majority of the Board of Directors at any regular or special meeting.

EXECUTIVE SEVERANCE AGREEMENT

AGREEMENT between Yellow Corporation, a Delaware corporation ("Yellow") and Daniel J. Churay (the "Executive"),

WITNESSETH:

WHEREAS, the Compensation Committee of the Board of Directors (the "Board") of Yellow has recommended, and the Board has approved, Yellow entering into severance agreements with key executives of Yellow and its Subsidiaries (hereinafter sometimes collectively referred to as the "Corporation"; and

WHEREAS, the Executive is a key executive of Yellow or one of its subsidiaries and has been selected by the Board as a key executive; and

WHEREAS, should Yellow receive any proposal from a third person concerning a possible Business Combination with, or acquisition of equity securities of, Yellow, the Board believes it important that the Corporation and the Board be able to rely upon the Executive to continue in his position, and that Yellow have the benefit of the Executive performing his duties without his being distracted by the personal uncertainties and risks created by such a proposal;

NOW, THEREFORE, the parties agree as follows:

1. Definitions.
 - (a) "Business Combination" means any transaction which is referred to in any one or more of clauses (a) through (e) of Section 1 of Subparagraph A of Article Seventh of the Certificate of Incorporation of Yellow Corporation.
 - (b) "Cause" means conviction of a felony involving moral turpitude by a court of competent jurisdiction, which is no longer subject to direct appeal, or an adjudication by a court of competent jurisdiction, which is no longer subject to direct appeal, that the Executive is mentally incompetent or that he is liable for willful misconduct in the performance of his duty to the Corporation which is demonstrably and materially injurious to the Corporation.
 - (c) "Change of Control," for the purposes of this Agreement, shall be deemed to have taken place if: (i) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, purchases or otherwise acquires shares of the Corporation after the date hereof and as a result thereof becomes the beneficial owner of shares of the Corporation having 20% or more of the total number of votes that may be cast for election of directors of Yellow; or (ii) as the result of, or in connection with any cash tender or exchange offer, merger or other Business Combination, or contested election, or any combination of the foregoing transactions, the Continuing Directors shall cease to constitute a majority of the Board of Directors of Yellow or any successor to Yellow.
 - (d) "Continuing Director" means a director of Yellow who meets the definition of Continuing Director contained in Section 7 of Subparagraph C of Article Seventh of the Certificate of Incorporation of Yellow Corporation.
 - (e) "Corporation" means Yellow Corporation and its subsidiaries.

- (f) "Normal Retirement Age" means the last day of the calendar month in which the Executive's 65th birthday occurs.
 - (g) "Permanent Disability" means a physical or mental condition which permanently renders the Executive incapable of exercising the duties and responsibilities of the position he held immediately prior to any Change of Control.
 - (h) "Subsidiary" means any domestic or foreign corporation, a majority of whose shares normally entitled to vote in electing directors is owned directly or indirectly by Yellow or by other Subsidiaries.
2. Services During Certain Events. In the event a third person begins a tender or exchange offer, circulates a proxy to shareholders, or takes other steps seeking to effect a Change of Control (as herein defined), the Executive agrees that he will not voluntarily leave the employ of the Corporation without the consent of the Corporation, and will render the services contemplated in the recitals to this Agreement, until the third person has abandoned or terminated his or its efforts to effect a Change of Control or until 90 days after a Change of Control has occurred. In the event the Executive fails to comply with the provisions of this paragraph, the Corporation will suffer damages which are difficult, if not impossible, to ascertain. Accordingly, should the Executive fail to comply with the provisions of this paragraph, the Corporation shall retain the amounts which would otherwise be payable to the Executive hereunder as fixed, agreed and liquidated damages but shall have no other recourse against the Executive.
3. Termination After Change of Control. "Termination" shall include (a) termination by the Corporation of the employment of the Executive with the Corporation within two years after a Change of Control for any reason other than death, Permanent Disability, retirement at or after his Normal Retirement Age, or Cause or (b) resignation of the Executive after the occurrence of any of the following events within two years after a Change of Control of Yellow:
- a) An adverse change of the Executive's title or a reduction or adverse change in the nature or scope of the Executive's authority or duties from those being exercised and performed by the Executive immediately prior to the Change of Control.
 - b) A transfer of the Executive to a location which is more than 35 miles away from the location where the Executive was employed immediately prior to the Change of Control.
 - c) Any reduction in the rate of the Executive's annual salary below his rate of annual salary immediately prior to the Change of Control.
 - d) Any reduction in the level of the Executive's fringe benefits or bonus below a level consistent with the Corporation's practice prior to the Change of Control.
4. Termination of Payments. In the event of a Termination, as defined in Paragraph 3, Yellow shall provide to the Executive the following benefits:
- a) Yellow shall pay to the Executive on or before the Executive's last day of employment with the Corporation, as additional compensation for services

rendered to the Corporation, a lump sum cash amount (subject to the minimum applicable federal, state or local lump sum withholding requirements, if any, unless the Executive requests that a greater amount be withheld) equal to two times the highest base salary and bonuses paid or payable to the Executive by the Corporation with respect to any 12 consecutive month period during the three years ending with the date of the Executive's Termination. In the event there are fewer than 120 whole or partial months remaining from the date of the Executive's Termination to his Normal Retirement Age, the Executive shall be paid three times such highest base salary and bonuses.

- b) During the "Applicable Period" (as hereinafter defined), following the Executive's Termination, the Executive shall be deemed to remain an employee of the Corporation for purposes of the applicable medical, life insurance and long-term disability plans and programs covering key executives of the Corporation and shall be entitled to receive the benefits available to key executives thereunder, provided, however, that in the event the Executive's participation in any such employee benefit plan or program is barred, the Corporation shall arrange to provide the Executive with substantially similar benefits. For purposes of this Agreement, the "Applicable Period" shall mean (i) if there are fewer than 120 whole or partial months remaining from the date of the Executive's Termination to his Normal Retirement Date, three years, or (ii) if subclause (i) above is not applicable, two years.
- c) The Executive shall be entitled to the Gross-Up Payment, if any, described in Paragraph 6.
- 5. Stock-Out of Options. In the event of a Change of Control, the Executive shall receive in exchange for his non-qualified stock options and incentive stock options granted by the Corporation which are outstanding on the date of the Change of Control, common stock of Yellow (or, if Yellow or its successor becomes a subsidiary of another company, common stock of such other company) having a fair market value equal to the fair market value of such stock options on the effective date of the Change of Control (such value to be determined by an independent accounting firm retained by Yellow using a Black-Scholes based pricing formula without giving consideration to the lack of transferability and the risk of forfeiture). Such options shall thereupon terminate. For as long as this Agreement shall be in effect, the provisions of this Paragraph 5 shall be deemed to have amended the terms of any and all existing option agreements between the Executive and the Corporation except any option agreements representing incentive stock options outstanding on the date of this Agreement.

6. Additional Payments by Yellow.

- a) Gross-Up Payment. In the event it shall be determined that any payment or benefit of any type by the Corporation to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (determined without regard to any additional payments required under this Paragraph 6) (the "Total Payments") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any similar tax that may hereafter be imposed) or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments. Payment of the Gross-Up Payment shall be made promptly following the determination by the Accounting Firm as described in subparagraph (b) of this Paragraph 6 or in accordance with subparagraph (c) of this Paragraph 6.
- b) Determination by Accountant. All determinations required to be made under this Paragraph 6, including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by an independent accounting firm retained by Yellow (the "Accounting Firm"), which shall provide detailed supporting calculations both to Yellow and the Executive within 15 business days of the date of Termination, if applicable, or such earlier time as is requested by Yellow. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with an opinion that he has substantial authority not to report any Excise Tax on his federal income tax return. Any determination by the Accounting Firm shall be binding upon Yellow and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by Yellow should have been made ("Underpayment") consistent with the calculations required to be made hereunder. In the event that Yellow exhausts its remedies pursuant to subparagraph (c) of this Paragraph 6 and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by Yellow to or for the benefit of the Executive. Yellow shall promptly pay all expenses of the Accounting Firm pursuant to this Paragraph 6.
- c) Notification Required. The Executive shall notify Yellow in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by Yellow of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive knows of such claim and shall apprise Yellow of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty-day period following the date on which it gives such notice to Yellow (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If Yellow notifies the

Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

- (i) give Yellow any information reasonably requested by Yellow relating to such claim,
 - (ii) take such action in connection with contesting such claim as Yellow shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by Yellow,
 - (iii) cooperate with Yellow in good faith in order to effectively contest such claim,
 - (iv) permit Yellow to participate in any proceedings relating to such claim, provided, however, that Yellow shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this subparagraph (c), Yellow shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund, or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as Yellow shall determine; provided, however, that if Yellow directs the Executive to pay such claim and sue for a refund, Yellow shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, Yellow's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.
- d) Repayment. If, after the receipt by the Executive of an amount paid or advanced by Yellow pursuant to this Paragraph 6, the Executive becomes

entitled to receive any refund with respect to such claim, the Executive shall (subject to Yellow's complying with the requirements of this Paragraph 6), promptly pay to Yellow the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount paid or advanced by Yellow pursuant to this Paragraph 6, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and Yellow does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty days after such determination, then such payment or advance shall be forgiven and shall not be required to be repaid and the amount of such payment or advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

7. General.

- a) Arbitration. Any dispute between the parties hereto arising out of, in connection with, or relating to this Agreement or the breach thereof shall be settled by arbitration in Overland Park, Kansas, in accordance with the rules then in effect of the American Arbitration Association ("AAA"). Arbitration shall be the exclusive remedy for any such dispute except only as to failure to abide by an arbitration award rendered hereunder. Regardless of whether or not both parties hereto participate in the arbitration proceeding, any arbitration award rendered hereunder shall be final and binding on each party hereto and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

The party seeking arbitration shall notify the other party in writing and request the AAA to submit a list of 5 or 7 potential arbitrators. In the event the parties do not agree upon an arbitrator, each party shall, in turn, strike on arbitrator from the list, the Corporation having the first strike, until only one arbitrator remains, who shall arbitrate the dispute. The arbitration hearing shall be conducted within 30 days of the selection of an arbitrator or at the earliest date thereafter that the arbitrator is available.

- b) Indemnification. If arbitration occurs as provided for herein and the Executive is awarded more than the Corporation has asserted is due him or otherwise substantially prevails therein, the Corporation shall reimburse the Executive for his reasonable attorneys' fees, costs and disbursements incurred in such arbitration and hereby agrees to pay interest on any money award obtained by the Executive from the date payment should have been made until the date payment is made, calculated at the prime interest rate of NationsBank, N.A., Kansas City, Missouri, in effect from time to time from the date that payment(s) to him should have been made under this Agreement. If the Executive enforces the arbitration award in court, the Corporation shall reimburse the Executive for his reasonable attorneys' fees, costs and disbursements incurred in such enforcement.
- c) Payment Obligations Absolute. Yellow's obligation to pay the Executive the compensation and to make the arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, any setoff, counterclaim, recoupment, defense or other right which the Corporation may have against him or anyone else, except as provided in paragraph 2 hereof. All amounts payable by Yellow hereunder shall be paid

without notice or demand. Each and every payment made hereunder by Yellow shall be final and Yellow will not seek to recover all or any part of such payment from the Executive or from whosoever may be entitled thereto, for any reason whatsoever. The Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment shall in no event affect any reduction of Yellow's obligations to make the payments required to be made under this Agreement.

- d) Continuing Obligations. The Executive shall retain in confidence any confidential information known to him concerning the Corporation and its respective businesses until such information is publicly disclosed.
- e) Successors. This Agreement shall be binding upon and insure to the benefit of the Executive and his estate and the Corporation and any successor of the Corporation, but neither this Agreement nor any rights arising hereunder may be assigned or pledged by the Executive.
- f) Severability. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- g) Controlling Law. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Delaware.
- h) Termination. This Agreement shall terminate if a majority of the Continuing Directors determines that the Executive is no longer a key executive and so notifies the Executive; except that such determination shall not be made, and if made shall have no effect, (i) within two years after the Change of Control in question or (ii) during any period of time when Yellow has knowledge that any third person has taken steps reasonably calculated to effect a Change of Control until, in the opinion of a majority of the Continuing Directors the third person has abandoned or terminated his efforts to effect a Change of Control. Any decision by a majority of the Continuing Directors that the third person has abandoned or terminated his efforts to effect a Change of Control shall be conclusive and binding on the Executive.

IN WITNESS WHEREOF, the parties have executed this Agreement on the
_____ day of _____, _____.

EXECUTIVE:

YELLOW CORPORATION

ATTEST:

=====

MASTER SEPARATION AND DISTRIBUTION AGREEMENT

DATED AS OF SEPTEMBER 30, 2002

BETWEEN

YELLOW CORPORATION

AND

SCS TRANSPORTATION, INC.

=====

TABLE OF CONTENTS

PAGE

RECITALS.....1

ARTICLE I

PLAN OF DISTRIBUTION

1.1 The Distribution.....2
1.2 Conditions to Distribution.....2
1.3 Sale of Fractional Shares.....4
1.4 Sole Discretion of Yellow.....4
1.5 Termination of Obligations.....5

ARTICLE II

DIVISION OF ASSETS AND LIABILITIES

2.1 Transfer of Assets and Liabilities.....5
2.2 Allocated Employees.....6
2.3 Stock Options and Restricted Stock.....7
2.4 Third Party Debt.....7
2.5 Certain Financial Support Arrangements.....7
2.6 Miscellaneous Obligations and Claims.....13

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Yellow.....15
3.2 Representations and Warranties of SCST.....16

ARTICLE IV

RELATED MATTERS

4.1 Access to Information.....17
4.2 Confidentiality.....17
4.3 Indemnification.....18
4.4 Manner of Payments.....19

4.5	Taxes.....	19
4.6	Expenses.....	19
4.7	Non-solicitation.....	19

ARTICLE V

DISPUTE RESOLUTION

5.1	Use of Dispute Resolution; Presumptions.....	20
5.2	Negotiation.....	20
5.3	Non-binding Mediation.....	20
5.4	Proceedings.....	21
5.5	Continuity of Service and Performance.....	21
5.6	Further Assurances.....	21

ARTICLE VI

MISCELLANEOUS

6.1	Survival.....	21
6.2	Entire Agreement.....	21
6.3	Waiver and Modification.....	21
6.4	Notices.....	22
6.5	Counterparts.....	22
6.6	Severability.....	22
6.7	Assignment.....	23
6.8	Choice of Law.....	23
6.9	No Third-Party Beneficiaries.....	23

ARTICLE VII

DEFINED TERMS

7.1	Defined Terms.....	23
-----	--------------------	----

Table of Exhibits

Exhibit A	Form of By-laws
Exhibit B	Form of Amended and Restated Certificate of Incorporation
Exhibit C	Form of Tax Sharing Agreement

MASTER SEPARATION AND DISTRIBUTION AGREEMENT

This Master Separation and Distribution Agreement (this "Agreement") is made and entered into as of the 30th day of September, 2002 by and among Yellow Corporation, a Delaware corporation ("Yellow"), and SCS Transportation, Inc., a Delaware corporation and a wholly owned subsidiary of Yellow ("SCST"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in Article VII hereof.

RECITALS

- A. WHEREAS, Yellow is the sole stockholder of SCST, and SCST is the sole stockholder of the operating subsidiaries Saia Motor Freight Line, Inc. ("Saia") and Jevic Transportation, Inc. ("Jevic");
- B. WHEREAS, Yellow's Board of Directors has determined pursuant to an integrated plan to (i) separate SCST, which comprises Yellow's non-union, regional operations, from Yellow's other businesses and operations (the "Separation") and (ii) distribute to Yellow's stockholders on a tax-free basis all of the outstanding shares of SCST's common stock (the "Distribution");
- C. WHEREAS, Yellow's Board of Directors has determined that it is in the best interests of its stockholders to consummate the Separation and the Distribution;
- D. WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the Distribution and certain other agreements that will govern certain matters relating to such transactions (collectively, the "Transactions") and the relationship of Yellow and SCST following the consummation of the Transactions;

NOW, THEREFORE, the parties, intending to be legally bound, agree as follows:

TERMS AND CONDITIONS

In consideration of the mutual covenants herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, it is hereby agreed as follows:

ARTICLE I

PLAN OF DISTRIBUTION

1.1 The Distribution.

(i) Subject to Section 1.2 hereof, Yellow and SCST shall take all reasonable steps necessary and appropriate to cause all conditions to the Distribution to be satisfied and to effect the Distribution. Yellow's Board of Directors will have the sole discretion to determine the Distribution Date, and Yellow will consummate the Distribution subject to the satisfaction or waiver by Yellow's Board of Directors, in its sole discretion, of the conditions set forth in Section 1.2.

(ii) On or prior to the Distribution Date, Yellow will deliver to the Distribution Agent for the benefit of the holders of record of Yellow Common Stock on the Record Date, stock certificates, endorsed by Yellow in blank, representing all of the outstanding shares of SCST Common Stock, and shall cause the transfer agent for the Yellow Common Stock to instruct the Distribution Agent to distribute on the Distribution Date the appropriate number of such shares of SCST Common Stock to each such holder or designated transferee or transferees of such holder.

(iii) Subject to Section 1.3 hereof, each holder of record of Yellow Common Stock (or such holder's designated transferee or transferees) on the Record Date will be entitled to receive in the Distribution that number of shares of SCST Common Stock equal to that number of shares of Yellow Common Stock owned by such holder on the Record Date divided by a number equal to the Distribution Ratio established by Yellow's Board of Directors.

1.2 Conditions to Distribution.

1.2.1 The obligations of each party hereto to consummate the Distribution are subject to the satisfaction or waiver by Yellow in its sole discretion of each of the following conditions:

(i) the simultaneous execution, delivery and performance as required of each of the following:

- (a) this Agreement;
- (b) the Tax Sharing Agreement;

- (c) (1) the execution by SCST on or before the Distribution Date of those certain Debt Agreements listed in paragraph 1.2.1 of the disclosure letter from Yellow to SCST dated the date hereof (the "Disclosure Letter"), each in form, substance and amount satisfactory to Yellow, and (2) on or before the Distribution Date, the payment by SCST to Yellow of a cash dividend or a repayment by SCST to Yellow of intercompany indebtedness (or a combination of the foregoing) from the proceeds of such Debt Agreements, in the approximate amount of \$110.7 million, subject to adjustment on a post-closing basis in the manner set forth in paragraph 1.2.1(i)(c) of the Disclosure Letter (the "Yellow Payment");
- (ii) the Registration Statement shall have been filed and declared effective by the Commission, and there shall be no stop order in effect with respect thereto, and no proceeding for that purpose shall have been instituted or threatened by the Commission;
- (iii) the actions and filings with regard to state securities and blue sky laws of the United States (and any comparable laws under any foreign jurisdictions) shall have been taken and, where applicable, have become effective or been accepted;
- (iv) the SCST Common Stock to be distributed in the Distribution shall have been admitted for trading on The Nasdaq National Market, on official notice of distribution;
- (v) no order, injunction or decree issued by any Government Authority or other legal restraint or prohibition preventing the consummation of the Distribution or any of the other transactions contemplated by this Agreement or the Tax Sharing Agreement shall be threatened, pending or in effect;
- (vi) the Letter Ruling shall have been issued and shall not have been revoked;
- (vii) any material Consents and Governmental Approvals necessary to consummate the Distribution shall have been obtained and be in full force and effect;

- (viii) Yellow's Board of Directors shall be satisfied that the Distribution will be made out of surplus within the meaning of Section 170 of the Delaware General Corporation Law;
- (ix) Yellow's Board of Directors shall have approved the Separation and the Distribution and shall not have abandoned or deferred the Distribution at any time prior to the Record Date;
- (x) Yellow's Board of Directors shall be satisfied that the Distribution does not constitute the conveyance of all or substantially all of the properties or assets of Yellow immediately prior to the Distribution, as contemplated in Section 271 of the Delaware General Corporation Law;
- (xi) the Certificate of Incorporation and By-laws shall be in effect;
- (xii) no other events or developments shall have occurred that, in the sole judgment of Yellow, would result in the Distribution having a material adverse effect on Yellow or its stockholders;
- (xiii) Yellow's Board of Directors shall be satisfied that each of Yellow and SCST will be solvent following the Distribution; and
- (xiv) SCST shall have made the Yellow Payment.

1.3 Sale of Fractional Shares. The Distribution Agent shall not distribute any fractional shares of SCST Common Stock ("Fractional Shares") to any record holder of Yellow Common Stock in connection with the Distribution. The Distribution Agent shall be instructed to aggregate all such Fractional Shares and sell them in an orderly manner promptly after the Distribution Date in the open market at the then-prevailing prices and, after completion of all such sales, distribute a pro rata portion of the gross proceeds from such sales, less appropriate deductions of the amount required to be withheld for federal income tax purposes, to each record holder of Yellow Common Stock who would otherwise have received a Fractional Share. Yellow shall pay all brokerage charges, commissions and transfer taxes attributed to such sale.

1.4 Sole Discretion of Yellow. The conditions set forth in Section 1.2 are for the sole benefit of Yellow and shall not give rise to or create any duty on the part of Yellow or Yellow's Board of Directors to waive or not to waive such conditions or limit in any way Yellow's right to terminate this Agreement or alter the consequences of any such termination. Any determination made by Yellow prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 1.2 shall be conclusive. In addition,

Yellow shall have the sole and absolute discretion to determine the date of consummation of the Distribution (such date, the "Distribution Date"), all terms of the Distribution, including without limitation the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution or related to the Distribution and the timing of and conditions to the consummation of the Distribution. In addition, Yellow may in its sole and absolute discretion at any time and from time to time until the Distribution Date, modify or change the terms of the Distribution, including without limitation accelerating or delaying the timing of the consummation of all or part of the Distribution. SCST shall cooperate with Yellow in all respects to accomplish the Distribution and shall, at Yellow's direction, promptly take any and all actions necessary and desirable to effect the Distribution, including without limitation the registration under the Exchange Act of the SCST Common Stock on an appropriate registration form. Yellow shall in its sole and absolute discretion select any investment bank and managers in connection with the Distribution, as well as any financial printer, solicitation and/or exchange agent and its own outside counsel.

1.5 Termination of Obligations. The obligations of Yellow and SCST under this Agreement shall terminate on a determination by Yellow to terminate the transactions that comprise the Distribution.

ARTICLE II

DIVISION OF ASSETS AND LIABILITIES

2.1 Transfer of Assets and Liabilities.

(a) On the terms and subject to the conditions set forth in this Agreement and with effect as of the Contribution Date, Yellow hereby contributes, assigns, transfers, conveys and delivers to SCST, and shall cause its applicable Subsidiaries to contribute, assign, transfer, convey and deliver to SCST or a member of the SCST Group, all of Yellow's and such applicable Subsidiaries' respective rights, title and interest in and to the assets set forth in paragraph 2.1 of the Disclosure Letter (the "Contributed Assets"). SCST, or the appropriate member of the SCST Group, hereby accepts from Yellow and its Subsidiaries the Contributed Assets.

(b) On the terms and subject to the conditions set forth in this Agreement and with effect as of the Contribution Date, SCST hereby accepts, assumes and agrees faithfully to perform, discharge and fulfill all the liabilities set forth in paragraph 2.1 of the Disclosure Letter (the "Contributed Liabilities") in accordance with their respective terms, and agrees to cause its applicable Subsidiaries to accept, assume, perform, discharge and fulfill all the Contributed Liabilities to be held by its Subsidiaries in accordance with their respective terms. SCST shall thereafter be responsible for all Contributed Liabilities, regardless of

(i) when or where such liabilities arose or arise, (ii) whether the facts on which they are based occurred prior to or subsequent to the date hereof, (iii) where or against whom such liabilities are asserted or determined (including without limitation any liabilities arising out of claims made by Yellow's or SCST's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Yellow Group or the SCST Group), (iv) whether such liabilities were asserted or determined prior to the date hereof, and (v) whether such liabilities arise from or are alleged to arise from negligence, recklessness, violation of law, fraud or misrepresentation by any member of the Yellow Group or the SCST Group or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(c) In the event that at any time or from time to time (whether prior to or after the Contribution Date), any party hereto (or any member of such party's respective Group) shall receive or otherwise possess any asset that is allocated to any other Person pursuant to this Agreement, such party shall promptly transfer, or cause to be transferred, such asset to the Person so entitled thereto. Prior to any such transfer, the party possessing such asset shall hold such asset in trust for any such other party, and upon such transfer each party shall reimburse the other or make financial or other adjustments to remedy any liabilities resulting from such transfer or possession.

2.2 Allocated Employees. As of the Distribution, the employees of Yellow listed in paragraph 2.2 of the Disclosure Letter shall become employees of SCST (the "Allocated Employees"). Yellow shall not be responsible for insurance, employee benefits and other related benefits of the Allocated Employees that accrue from and after the Distribution Date except as may be provided in an individual agreement between Yellow and any Allocated Employee. SCST shall be responsible for all costs associated with the Allocated Employees from and after the Distribution Date. Yellow shall not be responsible for any Cobra benefit, or unemployment or workers' compensation benefit of an employee whose employment ends or whose injury or death occurs while an employee of SCST. SCST shall reimburse Yellow in accordance with the procedures set forth in Section 4.4 if Yellow determines that it has made any direct or indirect payment in respect thereof, including without limitation as a result of adjustment to its insurance rates or government fund payment obligations. SCST's health and life insurance plans will not exclude pre-existing conditions for the Allocated Employees (except to the extent such pre-existing conditions were excluded from the corresponding Yellow plan immediately prior to the Distribution Date), will waive any waiting period requirements for the Allocated Employees, and will waive any evidence of insurability provisions for the Allocated Employees. In addition, SCST's health plans will apply toward any deductible requirements and out-of-pocket maximum limits for the plan year in which the Distribution takes place any amounts paid by an Allocated Employee toward such requirements and limits under the Yellow health plan in which he or she participated during such plan year. SCST shall, and shall cause its Subsidiaries to, grant the Allocated Employees credit for their service

with Yellow and its Subsidiaries prior to the Distribution Date for purposes of eligibility to participate in and vesting in the benefit plans sponsored by SCST and its Subsidiaries.

2.3 Stock Options and Restricted Stock. The outstanding stock options held by Yellow's directors, employees and other parties, including Allocated Employees, to purchase stock of Yellow shall be adjusted in the manner set forth in paragraph 2.3 of the Disclosure Letter. Certain senior officers of Yellow and its Subsidiaries Yellow Transportation, Meridian IQ and Yellow Technologies have received restricted stock grants. All such senior officers who are actively employed by Yellow or any such Subsidiary on the Distribution Date will agree to waive the shares of SCST Common Stock that they would otherwise have received in exchange for additional restricted shares of Yellow Common Stock commensurate in value to the impact of the Distribution on the value of their previous restricted stock grants. The additional grants of restricted stock will be subject to the same restrictions and vesting dates as the original grants.

2.4 Third Party Debt. SCST and/or its subsidiaries shall make all future interest and principal payments on and after the Distribution Date on all Third Party Debt in addition to the Debt Agreements listed in paragraph 1.2.1 of the Disclosure Letter which resides on the books of SCST or its subsidiaries as of the Distribution Date, and SCST shall indemnify and hold Yellow harmless for payment of interest or principal after the Distribution Date in accordance with Section 4.3. Third Party Debt is listed in paragraph 2.4 of the Disclosure Letter.

2.5 Certain Financial Support Arrangements.

2.5.1 Guarantees by Yellow of SCST Obligations. As of the date hereof, Yellow has provided guarantees of certain obligations of SCST and its subsidiaries, the holders, amount and duration of which are set forth in paragraph 2.5.1 of the Disclosure Letter (the "Guarantees"). As of the Distribution Date, Yellow shall cancel all Guarantees which it is permitted to cancel without the consent of any other person in accordance with the documentation governing such Guarantee. With respect to any Guarantees the cancellation of which requires the consent of a third party, SCST shall, subject to the following sentence, use its reasonable best efforts following the Distribution Date to remove such Guarantee by Yellow of obligations of SCST and its Subsidiaries, and SCST shall indemnify and hold Yellow harmless from any damages, claims, monies or other demands incurred by or asserted against Yellow which arise out of, in connection with or with reference to any Guarantee in accordance with Section 4.3. SCST shall not be required to offer monetary compensation to any holder of a Guarantee to secure its release.

Yellow will not extend any Guarantee beyond the end of the term of each obligation as in effect on the date hereof.

2.5.2 Insurance, Collateral and Claims Administration Obligations.

2.5.2.1 Insurance. Responsibility as between SCST and Yellow for any self-insurance, retention, deductible, retrospective premium, or similar items, including without limitation associated administrative expenses and allocated loss adjustment or similar expenses, arising after the Distribution Date under any and all former or current insurance policies maintained by Yellow and related to liabilities or losses of SCST or its Subsidiaries prior to the Distribution Date shall be allocated by Yellow to SCST or Yellow (each of the foregoing being a "party") on a basis not inconsistent with past practices between Yellow and SCST. To the extent that any party pays any expenses that were determined by Yellow to be properly allocable to the other party, such other party shall reimburse the paying party in accordance with the procedures set forth in Section 4.4.

2.5.2.2 Self-Insurance Pool and AIT "Bank". As of the Distribution Date, a calculation shall be made by Yellow of the total of all premiums paid since inception by SCST and its Subsidiaries for coverage under the self-insurance retention pool which has been maintained by Yellow to buy down the self-insurance retentions of Jevic and Saia (and Action Express, Inc. and WestEx, Inc., merged into Saia effective March 4, 2001) from external retention levels of third-party insurance providers. To this amount there shall be added \$1,014,783.00, representing SCST's and its Subsidiaries' shares of the "bank" that has been established with AI Transport, Inc. of Atlanta, Georgia ("AIT") relating to certain third-party liability claims incurred by Yellow and SCST's Subsidiaries over the course of Yellow's insurance arrangements with AIT. All payments made by AIT to Yellow prior to or after the Distribution Date shall be retained solely by Yellow.

From the total derived in the preceding paragraph, there shall be subtracted a sum equal to a calculation made by Yellow of the actual claim payments made by Yellow to resolve claims involving SCST and its Subsidiaries within the self-insurance

retention pool from its inception to the Distribution Date (the sum derived from this calculation hereinafter being referred to as the "Net Ultimate Liability of Yellow" and the calculation being detailed in paragraph 2.5.2.2 of the Disclosure Letter).

After the Distribution Date, claims determined by Yellow to fall within the self-insurance pool that arise out of, in connection with or with reference to activity of SCST and its Subsidiaries prior to the Distribution Date (together the "SCST Excess Liability") shall be paid first by Yellow after the Distribution Date up to the Net Ultimate Liability of Yellow. If and when said Net Ultimate Liability of Yellow is exhausted, all remaining liability for SCST Excess Liability shall be paid by SCST and its Subsidiaries, and SCST shall indemnify Yellow for any claims asserted against Yellow for amounts of SCST Excess Liability in excess of the Net Ultimate Liability of Yellow in accordance with Section 4.3. SCST shall reimburse Yellow in accordance with the procedures set forth in Section 4.4 if Yellow determines that Yellow or any of its Subsidiaries has made any direct or indirect payment in respect of SCST Excess Liability in excess of the Net Ultimate Liability of Yellow.

2.5.2.3 Collateral. In order to cover certain Collateral Requirements (as defined below) of SCST and its Subsidiaries, Yellow has provided letters of credit, indemnity bonds or other collateral to secure certain obligations of SCST and its subsidiaries for self-insurance retention deductibles, retrospective premiums and cash payment for reserves as set forth in paragraph 2.5.2.3 of the Disclosure Letter. With respect to discussion of this issue, the following definitions apply:

- (i) "Collateral" - Letters of credit, indemnity bonds, or any other form of collateral or guaranty which Yellow has or will provide to cover certain collateral requirements of SCST and its Subsidiaries following the Distribution.
- (ii) "Collateral Requirements" - The collateral required by SCST's current or former insurance carriers, sureties, and all states where SCST is currently or has been self-insured for workers' compensation purposes for policy

periods up to and including the March 1, 2002 -
February 28, 2003 policy period.

(iii) "Collateral Cost" -

- (1) Collateral Cost for any fiscal quarter ending on or prior to the second anniversary of the Distribution Date shall equal the sum of the cost billed by third parties to Yellow and its Subsidiaries in connection with providing Collateral as determined by Yellow (such billings in any fiscal quarter, the "Billed Cost").
- (2) Collateral Cost for any fiscal quarter ending after the second anniversary of the Distribution Date and on or prior to the fourth anniversary of the Distribution Date shall equal the sum of (a) the Billed Cost for such fiscal quarter plus (b) 25 basis points multiplied by the average daily face amount of the Collateral for such fiscal quarter as determined by Yellow.
- (3) Collateral Cost for any fiscal quarter ending after the fourth anniversary of the Distribution Date and on or prior to the fifth anniversary of the Distribution Date shall equal the sum of (a) the Billed Cost for such fiscal quarter plus (b) 50 basis points multiplied by the average daily face amount of the Collateral for such fiscal quarter as determined by Yellow.
- (4) Collateral Cost for any fiscal quarter ending after the fifth anniversary of the Distribution Date and on or prior to the sixth anniversary of the Distribution Date shall equal the sum of (a) the Billed Cost for such fiscal quarter plus (b) 75 basis points multiplied by the average daily face amount of the Collateral for such fiscal quarter as determined by Yellow.
- (5) Collateral Cost for any fiscal quarter ending after the sixth anniversary of the Distribution Date and

on or prior to the seventh anniversary of the Distribution Date shall equal the sum of (a) the Billed Cost for such fiscal quarter plus (b) 100 basis points multiplied by the average daily face amount of the Collateral for such fiscal quarter as determined by Yellow.

- (6) Collateral Cost for any fiscal quarter ending after the seventh anniversary of the Distribution Date shall equal the sum of (a) the Billed Cost for such fiscal quarter plus (b) 125 basis points multiplied by the average daily face amount of the Collateral for such fiscal quarter as determined by Yellow.

The Collateral Cost shall be billed on a quarterly basis in arrears following the Distribution Date. If Yellow receives a refund from collateral providers for the Billed Cost of Collateral that SCST has replaced following Yellow's payment of the annual cost of such Collateral, Yellow shall reimburse SCST the amount of such Billed Cost and related premium paid by SCST or any of its Subsidiaries to Yellow or any of its Subsidiaries within 15 calendar days of receipt by Yellow of such refund. Payment of the Collateral Cost by SCST shall be due within 15 calendar days after receipt by SCST of the applicable Yellow bill or invoice.

After the Distribution, Yellow shall leave existing Collateral in place until such Collateral has been released by its holders, except that SCST immediately after the Distribution shall replace \$15 million of the existing Collateral detailed in paragraph 2.5.2.3 of the Disclosure Letter with Collateral obtained by SCST. Notwithstanding the foregoing, in the event that SCST experiences demands for increased Collateral from any of the holders of such Collateral detailed in paragraph 2.5.2.3 of the Disclosure Letter between the Distribution Date and February 28, 2003, Yellow shall either provide such increased Collateral or instruct SCST to provide such increased Collateral with a credit against SCST's replacement Collateral obligation described above, at Yellow's option.

Yellow shall provide no additional Collateral to SCST or any of SCST's Subsidiaries for any insurance or self-insurance obligations arising after February 28, 2003.

Notwithstanding the foregoing, in the event that any holder of any Collateral provided by Yellow redeems or calls such Collateral, SCST shall be required to reimburse Yellow in accordance with the procedures set forth in Section 4.4 and to indemnify and hold Yellow harmless in accordance with Section 4.3.

- 2.5.2.4 Claims Administration Obligations. Yellow and SCST acknowledge that Yellow currently receives invoices for claims administration expenses provided by third-party administrators ("TPAs") that pertain in whole or in part to the handling and disposition of claims on behalf of Saia under SCST's and Saia's insurance programs for years prior to the year ended March 1, 2000. Yellow shall continue to pay such invoices by TPAs after the Distribution Date and SCST and Saia shall be jointly or severally obligated to reimburse Yellow for the portion of such invoices which relate to services performed by TPAs on behalf of Saia. Yellow shall not pay the portion of any such invoices as relate to services performed on behalf of Saia until SCST and/or Saia has verified in writing the correctness of the billing, which SCST or Saia must do within fifteen (15) calendar days of presentment of the invoice by Yellow to SCST. If SCST or Saia does not deliver such written verification on or prior to the date that is fifteen (15) calendar days after the presentment of such invoice, Yellow shall regard SCST as having verified such invoice. Yellow will use its reasonable efforts to contest any such billing on Saia's behalf, and the parties will provide all reasonable cooperation required to resolve any billing disputes. If Yellow and SCST decide not to pay a disputed invoice or to pay only a portion thereof, SCST will indemnify Yellow from any damages or costs incurred by Yellow stemming from such non-payment or partial payment in accordance with Section 4.3. SCST or Saia, as the case may be, shall reimburse Yellow within fifteen (15) calendar days of Yellow's payment of that portion of each TPA invoice that relates to performance by TPAs of services on their behalf.

2.6 Miscellaneous Obligations and Claims. Certain miscellaneous obligations of Yellow and potential claims against third parties exist which shall be divided between Yellow and SCST as follows:

- 2.6.1 Preston Trucking Company, Inc. Claims. Yellow has incurred certain expenses and has filed a claim in bankruptcy to recover such expenses stemming from the bankruptcy of its former subsidiary Preston Trucking Company, Inc. ("Preston"). Any and all expenses incurred stemming from the bankruptcy of Preston, whether already incurred or to be incurred in the future, shall be the sole responsibility of Yellow, and Yellow shall be the sole beneficiary of any payment of the claim in bankruptcy that has been filed by Yellow against Preston, either for amounts already claimed or to be claimed in the future, specifically including any payment or valuation of the Warrant dated July 15, 1998, to purchase shares of Preston, that is presently held by Yellow. Following the Distribution Date, Yellow shall indemnify and hold SCST harmless in accordance with Section 4.3 for claims which in any manner relate to or stem from the bankruptcy of Preston and the former ownership of Preston by Yellow.
- 2.6.2 Luciano Transport Litigation. SCST's Subsidiary Saia is presently engaged in litigation against Luciano Transport, Inc. ("Luciano") and its owner Luis Saia, III relating to unpaid interline receivables that are owed by Luciano to Saia. SCST and/or Saia shall be solely responsible for the future prosecution of any claim against Luciano and/or Luis Saia, III for these unpaid interline receivables after the Distribution and SCST and/or Saia shall be the recipients of any and all judgment, settlement or other recovery ultimately achieved as a result of or in connection with such litigation against Luciano and Luis Saia, III, after the payment to Yellow of all expenses, including without limitation attorneys' fees up to a maximum of \$25,000, that Yellow determines that it or any of its Subsidiaries (other than SCST or Saia) has incurred in the prosecution of this claim prior to the Distribution (together, the "Yellow Luciano Litigation Expenses"). Amounts received by SCST or Saia as a result of or in connection with such litigation shall be paid first to Yellow in full satisfaction of the Yellow Luciano Litigation Expenses, promptly upon receipt thereof by any member of the SCST Group, and then to SCST or another member of the SCST Group.
- 2.6.3 Benesight Litigation. Saia is presently engaged in litigation against Benesight, Inc. ("Benesight") for services previously provided by

Benesight as the TPA of Saia's medical plan. SCST and Saia shall solely be responsible for the future prosecution of any claim against Benesight and SCST and Saia shall be the recipients of any and all judgment, settlement or other recovery ultimately achieved as a result of such litigation against Benesight, after the payment to Yellow of all expenses, including without limitation attorneys' fees up to a maximum of \$20,000, that Yellow determines that it or any of its Subsidiaries (other than SCST or Saia) has incurred in the prosecution of this claim prior to the Distribution (together, the "Yellow Benesight Litigation Expenses"). Amounts received by SCST or Saia as a result of or in connection with such litigation shall be paid first to Yellow in full satisfaction of the Yellow Benesight Litigation Expenses, promptly upon receipt thereof by any member of the SCST Group, and then to SCST or another member of the SCST Group.

- 2.6.4 Remaining Action Express Purchase Obligations. Pursuant to the Purchase Agreement entered into between Dan and David Fulkerson and Yellow for the issued and outstanding shares of Action Express, Inc. (merged into Saia effective March 4, 2001) on November 3, 1998, future sums are due both Dan and David Fulkerson in the form of payments under the terms of their non-compete agreements through January 31, 2006 and January 31, 2005, respectively. The responsibility for all such payments after the Distribution shall rest with SCST and/or Saia, and SCST shall indemnify and hold Yellow harmless for all damages, payments, costs and expenses incurred by Yellow after the Distribution Date which relate in any manner to the Action Express acquisition or claims for damages from the prior owners of Action Express allegedly arising out of said acquisition in accordance with Section 4.3.
- 2.6.5 Jevic Executive Employment and Severance Agreements. In connection with the acquisition by Yellow of Jevic on July 9, 1999, Yellow and Jevic entered into employment agreements (the "Jevic Employment Agreements") with certain senior officers of Jevic, which employment agreements incorporated by reference severance agreements previously entered into between said senior officers and Jevic. The responsibility for any payments under the Jevic Employment Agreements after the Distribution Date shall rest with SCST and Jevic, and SCST shall indemnify and hold Yellow harmless for all damages, payments, costs and expenses incurred by Yellow after the Distribution Date which relate in any manner to claims for damages or payments under the Jevic Employment Agreements in accordance with Section 4.3.

- 2.6.6 Assignment of Rights. Yellow hereby assigns to SCST any rights or claims which Yellow has or may have against any third parties which arise out of the acquisition by Yellow of Jevic, Smalley Transportation Company, Johnson Freight Lines, Inc., and Action Express, Inc., together with any rights or claims arising at any time after any such acquisition.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Yellow. Yellow represents and warrants to SCST as follows:

- (a) Organization and Standing. Yellow is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware.
- (b) Authority and Status. Yellow has full power and authority to execute and deliver this Agreement and the Tax Sharing Agreement, to perform its obligations hereunder and under the Tax Sharing Agreement, and to consummate the transactions contemplated hereby and under the Tax Sharing Agreement without the necessity of any act or consent of any other person. Yellow has taken all necessary and appropriate corporate action, including obtaining all necessary board consents, with respect to the execution, delivery and performance of this Agreement and the Tax Sharing Agreement. This Agreement and the Tax Sharing Agreement to be executed, delivered and performed by Yellow in connection herewith constitute or will, when executed and delivered, constitute the valid and legally binding obligations of Yellow, enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable equitable principles or by bankruptcy, insolvency, reorganization, moratorium or similar laws from time to time affecting the enforcement of creditors' rights generally.
- (c) Litigation. To the knowledge of Yellow, there is no claim, litigation, action, suit or proceeding, administrative or judicial, pending or threatened against Yellow or related to the business or the assets transferred pursuant to this Agreement or the transactions contemplated hereunder, at law or in equity, before any federal, state, local or foreign court or regulatory agency, or other governmental authority, which could result

in the institution of legal proceedings to prohibit or restrain the consummation or performance of this Agreement or the transactions contemplated hereby, or claim damages as a result of this Agreement or the transactions contemplated hereby.

- (d) No Conflict. Neither the execution and delivery of this Agreement and the Tax Sharing Agreement nor compliance with the terms and provisions hereof and thereof, including, without limitation, the consummation of the transactions contemplated hereby and thereby, will conflict with or result in the breach of any term, condition or provisions of Yellow's Certificate of Incorporation or By-laws or applicable law, regulation or court order.

3.2 Representations and Warranties of SCST. SCST represents and warrants to Yellow as follows:

- (a) Organization and Standing. SCST is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware.
- (b) Authority and Status. SCST has full power and authority to execute and deliver this Agreement and the Tax Sharing Agreement, to perform its obligations hereunder and thereunder and consummate the transactions contemplated hereby and thereby without the necessity of any act or consent of any other person. SCST has taken all necessary and appropriate corporate action, including obtaining all necessary board and shareholder consents with respect to the execution, delivery and performance by SCST of this Agreement and of the Tax Sharing Agreement. This Agreement and the Tax Sharing Agreement constitute or will when executed and delivered constitute the valid and legally binding obligation of SCST enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable equitable principles or by bankruptcy, insolvency, reorganization, moratorium or similar laws from time to time affecting the enforcement of creditors' rights generally.
- (c) No Conflict. Neither the execution and delivery of this Agreement and the Tax Sharing Agreement nor the terms and provisions hereof and thereof including, without limitation, the consummation of the transactions contemplated hereby and thereby will conflict with or result in the breach of any term, condition or provisions of the Certificate of Incorporation or By-laws, as amended and restated, or applicable law, regulation or court order.

ARTICLE IV

RELATED MATTERS

4.1 Access to Information.

(a) From and after the Distribution Date, each of Yellow and SCST, on behalf of its respective Group, agrees to provide or cause to be provided to the other Group any Information in the possession or under the control of such Group which the requesting party reasonably needs.

(i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities laws) by a Governmental Authority having jurisdiction over the requesting party;

(ii) for use in any other judicial, regulatory, administrative or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation or other similar requirements, in each case other than claims or allegations that one party to this Agreement has against the other; or

(iii) subject to the foregoing clause (ii), to comply with its obligations under this Agreement or the Tax Sharing Agreement;

provided, however, that in the event that any party hereto determines that any such provision of Information could be commercially detrimental, violate any law or agreement, or waive any attorney-client privilege, the parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence.

(b) Except as otherwise specifically provided for herein, a party providing Information or witnesses to the other hereunder shall be entitled to receive from the recipient, upon the presentation of appropriate invoices therefor, payments for such amounts relating to supplies, out-of-pocket expenses, and such other costs, employee time and disbursements, which may be reasonably incurred in providing such Information or witnesses. Invoices shall be due and payable within fifteen (15) calendar days of receipt. Employee time shall be billed at the involved employee's hourly rate for hourly employees with a four-hour minimum, and salary calculated on a per diem basis for salaried employees with a one calendar day minimum.

4.2 Confidentiality. Each of Yellow and its Subsidiaries (other than SCST and its Subsidiaries) and SCST and its Subsidiaries shall hold and cause each of their respective officers, directors, employees, agents, consultants and advisors to hold, in strict confidence, all non-public information concerning the other party, unless compelled to disclose such

information by judicial or administrative process or, in the opinion of counsel, by the requirements of law (in which case such party shall promptly notify the other party so that the other party may seek a protective order or other appropriate remedy). Each party shall not release or disclose such information to any other person except its auditors, attorneys, financial advisors, bankers, subcontractors and other consultants and advisors who have a need to know, who shall be bound by the provisions of this Section 4.2. Each party shall be deemed to have satisfied its obligations hereunder with respect to confidential information supplied by the other party if it exercises the same care as it does to preserving the confidentiality of its own similar information.

4.3 Indemnification.

(a) Except as otherwise provided in this Agreement, Yellow shall indemnify SCST, its Subsidiaries and their officers, directors, managers, members, employees, agents, affiliates and advisors (collectively, the "SCST Indemnitees") from and against and shall reimburse such SCST Indemnitees in respect of any and all Losses resulting from or arising out of (i) any Yellow Liabilities (whether arising prior to or after the Distribution Date), (ii) the failure of Yellow to perform any of its obligations under this Agreement in any material respect, and (iii) all Liabilities arising out of the business, operations and assets of Yellow and Yellow's Subsidiaries after the Distribution Date.

(b) Except as otherwise provided in this Agreement, SCST shall indemnify Yellow, its Subsidiaries and their officers, directors, managers, members, employees, agents, affiliates and advisors (collectively, the "Yellow Indemnitees") from and against and shall reimburse such Yellow Indemnitees in respect of any and all Losses resulting from or arising out of (i) any of the SCST Liabilities (whether arising prior to or after the Distribution Date), (ii) the failure of SCST to perform any of its obligations under this Agreement in any material respect, and (iii) all Liabilities arising out of the business, operations and assets of SCST and SCST's Subsidiaries after the Distribution Date.

(c) Any Liabilities not allocated to Yellow or its Subsidiaries or to SCST or its Subsidiaries hereunder shall be allocated to either Yellow or SCST by the Chief Executive Officer of Yellow in his sole discretion.

(d) Neither party shall be liable for indemnification with respect to any claim for which indemnification may result hereunder unless the party seeking indemnification (the "Indemnitee") notifies the other party (the "Indemnifying Party") in writing of the nature of the claim in as much detail as is feasible within a reasonable time after the facts giving rise to such claim are known to the Indemnitee. The Indemnifying Party shall be entitled to participate at its own expense in the defense or, if it so elects by a writing delivered to the Indemnitee within thirty (30) calendar days after receipt of such notice, to assume at its own expense the defense of the matter giving rise to the claim for indemnification or of any suit

brought in connection with it. If the Indemnifying Party elects to assume a defense and is reasonably creditworthy or carries insurance so as to make it reasonable to expect it will be able to discharge an adverse judgment, the defense shall be conducted by counsel chosen by it. Only one counsel will be provided for the Indemnitee in any one proceeding regardless of the number of entities or individuals to be indemnified and the Indemnifying Party shall be able to settle if it obtains an unconditional release without limitations on future conduct. If the Indemnitee elects to assume the defense of any such claim or suit and retains such counsel, the Indemnitee shall bear the fees and expenses of its own counsel arising out of any legal service thereafter performed by that counsel. In the event the Indemnitee elects to defend against any such claim it will, so long as the Indemnifying Party is actively engaged in defense of the claim, refrain from paying or compromising the claim and will extend its cooperation and assistance to the Indemnifying Party in its defense against the claim. If the parties hereto or an Indemnitee is unable to agree upon or settle any claim for indemnity, either party or an Indemnitee may submit the Indemnitee claim to the dispute resolution procedure provided for herein. Notwithstanding the foregoing, there shall be no obligation for one party to indemnify the other for any dispute in which the amount in controversy is less than \$5,000.

4.4 Manner of Payments. Except as otherwise provided in this Agreement, any reimbursements or other payments to be made on and after the Distribution Date by any party to any other party hereunder shall be due within fifteen (15) calendar days of the receipt by the owing party of an invoice or other billing documentation accompanied by reasonably detailed supporting information.

4.5 Taxes. Yellow and SCST have entered into a Tax Sharing Agreement regarding their respective rights and obligations with respect to taxes of Yellow and SCST for all periods prior to (or including) the Distribution and certain other tax related matters. In the event of any conflict between the terms of the Tax Sharing Agreement and the terms of this Agreement, the terms of the Tax Sharing Agreement shall prevail.

4.6 Expenses. Except as otherwise provided in this Agreement or the Tax Sharing Agreement, all out-of-pocket expenses incurred in connection with the Distribution up to and including the Distribution Date shall be paid by Yellow. Thereafter, except as otherwise provided in this Agreement or in the Tax Sharing Agreement, each party shall bear its own expenses in connection with the Distribution.

4.7 Non-solicitation. For twenty-four (24) months after the date hereof, Yellow and SCST shall not, directly or indirectly, offer, induce, recruit, solicit, influence or attempt to influence any employee of the other or any of its subsidiaries to terminate his or her employment for the purpose of working for the other (without the prior written consent of the other party). This Section 4.7 shall not prohibit one party from hiring an employee of the other party if such employment is the result of an employee's soliciting employment by the

employing party without any inducement or attempt by the employing party to encourage said employee, or if the employment occurs as a result of a general solicitation for employment by one party not specifically directed at the other party.

ARTICLE V

DISPUTE RESOLUTION

5.1 Use of Dispute Resolution; Presumptions. Except as otherwise set forth in the Tax Sharing Agreement, resolution of any and all disputes arising from or in connection with this Agreement or the Tax Sharing Agreement, whether based on contract, tort or otherwise (collectively, "Disputes"), shall be exclusively governed by and settled in accordance with the provisions of this Article V, it being understood and agreed by SCST that any calculation or determination made by Yellow with respect to or in connection with the Distribution or this Agreement shall be deemed reasonable and binding on SCST absent manifest error.

5.2 Negotiation. The parties shall make a good faith attempt to resolve any Dispute through negotiation. Within fifteen (15) calendar days after notice of a Dispute is given by either party to the other party, each party shall select a negotiating team comprised of vice president-level employees of such party and shall meet within fifteen (15) calendar days after the end of the first fifteen (15) calendar day negotiating period to attempt to resolve the matter. During the course of negotiations under this Section 5.2, all reasonable requests made by one party to the other for Information, including requests for copies of relevant documents, will be honored. The specific format for such negotiations will be left to the discretion of the designated negotiating teams and may include the preparation of agreed upon statements of fact or written statements of position furnished to the other party.

5.3 Non-binding Mediation. In the event that any Dispute arising out of or related to this Agreement is not settled by the parties within fifteen (15) calendar days after the first meeting of the vice president-level negotiating teams under Section 5.2, the parties will attempt in good faith to resolve such Dispute by non-binding mediation in accordance with the American Arbitration Association Commercial Mediation Rules as in effect at such time. Mediation shall be held within thirty (30) calendar days of the end of such fifteen (15) calendar day negotiation period of the negotiating teams. Except as provided in Section 5.4, no litigation for the resolution of such Dispute may be commenced until the parties attempt in good faith to settle the dispute by such mediation in accordance with such rules and either party has concluded in good faith that amicable resolution through continued mediation of the matter does not appear likely. The costs of mediation shall be shared equally by the parties to the mediation. Any settlement reached by mediation shall be recorded in writing, signed by the parties, and shall be binding on them.

5.4 Proceedings. Nothing herein, however, shall prohibit either party from initiating litigation or other judicial or administrative proceedings if there is a substantial likelihood that such party would be substantially harmed by a failure to act during the time that such good faith efforts are being made to resolve the Dispute through negotiation or mediation. In the event that litigation is commenced under this Section 5.4, the parties agree to continue to attempt to resolve any Dispute according to the terms of Section 5.2 and Section 5.3 during the course of such litigation proceedings under this Section 5.4.

5.5 Continuity of Service and Performance. Unless otherwise agreed in writing, the parties will continue to provide service on all of the commitments in this Agreement and the Tax Sharing Agreement during the course of dispute resolution pursuant to the provisions of this Article V with respect to all matters not subject to the Dispute.

5.6 Further Assurances. In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties hereto shall use its reasonable best efforts to (i) execute and deliver such further documents and take such other actions as any other party may reasonably request in order to effectuate the purposes of this Agreement and to carry out the terms hereof, and (ii) take, or cause to be taken, all actions, and to do or cause to be done all things reasonably necessary, proper or advisable under applicable law, regulation and agreements or otherwise to consummate and make effective the transactions contemplated by this Agreement, including without limitation using its reasonable best efforts to obtain any consents and approvals and make any filings and applications necessary or desirable in order to consummate the transactions contemplated by this Agreement.

ARTICLE VI

MISCELLANEOUS

6.1 Survival. The provisions of this Agreement shall survive the Distribution Date.

6.2 Entire Agreement. This Agreement supersedes and cancels any and all previous agreements, written or oral, between the parties relating to the subject matter hereof. This Agreement and the Tax Sharing Agreement express the complete and final understanding of the parties with respect to the subject matter thereto and may not be changed in any way, except as provided in Section 6.3.

6.3 Waiver and Modification. An amendment or modification of this Agreement will be valid and effective only if it is in writing and signed by each party to this Agreement. In addition, a waiver of any duty, obligation or responsibility of a party under this Agreement will be valid and effective only if it is evidenced by writing, signed by or on behalf of the party against whom the waiver or discharge is sought to be enforced. The waiver by either party of

a breach of a provision of this Agreement will not constitute a waiver of the succeeding breach of the provision or a waiver of the provision itself.

6.4 Notices. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or sent by telecopy confirmed receipt, nationally recognized overnight courier, or first class registered or certified mail, return receipt requested, postage pre-paid, addressed to such party at the address set forth below:

If to Yellow to:

10990 Roe Avenue
Overland Park, KS 66211
Fax: (913) 696-6116
Attn: Senior Vice President-Legal and Corporate Secretary
e-mail: dan.churay@yellowcorp.com

If to SCST to:

One Main Plaza
4435 Main Street, Suite 930
Kansas City, MO 64111
Fax: (816) 714-5920
Attn: Vice President and Chief Financial Officer
e-mail: jbellinhausen@scstransportation.com

All notices, request, consents and other communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when receipt acknowledged, if telecopied; on the next business day after timely delivery to the courier, if sent by overnight courier guaranteeing next day delivery; and five business days after being deposited in the mail, postage pre-paid, if mailed.

6.5 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

6.6 Severability. In the event any provision of the Agreement or portion thereof is found to be wholly or partially invalid, illegal or unenforceable in any judicial proceeding, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law as if such provision had been originally incorporated

herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

6.7 Assignment. Neither of the parties shall assign any of its rights or obligations under this Agreement without the prior written consent of the other party.

6.8 Choice of Law. This Agreement shall be interpreted under the laws of the State of Delaware, without giving effect to said state's conflict of laws principles.

6.9 No Third-Party Beneficiaries. This Agreement is not intended to, and does not, create any third-party contractual or other rights. No person or entity shall be deemed to be a third-party beneficiary with respect to this Agreement.

ARTICLE VII
DEFINED TERMS

7.1 Defined Terms.

Defined Term -----	Location in Document -----
Agreement.....	Preamble
AIT.....	2.5.2.2
Allocated Employees.....	2.2
Benesight.....	2.6.3
Billed Cost.....	2.5.2.3
Collateral.....	2.5.2.3
Collateral Cost.....	2.5.2.3
Collateral Requirements.....	2.5.2.3
Contributed Assets.....	2.1
Contributed Liabilities.....	2.1
Disclosure Letter.....	1.2.1
Disputes.....	5.1
Distribution.....	Recitals
Distribution Date.....	1.4
Fractional Shares.....	1.3
Guarantees.....	2.5.1
Indemnifying Party.....	4.3
Indemnitee.....	4.3
Jevic.....	Recitals
Luciano.....	2.6.2
Net Ultimate Liability of Yellow.....	2.5.2.2

Preston.....	2.6.1
Saia.....	Recitals
SCST.....	Preamble
SCST Excess Liability.....	2.5.2.2
SCST Indemnitees.....	4.3
Separation.....	Recitals
TPA.....	2.5.2.4
Transactions.....	Recitals
Yellow.....	Preamble
Yellow Benesight Litigation Expenses.....	2.6.3
Yellow Indemnitees.....	4.3
Yellow Luciano Litigation Expenses.....	2.6.2
Yellow Payment.....	1.2.1

"Action" means any action, claim, suit, arbitration, subpoena, discovery request, proceeding or investigation by or before any court or grand jury, any Governmental Authority or arbitration tribunal.

"By-laws" means the By-laws of SCST, substantially in the form of Exhibit A.

"Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation of SCST, substantially in the form of Exhibit B.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commission" means the Securities and Exchange Commission.

"Consents" means any consents, waivers or approvals from, or notification requirements to, any third parties.

"Contribution Date" means the Distribution Date or such other date as is specified in the applicable section of the Disclosure Letter.

"Debt Agreements" means each of those agreements listed in paragraph 1.2.1 of the Disclosure Letter.

"Distribution Ratio" means the number of shares of Yellow Common Stock that a stockholder must own at the Record Date that will entitle such stockholder to receive one share of SCST Common Stock on the Distribution Date.

"Distribution Time" means 5:00 p.m., New York City time, on the Distribution Date.

"Effective Date" means the date on which the Registration Statement is declared effective by the Commission.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Governmental Approvals" means any notices, reports or other filings to be made to, or any consents, registrations, approvals, permits or authorizations to be obtained from, any Governmental Authority.

"Governmental Authority" means any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority.

"Group" means the Yellow Group or the SCST Group, as the context requires.

"Information" means all administrative records, books, contracts and instruments, and all computer software (excluding any software not owned by Yellow or SCST, as the case may be) and computer data and other owned data and information.

"Information Statement" means the information statement included in the Registration Statement.

"Letter Ruling" means a private letter ruling received from the Internal Revenue Service to the effect that, among other things, the Distribution will qualify as a tax-free distribution for federal income tax purposes under Section 355 of the Code.

"Liabilities" means any and all indebtedness, liabilities or obligations, whether accrued, fixed or contingent, mature or inchoate, known or unknown, reflected on a balance sheet or otherwise, including, but not limited to, those arising under any law, rule, regulation, Action, order, injunction or consent decree of any Governmental Authority or any judgment of any court of any kind or any award of any arbitrator of any kind, and those arising under any contract, commitment or undertaking.

"Losses" means any and all damages, losses, deficiencies, Liabilities, obligations, penalties, judgments, settlements, claims, payments, fines, interest, costs and expenses (including, without limitation, the costs and expenses of any and all Actions and demands, assessments, judgments, settlements and compromises relating thereto and the reasonable costs and expenses of attorneys, accountants, consultants and other professionals' fees and expenses incurred in the investigation or defense thereof or the enforcement of rights hereunder), including direct and consequential damages, but excluding punitive damages (other than punitive damages awarded to any third party against an Indemnified Party).

"Person" means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"Record Date" means the close of business on the date to be determined by Yellow's Board of Directors as the record date for determining stockholders of Yellow entitled to receive shares of SCST Common Stock in the Distribution.

"Registration Statement" means the Registration Statement (No. 001-31401) on Form 10 filed by SCST with the Commission to effect the registration of the SCST Common Stock pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended from time to time.

"SCST Common Stock" means the common stock, par value \$0.001 per share, of SCST, entitled to one vote per share.

"SCST Group" means SCST, each Subsidiary of SCST and each other Person that is either controlled directly or indirectly by SCST immediately after the Distribution Date.

"SCST Liabilities" means any and all Liabilities of SCST or any of its Subsidiaries of any kind or nature to the extent resulting from or arising out of the present, past or future operation or conduct of the business, operations or assets of SCST or of any Subsidiary of SCST, and shall include without limitation:

- (i) Liabilities resulting from or arising out of the Contributed Assets;
- (ii) Liabilities resulting from or arising out of the Contributed Liabilities;
- (iii) Liabilities resulting from or arising out of the Allocated Employees;
- (iv) Liabilities resulting from or arising out of the Guarantees;
- (v) Liabilities allocated to SCST pursuant to Section 2.5.2.1;
- (vi) Liabilities resulting from or arising out of the SCST Excess Liability;
- (vii) Liabilities resulting from or arising out of the Collateral Costs;
- (viii) Liabilities allocated to SCST pursuant to Section 2.5.2.4;
- (ix) Liabilities resulting from or arising out of the litigation described in Section 2.6.2;

- (x) Liabilities resulting from or arising out of the litigation described in Section 2.6.3;
- (xi) Liabilities resulting from or arising out of the litigation described in Section 2.6.4;
- (xii) Liabilities resulting from or arising out of the Jevic Employment Agreements; and
- (xiii) Liabilities resulting from or arising out of the rights and claims described in Section 2.6.6.

"Securities Act" means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"Subsidiary" of any Person means any corporation, partnership, limited liability entity, joint venture or other organization, whether incorporated or unincorporated, of which such Person or a Subsidiary of such Person, or such Person and one or more of its Subsidiaries, (i) directly or indirectly owns or control at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation; (ii) have control, whether contractual or otherwise; (iii) are a general partner, manager or managing member; or (iv) hold a majority of the equity interests.

"Tax Sharing Agreement" means that certain Tax Indemnification and Allocation Agreement by and between Yellow and SCST, substantially in the form of Exhibit C.

"Third Party Debt" means all debt in addition to that evidenced by the Debt Agreements listed in paragraph 1.2.1 of the Disclosure Letter residing on the books of SCST or its subsidiaries as of the Distribution Date and specifically excludes intercompany debt owed by SCST or its subsidiaries directly to Yellow. Third Party Debt is listed in paragraph 2.4 of the Disclosure Letter.

"Yellow Common Stock" means the common stock, par value \$1.00 per share, of Yellow.

"Yellow Group" means Yellow, each Subsidiary of Yellow and each Person (other than any member of the SCST Group) that is either controlled directly or indirectly by Yellow immediately after the Distribution Date.

"Yellow Liabilities" means any and all Liabilities of Yellow or any of its Subsidiaries (other than SCST and its Subsidiaries) of any kind or nature to the extent resulting from or

arising out of the present, past or future operation or conduct of the business, operations or assets of Yellow or of any Subsidiary of Yellow (other than SCST and its Subsidiaries), and shall include Liabilities resulting from or arising out of the claims described in Section 2.6.1.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Master Separation and Distribution Agreement as of the date first above written.

YELLOW CORPORATION

By: /s/ William F. Martin, Jr.

Name: William F. Martin, Jr.
Title: Senior Vice President

SCS TRANSPORTATION, INC.

By: /s/ James J. Bellinghausen

Name: James J. Bellinghausen
Title: Vice President of Finance
and Chief Financial Officer

EXECUTION COPY

TAX INDEMNIFICATION AND ALLOCATION AGREEMENT

THIS TAX INDEMNIFICATION AND ALLOCATION AGREEMENT ("Agreement") is entered into as of September 30, 2002 by and between YELLOW CORPORATION, a Delaware corporation ("Distributing Co."), and SCS TRANSPORTATION, INC., a Delaware corporation ("Controlled Co.") (Distributing Co. and Controlled Co. are sometimes collectively referred to herein as the "Companies"). Capitalized terms used in this Agreement are defined in Section 1 below. Unless otherwise indicated, all "Section" references in this Agreement are to sections of this Agreement.

PRELIMINARY STATEMENTS

A. As of the date hereof, Distributing Co. is the common parent of an affiliated group of corporations, including Controlled Co., which has elected to file consolidated Federal income tax returns.

B. The Companies have agreed to a distribution of all of the capital stock of Controlled Co. on a pro-rata basis to the shareholders of Distributing Co., in order to facilitate the separation of Controlled Co. from Distributing Co. (the "Distribution"). In connection therewith, the Companies have entered into the Master Separation and Distribution Agreement, dated as of September 30, 2002 (the "Distribution Agreement").

C. As a result of the Distribution, Controlled Co. and its Subsidiaries (as determined immediately after the consummation of the Distribution) will cease to be members of the affiliated group of which Distributing Co. is the common parent.

D. The Distribution is intended to qualify as a tax-free distribution to Distributing Co. and its shareholders under Section 355 of the Internal Revenue Code of 1986, as amended.

E. The Companies desire to provide for and agree upon the allocation between the parties of liabilities for Taxes arising prior to, as a result of, and subsequent to the transactions contemplated by the Distribution Agreement, and to provide for and agree upon other matters relating to Taxes.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Definition of Terms. For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings:

"Adjusted" means changed by an Adjustment.

"Adjustment" means with respect to a taxpayer for any Tax Period, any adjustment to such taxpayer's Tax liability (or Taxes paid) or entitlement to Carrybacks, Carryforwards, Tax refunds or credits for such Tax Period resulting from (a) a Final Determination, (b) any settlement or other agreement with a Tax Authority (including, without limitation, an acquiescence to any claim for additional Taxes made by a Tax Authority) or a voluntary payment of Taxes (made in connection with a pending or ongoing Tax Contest or otherwise) or (c) the filing of an amended Tax Return or any claim for refund or credit.

"Adjustment Request" means any formal or informal claim or request filed with any Tax Authority, or with any administrative agency or court, for an Adjustment, including (a) any amended Tax return claiming an Adjustment to the Taxes as reported on a Tax Return or, if applicable, as previously Adjusted, or (b) any claim for refund or credit of Taxes previously paid.

"Affiliate" means any entity that directly or indirectly is "controlled" by the person or entity in question. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise. Except as otherwise expressly provided herein, the term "Affiliate" shall refer to Affiliates of a person as determined immediately after the Distribution. The term "Affiliate" includes Subsidiaries.

"Agreement" shall mean this Tax Indemnification and Allocation Agreement.

"Allocated Federal Tax Liability" shall have the meaning provided in Section 5.1(b)(i).

"Allocated State Tax Liability" shall have the meaning provided in Section 5.3(b)(1)(A).

"Carryback" means any net operating loss, net capital loss, excess tax credit, or other loss, credit or similar Tax item that may or must be carried from one Tax Period to an earlier Tax Period under the Code or other applicable Tax Law.

"Carryforward" means any net operating loss, net capital loss, excess tax credit, or other loss, credit or similar Tax item that may or must be carried from one Tax Period to a later Tax Period under the Code or other applicable Tax Law.

"Code" means the U.S. Internal Revenue Code of 1986, as amended, or any successor law.

"Companies" means Distributing Co. and Controlled Co., collectively, and "Company" means either of Distributing Co. or Controlled Co.

"Consolidated or Combined Income Tax" means any Income Tax computed by reference to the assets or activities of members of more than one Group.

"Consolidated or Combined State Income Tax" means any State Income Tax computed by reference to the assets or activities of members of more than one Group.

"Consolidated or Combined State Income Tax Return" means any Tax Return filed with respect to a Consolidated or Combined State Income Tax.

"Controlled Adjustment" means any proposed Adjustment asserted in a Tax Contest to the extent Controlled Co. would be liable for any resulting Tax under this Agreement or entitled to receive any resulting Tax Benefit under this Agreement (as determined by Distributing Co. in its sole discretion).

"Controlled Group" means Controlled Co. and its Affiliates.

"Controlled Group Indemnified Party" shall mean each member of the Controlled Group and its Affiliates, directors, officers, employees, agents and other representatives.

"Controlled Group Prior Federal Tax Liability" shall have the meaning provided in Section 2.2(b)(ii).

"Controlled Group Prior State Tax Liability" shall have the meaning provided in Section 2.3(b)(ii)(B).

"Controlled Group Recomputed Federal Tax Liability" shall have the meaning provided in Section 2.2(b)(i).

"Controlled Group Recomputed State Tax Liability" shall have the meaning provided in Section 2.3(b)(ii)(A).

"Cumulative Federal Tax Payment" shall have the meaning provided in Section 5.1(b)(ii).

"Cumulative State Tax Payment" shall have the meaning provided in Section 5.3(b)(1)(B).

"Distributing Co. Federal Consolidated Tax Return" means any United States Federal Tax Return for the affiliated group (as that term is defined in Code Section 1504) that includes Distributing Co. as the common parent and includes any member of the Controlled Group.

"Distributing Co. Prohibited Action" means (a) a disposal or discontinuance of the unionized trucking business conducted by Yellow Transportation, Inc. that causes Distributing Co. not to be engaged immediately after the Distribution in the active conduct of a trade or business (within the meaning of Section 355(b)(1)(A) of the Code), (b) a repurchase of Distributing Co. stock by Distributing Co. after the Distribution that does not satisfy the requirements of Section 4.05(1)(b) of IRS Revenue Procedure 96-30 or (c) a merger of Distributing Co. with another corporation, an acquisition by any person (taking into account the provisions of Section 355(e)(4)(C) of the Code) of 50% or more (by vote or value) of the outstanding stock of Distributing Co., or a liquidation of Distributing Co.

"Distributing Co. Tax Opinion" means any written legal opinion rendered to Distributing Co. regarding the U.S. Federal Income Tax treatment of the Distribution and/or any transactions undertaken in preparation for or in contemplation of the Distribution.

"Distributing Group" means Distributing Co. and its Affiliates.

"Distributing Group Indemnified Party" shall mean each member of the Distributing Group and its Affiliates, directors, officers, employees, agents and other representatives.

"Distribution" means the distribution to the shareholders of Distributing Co. of all of the outstanding capital stock of Controlled Co. owned by Distributing Co.

"Distribution Agreement" has the meaning set forth in the recitals hereto.

"Distribution Date" means the date on which the Distribution occurs.

"Distribution Taxes" means any Income Taxes imposed on Distributing Co. with respect to the distribution of the stock of Controlled Co. to the shareholders of Distributing Co. pursuant to Section 311(b) or Section 355 of the Code (including, without limitation, pursuant to Sections 355(d) or (e)) or any similar provision of state, local or non-U.S. Tax Law (but excluding any Income Tax resulting from the triggering of an excess loss account with respect to the stock of Controlled Co., which shall be considered a Restructuring Income Tax), computed without taking into account any available Tax losses or credits (or Carrybacks or Carryforwards) of members of the Distributing Group.

"Federal Income Tax" means any Tax imposed by Subtitle A or F of the Code.

"Final Determination" means (i) a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable, or (ii) any other final disposition, including by reason of the expiration of the applicable statute of limitations or pursuant to Code Sections 1311 through 1313, or comparable provision of state, local, or foreign law.

"Foreign Income Tax" means any Tax imposed by any foreign country or any possession of the United States, or by any political subdivision of any foreign country, or United States possession, which is an income tax as defined in Treasury Regulations Section 1.901-2.

"Group" means the Distributing Group or the Controlled Group, as the context requires.

"Income Tax" means any Federal Income Tax, State Income Tax, or Foreign Income Tax.

"Indemnifiable Loss Claim" shall mean any claim asserted against any Distributing Group Indemnified Party that could give rise to an Indemnifiable Loss, and any related administrative or judicial proceedings.

"Indemnifiable Losses" of a Distributing Group Indemnified Party shall mean: (1) any and all Taxes and other liabilities directly or indirectly asserted against, imposed upon or incurred by such Distributing Group Indemnified Party as a result of the failure or asserted failure of the Distribution to satisfy the requirements of Section 355 of the Code, including, without limitation, any liability of such Distributing Group Indemnified Party arising out of or related to claims asserted against such Distributing Group Indemnified Party by any shareholder participating in the Distribution, whether or not any shareholder participating in the Distribution, or the IRS or any Tax Authority, ultimately is successful in seeking recourse against Distributing Co. or such Distributing Group Indemnified Party, and (2) all related costs and expenses (including, without limitation, reasonable attorneys' fees).

"IRS" means the Internal Revenue Service.

"IRS Letter Ruling" means an IRS private letter ruling, dated August 2, 2002, setting forth IRS rulings regarding certain Tax consequences of the Distribution and certain related transactions, together with any supplemental private letter rulings issued with respect thereto.

"Large Corporate Underpayment Rate" means the rate applicable, from time to time, pursuant to Section 6621(c) of the Code.

"Payment Date" means (i) with respect to any Distributing Co. Federal Consolidated Tax Return, the due date for any required installment of estimated taxes determined under Code Section 6655, the due date (determined without regard to extensions) for filing the return determined under Code Section 6072, and the date the return is filed, and (ii) with respect to any Tax Return for any Consolidated or Combined State Income Tax, the corresponding dates determined under the applicable Tax Law.

"Person" means an individual, partnership, limited liability company, corporation, trust, estate, unincorporated organization or other legal entity (including, without limitation, a government or agency or political subdivision thereof).

"Post-Distribution Period" means any Tax Period beginning after the Distribution Date and, in the case of any Straddle Period, the portion of such Straddle Period beginning the day after the Distribution Date.

"Pre-Distribution Period" means any Tax Period ending on or before the Distribution Date and, in the case of any Straddle Period, the portion of such Straddle Period ending on the Distribution Date.

"Prior Intercompany Tax Allocation Agreements" means any written or oral agreement or any other arrangements relating to the allocation of Taxes existing between or among the Distributing Group and/or the Controlled Group immediately prior to the Distribution (other than this Agreement and the Distribution Agreement and other than any such agreement or arrangement solely between or among entities that are members of a single Group).

"Prohibited Action" shall mean any action inconsistent with any representation made in connection with the IRS Letter Ruling, the Ruling Request or the Distributing Co. Tax Opinion.

"Required Action" shall mean any action necessary to comply with any representation made in connection with the IRS Letter Ruling, the Ruling Request or the Distributing Co. Tax Opinion.

"Responsible Company" means, with respect to any Tax Return, the Company having responsibility for preparing and filing such Tax Return under this Agreement.

"Restructuring Income Taxes" means (i) any Income Taxes (including, without limitation, any Income Taxes resulting from the triggering of deferred intercompany gains or excess loss accounts) imposed on the Distributing Group or the Controlled Group as a result of pre-Distribution transfers of assets (including, without limitation, any stock or other debt or equity interests in entities) or liabilities in connection with the Distribution or any other transactions undertaken in preparation for the Distribution, whether or not liability for such Income Taxes is triggered by the Distribution, and (ii) any Income Taxes imposed on the Distributing Group or the Controlled Group that are not described in clause (i) and that result from the triggering of any deferred intercompany gains or excess loss accounts by virtue of the Distribution, computed under both clause (i) and clause (ii), without taking into account any available Tax losses or credits (or Carrybacks or Carryforwards) of members of the Distributing Group.

"Ruling Request" means the ruling request filed by Distributing Co. with the IRS on April 1, 2002, requesting a ruling from the IRS regarding certain tax consequences of the Distribution and certain related transactions (including all attachments, exhibits, and other materials submitted with such ruling request) and any amendment or supplement to such ruling request.

"Separate Company Tax" means any Tax computed by reference to the assets and activities of a member or members of a single Group, but only if no member of the other Group may be or become liable (directly or secondarily) for such Tax (as determined by Distributing Co. in its sole discretion).

"Stand-Alone Tax Liability" of the Controlled Group with respect to any Distributing Co. Federal Consolidated Tax Return or Consolidated or Combined State Income Tax Return shall mean an amount (which may be positive or negative) equal to the sum of (1) the product of (a) the hypothetical taxable income or loss of the Controlled Group (determined without regard to any exemption amounts allowable under the Code or applicable state, local or non-U.S. law and without any portion of any Tax benefits described in Section 1561 of the Code (or any similar provision of state, local or non-U.S. law)) included in such Distributing Co. Federal Consolidated Tax Return or Consolidated or Combined State Income Tax Return and (b) the marginal federal, state or local income tax rate applicable to the Tax Period in question, less (c) the hypothetical net Tax credits of the Controlled Group included in such Distributing Co. Federal Consolidated Tax Return or Consolidated or Combined State Income Tax Return and (2) the hypothetical alternative minimum tax liability (or similar state, local or non-U.S. tax liability) of the Controlled Group (determined without regard to any exemption amounts allowable under the Code or applicable state, local or non-U.S. law and without any portion of any Tax benefits described in Section 1561 of the Code (or any similar provision of state, local or non-U.S. law)) with respect to such Tax Return. In making the computations required by the preceding sentence, the hypothetical taxable income or loss, net Tax credits and/or alternative minimum Tax liability of the Controlled Group shall be determined as if the Controlled Group had been a separate affiliated, consolidated, combined or unitary group for the Tax Period in question (but not for any other Tax Period), but each Tax Item (including Carrybacks or Carryforwards) of each member of the Controlled Group shall be taken into account to the extent (and only to the extent) such Tax Item was actually utilized in the actual Distributing Co. Federal Consolidated Tax Return or the actual Consolidated or Combined State Income Tax Return in question. Thus, by way of examples, (1) gains and losses of the members of the Controlled Group arising with respect to transactions between a member of the Controlled Group and a member of the Distributing Group shall be taken into account only if and when such Tax Items are taken into account pursuant to Treasury Regulations Section 1.1502-13 in determining the actual Tax Liability on the Distributing Co. Federal Consolidated Tax Return or Consolidated or Combined State Income Tax Return in question and (2) if a deduction, loss or credit of a member of the Controlled Group would have been util-

ized in a hypothetical stand-alone Tax Return of the Controlled Group, but such deduction, loss or credit was not actually utilized (by either a member of the Controlled Group or a member of the Distributing Group) in the actual Distributing Co. Consolidated Federal Tax Return or Consolidated or Combined State Income Tax Return in question, such Tax Item shall not be taken into account in determining Stand-Alone Tax Liability with respect to such Distributing Co. Consolidated Federal Tax Return or Consolidated or Combined State Income Tax Return. All determinations and computations regarding the Stand-Alone Tax Liability of the Controlled Group shall be made by Distributing Co. in its sole discretion.

"State Income Tax" means any Tax imposed by any State of the United States or by any political subdivision of any such State which is imposed on or measured by net income, including state and local franchise or similar Taxes measured by net income.

"Straddle Period" means any Tax Period that begins on or before and ends after the Distribution Date.

"Subsidiary" shall mean, with respect to any entity, any corporation, partnership, joint venture, limited liability company or other entity of which the first entity owns (directly or indirectly) 50% or more of the voting power of such entity or otherwise exercises control of such entity.

"Tax" or "Taxes" means (i) any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers compensation, unemployment, disability, property, ad valorem, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, alternative minimum, estimated or other similar tax (including any fee, assessment, or other charge in the nature of or in lieu of any tax) imposed by any Tax Authority (within or without the United States), (ii) any interest, penalties, additions to tax, or additional amounts in respect of the foregoing and (iii) any transferee, successor, joint and several, contractual or other liability for any item described in clause (i) or clause (ii).

"Tax Authority" means, with respect to any Tax, the jurisdiction (or political subdivision thereof) or governmental entity that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such jurisdiction or governmental entity.

"Tax Benefit" means any refund, credit, or other reduction in otherwise required Tax payments (including any reduction in estimated tax payments).

"Tax Contest" means an audit, examination, or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes of any of the Companies or their Affiliates (including any administrative or judicial review of any Adjustment Request) for any Tax Period ending on or before the Distribution Date or any Straddle Period.

"Tax Item" means, with respect to any Income Tax, any item of income, gain, loss, deduction, and credit.

"Tax Law" means the law of any jurisdiction (or political subdivision thereof) relating to any Tax.

"Tax Period" means, with respect to any Tax, the period for which the Tax is reported as provided under the Code or other applicable Tax Law, including any partial period for which estimated Tax is due.

"Tax Records" means Tax Returns, Tax Return workpapers, documentation relating to any Tax Contests, and any other books of account or records required to be maintained under the Code or other applicable Tax Laws or under any record retention agreement with any Tax Authority.

"Tax Return" means any return or report of Taxes due, any claims for refund of Taxes paid, any information return with respect to Taxes, or any other similar report, statement, declaration, or document required to be filed under the Code or other Tax Law, including any attachments, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

"Transfer Taxes" means any transfer, documentary, stamp, sales, use, real estate transfer, capital or other similar Taxes imposed on members of the Distributing Group or on members of the Controlled Group (or their respective shareholders) in connection with (a) any pre-Distribution transfers of assets (including, without limitation, any stock or other debt or equity interests in entities) or liabilities in connection with the Distribution or any other transactions undertaken in preparation for the Distribution or (b) the Distribution.

"Treasury Regulations" means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

Section 2. Allocation of Tax and Certain Other Liabilities. The provisions of this Section 2 are intended to determine each Company's liability for certain Taxes. Once the liability has been determined under this Section 2, Section 5 determines the time when payment of the liability is to be made, and whether the payment is to be made to the Tax Authority directly or to the other Company. Section 2.5 also provides for indemnification with respect to certain Tax and other matters.

2.1. General Rule.

(a) Distributing Co. Liability. Distributing Co. shall be liable for all Taxes of the Distributing Group not specifically allocated to Controlled Co. under this Section 2. Distrib-

uting Co. shall indemnify and hold harmless the Controlled Group Indemnified Parties from and against any liability for Taxes for which Distributing Co. is liable under this Section 2.1(a) and all related costs and expenses (including, without limitation, reasonable attorneys' fees).

(b) Controlled Co. Liability. Controlled Co. shall be liable for and shall indemnify and hold harmless the Distributing Group Indemnified Parties from and against any liability for Taxes and other amounts allocated to Controlled Co. under this Agreement and all related costs and expenses (including, without limitation, reasonable attorneys' fees).

2.2. Allocation of United States Federal Income Tax. Except as provided in Section 2.5:

(a) Allocation of Tax Relating to Federal Consolidated Tax Returns. With respect to any Distributing Co. Federal Consolidated Tax Return originally filed after the Distribution Date, Controlled Co. shall be liable to Distributing Co. for the Controlled Group's positive Stand-Alone Tax Liability, if any, with respect to such Distributing Co. Federal Consolidated Tax Return. If the Controlled Group has a negative Stand-Alone Tax Liability with respect to any Distributing Co. Federal Consolidated Tax Return described in the preceding sentence, Controlled Co. shall be entitled to a payment from Distributing Co. to the extent provided in the last sentence of Section 5.1(b).

(b) Allocation of Federal Consolidated Tax Return Adjustments. If there is any Adjustment after the Distribution Date to an originally filed Distributing Co. Federal Consolidated Tax Return, or to any such Tax Return as previously Adjusted (before or after the Distribution Date), Controlled Co. shall be liable to Distributing Co. for the excess (if any) of --

(i) the Stand-Alone Tax Liability (whether positive or negative) of the Controlled Group with respect to such Tax Return as so Adjusted (the "Controlled Group Recomputed Federal Tax Liability"); minus

(ii) the Stand-Alone Tax Liability (whether positive or negative) of the Controlled Group with respect to such Tax Return as originally filed (or if applicable, as previously Adjusted) (the "Controlled Group Prior Federal Tax Liability").

If the Controlled Group Prior Federal Tax Liability (whether positive or negative) exceeds the Controlled Group Recomputed Federal Tax Liability (whether positive or negative), Controlled Co. shall be entitled to a payment from Distributing Co. in accordance with Section 5.2(b).

For purposes of this Section 2.2(b), the determination and payment of estimated Taxes (including the determination and payment of any Tax required to be paid with a request for an extension of time to file a Tax Return) shall not be treated as an Adjustment.

2.3. Allocation of State Income Taxes. Except as provided in Section 2.5, State Income Taxes shall be allocated as follows:

(a) Separate Company Taxes. In the case of any State Income Tax which is a Separate Company Tax, Controlled Co. shall be liable for any such Tax imposed on any member of the Controlled Group for any Tax Period.

(b) Consolidated or Combined State Income Taxes. In the case of any Consolidated or Combined State Income Tax, the liability of Controlled Co. with respect to such Tax for any Tax Period shall be computed as follows:

(i) Allocation of Tax Reported on Tax Returns. In the case of any Consolidated or Combined State Income Tax Return originally filed after the Distribution Date, Controlled Co. shall be liable to Distributing Co. for the Controlled Group's positive Stand-Alone Tax Liability, if any, with respect to such Consolidated or Combined State Income Tax Return. If the Controlled Group has a negative Stand-Alone Tax Liability with respect to any Consolidated or Combined State Income Tax Return described in the preceding sentence, Controlled Co. shall be entitled to a payment from Distributing Co. to the extent provided in the last sentence of Section 5.3(b).

(ii) Allocation of Consolidated or Combined State Income Tax Adjustments. If there is any Adjustment after the Distribution Date to an originally filed Consolidated or Combined State Income Tax Return (or to any such Tax Return as previously Adjusted (before or after the Distribution Date)), Controlled Co. shall be liable to Distributing Co. for the excess (if any) of --

(A) the Stand-Alone Tax Liability (whether positive or negative) of the Controlled Group with respect to such Tax Return as so Adjusted (the "Controlled Group Recomputed State Tax Liability"); minus

(B) the Stand-Alone Tax Liability (whether positive or negative) of the Controlled Group with respect to such Tax Return as originally filed (or, if applicable, as previously Adjusted) (the "Controlled Group Prior State Tax Liability").

If the Controlled Group Prior State Tax Liability (whether positive or negative) exceeds the Controlled Group Recomputed State Tax Liability (whether positive or negative), Controlled Co. shall be entitled to a payment from Distributing Co. in accordance with Section 5.4(b)(1).

For purposes of this Section 2.3(b)(ii), the determination and payment of estimated Taxes (including the determination and payment of any Tax required to be paid with a request for an extension of time to file a Tax Return) shall not be treated as an Adjustment.

2.4. Allocation of Other Taxes. Except as provided in Section 2.5, all Taxes other than those specifically allocated pursuant to Sections 2.2 and 2.3 shall be allocated to the legal entity on which the legal incidence of the Tax is imposed and Controlled Co. shall be liable for all Taxes imposed on any member of the Controlled Group. The Companies believe that there is no Tax not specifically allocated pursuant to Sections 2.2, 2.3 or 2.5 which is legally imposed on more than one legal entity (e.g., joint and several liability); however, if there is any such Tax, it shall be allocated using principles similar to those set forth in Sections 2.2, 2.3 and 2.5, as determined by Distributing Co. in its sole discretion.

2.5. Transaction and Other Taxes. Controlled Co. shall be liable for, and shall indemnify and hold harmless the Distributing Group Indemnified Parties from and against:

(a) any Transfer Taxes;

(b) any Distribution Taxes and any Indemnifiable Losses, except to the extent such Distribution Taxes or Indemnifiable Losses are primarily the direct and proximate result of a Distributing Co. Prohibited Action (as determined by Distributing Co. in its reasonable discretion); and

(c) any Restructuring Income Taxes.

2.6. Allocation of Unused Tax Attributes. Unused Tax attributes for Pre-Distribution Periods shall be allocated between the Groups in accordance with the Code and the Treasury Regulations (or comparable provisions of other Tax Law), or, where no treatment is specifically provided or required, as determined by Distributing Co. in its sole discretion.

Section 3. Proration of Tax Items for Straddle Periods.

3.1. General Method of Proration. In the case of any Straddle Period (including the Pre-Distribution Period of the Controlled Group ending on the Distribution Date and the Post-Distribution Period of the Controlled Group beginning on the day after the Distribution Date, if the taxable period of the Distributing Group does not end on the Distribution Date), Tax Items shall be apportioned between Pre-Distribution Periods and Post-Distribution Periods in accordance with the principles of Treasury Regulations Section 1.1502-76(b)(2)(ii) if and to the extent that Distributing Co. (in its sole discretion) elects to have such principles apply (and, if Distributing Co. elects to have such principles apply, as applied by Distributing Co. in its sole discretion).

3.2. Extraordinary Items. In determining the apportionment of Tax Items between Pre-Distribution Periods and Post-Distribution Periods, any Tax Items arising in connection with the Distribution or any transactions undertaken in preparation for the Distribution shall be treated as extraordinary items described in Treasury Regulations Section 1.1502-76(b)(2)(ii)(C) and shall be allocated to Pre-Distribution Periods to the extent and in the manner determined by Distributing Co. in its sole discretion.

Section 4. Preparation and Filing of Tax Returns.

4.1. General. Except as otherwise provided in this Section 4, Tax Returns shall be prepared and filed when due (including extensions) by the person obligated to file such Tax Returns under the Code or applicable Tax Law. The Companies shall provide, and shall cause their Affiliates to provide, assistance and cooperate with one another in accordance with Section 7 with respect to the preparation and filing of Tax Returns, including providing information required to be provided in Section 7.

4.2. Distributing Co.'s Responsibility. Distributing Co. shall prepare and file, or cause to be prepared and filed:

(a) all Distributing Co. Federal Consolidated Tax Returns;

(b) all Consolidated or Combined State Income Tax Returns;

(c) all other Tax Returns for or that include only members of the Distributing Group; and

(d) to the extent Distributing Co. so elects at any time, any Tax Returns (not described in clauses (a), (b) or (c)) with respect to Taxes for which any member of the Distributing Group may be or become liable directly or secondarily (including, without limitation, Transfer Taxes).

Any Tax Returns prepared and filed by Distributing Co. under this Section 4.2 or under Section 4.3 shall be prepared exclusively by Distributing Co. in its sole discretion, and neither Controlled Co. nor any other member of the Controlled Group shall have any right to review or comment on the preparation of such Tax Returns or to consent or withhold consent to the filing of such Tax Returns (except as expressly provided in Section 4.5).

4.3. Controlled Co.'s Responsibility. Controlled Co. shall prepare and file, or shall cause to be prepared and filed, (i) all Tax Returns required to be filed after the Distribution Date by any member of the Controlled Group with respect to Separate Company Taxes and (ii) any other Tax Return (required to be filed after the Distribution Date) for or that includes any member of the Controlled Group that Distributing Co. does not elect to prepare and file

pursuant to Section 4.2(d). In the case of each Tax Return (if any) described in clause (ii) of the preceding sentence, Distributing Co. shall be given an opportunity to review and comment on such Tax Return (a draft copy of which shall be provided to Distributing Co. no later than 30 days prior to the due date for filing such Tax Return) and such Tax Return shall not be filed without the prior written consent of Distributing Co. (which may be given or withheld in Distributing Co.'s sole discretion); provided that, if Distributing Co. fails to provide its consent at least 10 days prior to the due date for filing such Tax Return, Distributing Co. shall assume exclusive control of, and shall be responsible for finalizing and filing, such Tax Return. Distributing Co. shall also be given an opportunity to review and comment on the consolidated federal income tax return of the Controlled Group for the short period beginning the day after the Distribution Date (a draft copy of which shall be provided to Distributing Co. no later than 30 days prior to the due date for filing such Tax Return), and such Tax Return shall be revised by Controlled Co. prior to filing to include any changes requested by Distributing Co. (in Distributing Co.'s sole discretion) and shall not be amended after filing without Distributing Co.'s prior written consent (which may be given or withheld in Distributing Co.'s sole discretion). No member of the Controlled Group or any of its Affiliates shall take any position, on any Tax Return filed on or after the Distribution Date, that could have adverse Tax consequences to Distributing Co. or any of its Subsidiaries with respect to any Tax Period ending on or prior to, or including, the Distribution Date.

4.4. Consolidated or Combined Returns. The Companies will elect and join, and will cause their respective Affiliates to elect and join, in filing consolidated, unitary, combined, or other similar joint Tax Returns (to the extent each entity is eligible to join in such Tax Returns) as and to the extent determined by Distributing Co. in its sole discretion.

4.5. Execution of Certain Tax Returns Prepared by Distributing Co. In the case of any Tax Return which is prepared and filed by Distributing Co. under Sections 4.2(d) or 4.3 but is required by law to be signed by Controlled Co. (or by its authorized representative), Controlled Co. shall be required to sign such Tax Return unless there is no reasonable basis for the tax treatment of any material item reported on the Tax Return.

4.6. Adjustment Requests.

(a) Distributing Co. Consent Required for Adjustment Requests Relating to Consolidated or Combined Income Tax. Unless Distributing Co. consents in advance in writing, which consent shall be granted or withheld in Distributing Co.'s sole discretion, (i) no Adjustment Request shall be filed with respect to any Consolidated or Combined Income Tax and (ii) any elections available to members of the Controlled Group to waive the right to claim in any Pre-Distribution Period any Carryback arising in a Post-Distribution Period with respect to any Consolidated or Combined Income Tax shall be made, and no affirmative election shall be made to claim any such Carryback. Any Adjustment Request which Distributing Co. consents to make under this Section 4.6 shall be prepared and filed by Distributing Co. in

its sole discretion. In connection with any Adjustment Request prepared and filed by Distributing Co. with respect to any Consolidated or Combined Income Tax (whether such Adjustment Request was requested by Controlled Co. or was initiated by Distributing Co. on its own), Controlled Co. shall provide to Distributing Co. all information required of the Controlled Group for the preparation and filing of such Adjustment Request in such form and detail as reasonably requested by Distributing Co. Notwithstanding anything to the contrary in this paragraph (a), the consent of Controlled Co. shall not be required for any Adjustment Request initiated by Distributing Co. or any member of the Distributing Group with respect to any Consolidated or Combined Income Tax (whether or not such Adjustment Request was requested by a member of the Controlled Group).

(b) Entitlement to the Benefit of Any Refunds or Credits with Respect to Consolidated or Combined Income Taxes. Any Tax Benefit arising with respect to any Adjustment of any Consolidated or Combined Income Tax (including, without limitation, any Tax Benefit arising with respect to a Carryback to a Pre-Distribution Period of a loss or credit of a member of the Controlled Group arising in a Post-Distribution Period) shall belong exclusively to the Distributing Group; it being understood that the Controlled Group shall share in any such Tax Benefit only to the extent that such Tax Benefit results in an adjustment in favor of Controlled Co. pursuant to Section 2.2(b) or Section 2.3(b)(ii).

(c) Application of This Section to Certain Other Taxes. Principles similar to those set forth in Sections 4.6(a) and (b) shall apply to Adjustments with respect to any Tax other than a Consolidated or Combined Income Tax if, pursuant to Section 2.4, Distributing Co. determines in its sole discretion that any member of the Distributing Group may be or become legally responsible (directly or secondarily) for such Tax.

Section 5. Tax Payments and Intercompany Billings.

5.1. Payment of Taxes with Respect to Distributing Co. Federal Consolidated Tax Returns Originally Filed After the Distribution Date. In the case of any Distributing Co. Federal Consolidated Tax Return that will originally be filed after the Distribution Date:

(a) Computation and Payment of Tax Due. Distributing Co. shall compute the amount of Tax required to be paid to the IRS with respect to such Tax Return (including, without limitation, any estimated Taxes) and shall pay such amount to the IRS on or before such Payment Date.

(b) Computation and Payment of Controlled Co. Liability with Respect to Tax Due. Within 10 days of receiving from Distributing Co. a written request for payment (and in no event later than five days before the corresponding Tax payment is payable by Distributing Co. to the IRS), Controlled Co. will pay to Distributing Co. the excess (if any) of --

(i) the Stand-Alone Tax Liability (whether positive or negative) of the Controlled Group under Section 2.2(a) with respect to such Tax Return through the Payment Date in question (the "Allocated Federal Tax Liability"), over

(ii) the cumulative net payments with respect to such Tax Return prior to such Payment Date by the members of the Controlled Group (the "Cumulative Federal Tax Payment").

If the Cumulative Federal Tax Payment of the Controlled Group is greater than the Allocated Federal Tax Liability of the Controlled Group as of any Payment Date, then Distributing Co. shall pay such excess to Controlled Co. within 10 days of Distributing Co.'s receipt of the corresponding Tax Benefit (i.e., through either a reduction in Distributing Co.'s otherwise required Tax payment or a credit or refund of prior Tax payments).

5.2. Payment of Federal Income Tax Related to Adjustments.

(a) Adjustments Resulting in Underpayments. Distributing Co. shall pay to the IRS when due any additional Federal Income Tax required to be paid as a result of any Adjustment to the Tax liability with respect to any Distributing Co. Federal Consolidated Tax Return. In connection with any Adjustment to a Distributing Co. Federal Consolidated Tax Return (whether or not such Adjustment results in a payment to the IRS), Distributing Co. shall compute the amount attributable to the Controlled Group in accordance with Section 2.2(b), and Controlled Co. shall pay to Distributing Co. any amount due under Section 2.2(b) (as determined by Distributing Co. in its sole discretion) within 10 days of receiving from Distributing Co. a written request for payment (and in no event later than five days before the corresponding Tax payment is payable by Distributing Co. to the IRS).

(b) Adjustments Resulting in Overpayments. Within 10 days of receipt by Distributing Co. of any Tax Benefit resulting from any Adjustment with respect to any Distributing Co. Federal Consolidated Tax Return, Distributing Co. shall pay to Controlled Co. any amounts due to Controlled Co. pursuant to the last sentence of Section 2.2(b).

5.3. Payment of State Income Tax with Respect to Returns Originally Filed After the Distribution Date. In the case of any State Income Tax Return that will originally be filed after the Distribution Date:

(a) Computation and Payment of Tax Due. As provided in Section 4, the Responsible Company shall compute the amount of Tax required to be paid to the applicable Tax Authority with respect to such Tax Return on such Payment Date (including, without limitation, any estimated Taxes) and:

(i) if such Tax Return is with respect to a Consolidated or Combined State Income Tax, Distributing Co. shall pay such amount to such Tax Authority on or before such Payment Date; and

(ii) if such Tax Return is with respect to any Tax other than a Consolidated or Combined Income Tax, the Responsible Company shall pay such amount to such Tax Authority on or before such Payment Date.

(b) Computation and Payment of Controlled Co. Liability with Respect to Tax Due. Within 10 days of receiving from Distributing Co. a written request for payment (and in no event later than five days before the corresponding Tax Payment is payable by Distributing Co. to the applicable Tax Authority), Controlled Co. will pay to Distributing Co.:

(i) in the case of any Consolidated or Combined State Income Tax Return, the excess (if any) of --

(A) the Stand-Alone Tax Liability (whether positive or negative) of the Controlled Group under Section 2.3(b)(i) with respect to such Tax Return through the Payment Date in question (the "Allocated State Tax Liability"), over

(B) the cumulative net payments with respect to such Tax Return prior to such Payment Date by the members of the Controlled Group (the "Cumulative State Tax Payment"); and

(ii) in the case of any Tax described in Section 5.3(a)(ii) for which Controlled Co. is responsible under this Agreement but Distributing Co. is the Responsible Company, the full amount of Tax due.

If, with respect to any Consolidated or Combined State Income Tax Return described in clause (i), the Cumulative State Tax Payment of the Controlled Group is greater than the Allocated State Tax Liability of the Controlled Group as of any Payment Date, then Distributing Co. shall pay such excess to Controlled Co. within 10 days of Distributing Co.'s receipt of the corresponding Tax Benefit.

5.4. Payment of State Income Tax Related to Adjustments.

(a) Adjustments Resulting in Underpayments.

(1) Consolidated or Combined State Income Taxes. Distributing Co. shall pay to the applicable Tax Authority when due any additional State Income Tax required to be paid as a result of any Adjustment to the Tax liability with respect to any Consolidated or Combined State Income Tax Return. In connection with any Adjust-

ment to a Consolidated or Combined State Income Tax Return (whether or not such Adjustment results in a payment to the applicable Tax Authority), Distributing Co. shall compute the amount attributable to the Controlled Group in accordance with Section 2.3(b)(ii) and Controlled Co. shall pay to Distributing Co. any amount due under Section 2.3(b)(ii) (as determined by Distributing Co. in its sole discretion) within 10 days of receiving from Distributing Co. a written request for payment (and in no event later than five days before the corresponding Tax payment is payable by Distributing Co. to the applicable Tax Authority).

(2) Certain Other Taxes. With respect to any Tax described in Section 5.3(b)(ii), Distributing Co. shall pay to the applicable Tax Authority when due any additional Taxes required to be paid as a result of any Adjustment. Within 10 days of receiving from Distributing Co. a written request for payment (and in no event later than five days before any such Tax is payable by Distributing Co. to the applicable Tax Authority), Controlled Co. shall pay to Distributing Co. an amount equal to the full amount of any such Tax.

(b) Adjustments Resulting in Overpayments.

(1) Consolidated or Combined State Income Taxes. Within 10 days of receipt by Distributing Co. of any Tax Benefit resulting from any Adjustment with respect to any Consolidated or Combined State Income Tax Return, Distributing Co. shall pay to Controlled Co. any amounts due to Controlled Co. pursuant to the last sentence of Section 2.3(b)(ii).

(2) Certain Other Taxes. With respect to any Tax described in Section 5.3(b)(ii), within 10 days of receipt by Distributing Co. of any Tax Benefit resulting from any Adjustment, Distributing Co. shall pay to Controlled Co. an amount equal to such Tax Benefit (net of any Taxes imposed on Distributing Co. or Distributing Co.'s Affiliates in connection with the receipt of such Tax Benefit).

5.5. Payment of Separate Company Taxes. Except as otherwise provided in Sections 5.3(a)(ii) and 5.4(a)(2), each Company shall pay, or shall cause to be paid, to the applicable Tax Authority when due all Separate Company Taxes owed by such Company or a member of such Company's Group.

5.6. Computation of Underpayment and Overpayment Interest and Penalties with Respect to Consolidated or Combined Income Taxes. In connection with any change in the Stand-Alone Tax Liability of the Controlled Group giving rise to a payment (by Controlled Co. to Distributing Co., or by Distributing Co. to Controlled Co.) under Sections 5.2(a), 5.2(b), 5.4(a)(1) or 5.4(b)(1), Distributing Co. shall determine in its sole discretion whether

Controlled Co. owes Distributing Co. additional amounts attributable to underpayment interest and/or penalties and whether Distributing Co. owes Controlled Co. additional amounts attributable to overpayment interest. These determinations shall be made with respect to the Controlled Group on a hypothetical stand-alone basis, in a manner consistent with the determination of the Controlled Group's Stand-Alone Tax Liability; provided, however, that in no event shall Controlled Co. be entitled to a payment in respect of overpayment interest (with respect to a downward adjustment of the Controlled Group's Stand-Alone Tax Liability) that exceeds the overpayment interest actually received by Distributing Co. from the applicable Tax Authority (with respect to the Adjustment that gave rise to the reduction in the Controlled Group's Stand-Alone Tax Liability). Any amounts due under this Section 5.6 shall be paid in addition to, and simultaneously with, the amounts due under Sections 5.2(a), 5.2(b), 5.4(a)(1) or 5.4(b)(1) to which such amounts due under Section 5.6 relate.

5.7 Treatment of Certain Amounts Payable in Connection with Tax Contests. If, in connection with a Tax Contest (or potential Tax Contest) that might result in any change to the Stand-Alone Tax Liability of the Controlled Group, Distributing Co. or any of its Affiliates (i) makes a deposit with an applicable Tax Authority or (ii) posts a surety bond or incurs other costs or expenses, Controlled Co. shall pay to Distributing Co. the portion of such deposit, cost or expense that is attributable to the Controlled Group (as determined by Distributing Co. in its sole discretion, in a manner consistent with Distributing Co.'s determination (from time to time) of the Controlled Group's Stand-Alone Tax Liability). Any amounts payable by Controlled Co. under this Section 5.7 shall be paid to Distributing Co. within 10 days of Controlled Co.'s receipt from Distributing Co. of a written request for payment (and in no event later than five days before Distributing Co. will be required to fund the deposit or pay the cost or expense in question). If any deposit of Tax made by Distributing Co. that is funded in whole or in part by Controlled Co. (pursuant to this Section 5.7) is ultimately repaid to Distributing Co. by the applicable Tax Authority, Distributing Co. shall repay to Controlled Co. (within 10 days of Distributing Co.'s receipt of such repayment) the portion of such deposit that was funded by Controlled Co.

5.8. Indemnification Payments. With respect to any indemnification payment required under this Agreement the timing of which is not specifically addressed elsewhere in this Section 5, the indemnifying party shall pay the indemnified party within 10 days of receiving a written request for such indemnification payment.

Section 6. Interest on Late Payments. Any payment due from one Company to the other Company under Section 5 that is not paid by the latest date permitted for payment shall bear interest (from the latest permitted payment date through the date of actual payment) at the Large Corporate Underpayment Rate, compounded daily.

Section 7. Assistance and Cooperation. Each Company shall cooperate (and cause its Affiliates to cooperate) with the other Company and the other Company's agents, including

accounting firms and legal counsel, in connection with the Tax matters covered by this Agreement including (i) preparation and filing of Tax Returns, (ii) determining the liability for and amount of any Taxes due (including estimated Taxes) or the right to and amount of any refund of Taxes, (iii) examinations of Tax Returns and (iv) any administrative or judicial proceedings in respect of Taxes assessed or proposed to be assessed. Such cooperation shall include making information and documents in a Company's possession (or the possession of the Company's Affiliates) available to the other Company in accordance with Section 8. Each of the Companies shall also make available to each other, as reasonably requested and available, personnel (including officers, directors, employees and agents of the Companies or their respective Affiliates) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes, and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes. The Companies agree and acknowledge, for the avoidance of doubt, that nothing in this Section 7 shall alter the rights and obligations of the Companies under the other Sections of this Agreement (including, without limitation, any right of a Company to act in its sole discretion, or reasonable discretion or to take action without obtaining the consent of or consulting with the other Company).

Section 8. Tax Records.

8.1. Retention of Tax Records. Except as provided in Section 8.2, each Company shall preserve and keep all Tax Records exclusively relating to the assets and activities of its respective Group for Pre-Distribution Tax Periods, and Distributing Co. shall preserve and keep all other Tax Records relating to Taxes of the Groups for Pre-Distribution Tax Periods, for so long as the contents thereof may become material in the administration of any matter under the Code or other applicable Tax Law, but in any event until the later of (i) the expiration of any applicable statutes of limitation and (ii) seven years after the Distribution Date. If, prior to the expiration of the applicable statute of limitation and such seven-year period, a Company reasonably determines that any Tax Records which it is required to preserve and keep under this Section 8 are no longer material in the administration of any matter under the Code or other applicable Tax Law, such Company may dispose of such records upon 90 days' prior written notice to the other Company. Such notice shall include a list of the records to be disposed of describing in reasonable detail each file, book, or other records being disposed. The notified Company shall have the opportunity, at its cost and expense, to copy or remove within such 90-day period, all or any part of such Tax Records; provided that Controlled Co. shall have the right to copy or remove only such information as relates exclusively to members of the Controlled Group.

8.2. State Income Tax Returns. Tax Returns with respect to State Income Taxes and workpapers prepared in connection with preparing such Tax Returns shall be preserved and

kept, in accordance with the terms of Section 8.1, by the Company having liability for the Tax.

8.3. Access to Tax Records. The Companies and their respective Affiliates shall make available to each other for inspection and copying during normal business hours upon reasonable notice all Tax Records in their possession to the extent reasonably required by the other Company in connection with the preparation of Tax Returns, audits, litigation, or the resolution of items under this Agreement.

Section 9. Tax Contests.

9.1. Notice. Each of the Companies shall provide prompt notice to the other Company of any pending or threatened Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware related to Taxes for Tax Periods for which it is indemnified by the other Company hereunder, and Controlled Co. shall provide prompt notice to Distributing Co. of any Tax Contest arising out of a Tax Return for which Distributing Co. was the Responsible Company (even if Controlled Co. is the indemnifying party with respect to such Tax Contest). Such notice shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters. If an indemnified party has knowledge of an asserted Tax liability with respect to a matter for which it is to be indemnified hereunder and such party fails to give the indemnifying party prompt notice of such asserted Tax liability, the failure to give prompt notice shall not relieve the indemnifying party of its indemnification obligations hereunder, except to the extent that the indemnifying party is actually and materially prejudiced thereby.

9.2. Control of Tax Contests.

(a) Separate Company Taxes. Except as otherwise provided in Section 9.2(b), in the case of any Tax Contest with respect to any Separate Company Tax, the Company having liability for the Tax shall have exclusive control over such Tax Contest, including any settlement thereof.

(b) Consolidated or Combined Income Taxes and Certain Other Taxes. In the case of any Tax Contest with respect to any Consolidated or Combined Income Tax or any other Tax (including a Transfer Tax) for which any member of the Distributing Group may be or become liable (directly or secondarily), Distributing Co. shall have exclusive control of such Tax Contest, including any settlement thereof. Distributing Co. shall be the only party representing the members of either Group before any Federal or State Tax Authority in connection with any such audit, examination or other Tax Contest, but Distributing Co. shall keep Controlled Co. reasonably informed of the status of any Controlled Adjustment at issue in any such Tax Contest.

(c) Effect of Exclusive Control. If, pursuant to Sections 9.2(a) or 9.2(b), a Company has exclusive control of a Tax Contest, such Company may settle or compromise the Tax Contest (or any portion thereof) on any terms deemed desirable to such Company (in its sole discretion) and, in doing so, such Company may act solely in the best interests of such Company (even if the settlement or compromise benefits such Company at the expense of the other Company or the other Company's Affiliates).

(d) Indemnifiable Loss Claims. Distributing Co. shall have exclusive control of any Indemnifiable Loss Claims (other than any claim for Taxes brought by a Tax Authority, which shall be governed by Section 9.2(b)), including any settlement thereof; provided that Distributing Co. may not settle or compromise any Indemnifiable Loss Claim without the prior written consent of Controlled Co., not to be unreasonably withheld. Distributing Co. shall be the only party representing any Distributing Group Indemnifiable Party in connection with any Indemnifiable Loss Claim, but Distributing Co. shall keep Controlled Co. reasonably informed of the status of any such claim.

Section 10. Effective Date; Termination of Prior Intercompany Tax Allocation Agreements. This Agreement shall become effective upon consummation of the Distribution. Immediately prior to the Distribution, (i) all Prior Intercompany Tax Allocation Agreements shall be terminated and (ii) any remaining obligations under such prior agreements shall be canceled.

Section 11. Action or Inaction Inconsistent with the Ruling Request. Controlled Co. covenants and agrees that no member of the Controlled Group or any of its Affiliates will take any Prohibited Action or fail to take any Required Action unless the person acting has obtained the prior written consent of Distributing Co. (which consent may be given or withheld in Distributing Co.'s sole discretion). In addition, unless otherwise required by law, no member of the Controlled Group or any of its Affiliates shall take any position on any Tax Return or for any other Tax purpose that is inconsistent with the treatment of the Distribution as a tax-free distribution under Section 355 of the Code (and any applicable provision of state, local or non-U.S. law).

Section 12. Survival of Obligations. The representations, warranties, covenants and agreements set forth in this Agreement shall be unconditional and absolute and shall remain in effect without limitation as to time.

Section 13. Treatment of Payments; Tax Gross Up.

13.1. Treatment of Tax Indemnity and Tax Benefit Payments. Except as otherwise provided in Section 13.3, any indemnification payments or payments in respect of Tax Benefits made by a Company to the other Company under this Agreement shall be reported for Tax purposes by the payor and the recipient as if such payments were distributions or capital con-

tributions, as appropriate, occurring immediately before the Distribution Date, but only to the extent such payments do not relate to a Tax allocated to the payor in accordance with Treasury Regulations Section 1.1552-1 (or under corresponding principles of other applicable Tax Laws).

13.2. Tax Gross Up. If, notwithstanding the manner in which any indemnification payments were reported, there is an Adjustment to the Tax liability of a Company as a result of its receipt of an indemnification payment, such payment shall be appropriately adjusted (as determined by Distributing Co., in its sole discretion) so that the amount of such payment, reduced by the amount of all Income Taxes payable with respect to the receipt thereof (but taking into account all correlative Tax Benefits resulting from the payment of such Income Taxes), shall equal the amount of the payment which the Company receiving such payment would otherwise (but for such unintended Taxes) have received pursuant to this Agreement.

13.3. Interest Under This Agreement. Anything herein to the contrary notwithstanding, to the extent one Company ("indemnitor") makes a payment of interest to another Company ("indemnitee") under Section 6 of this Agreement, the interest payment shall be treated as interest expense to the indemnitor (deductible to the extent provided by law) and as interest income by the indemnitee (includible in income to the extent provided by law). The amount of the payment shall not be adjusted under Section 13.2 to take into account any associated Tax Benefit to the indemnitor or increase in Tax to the indemnitee.

Section 14. Disagreements.

(a) Factual and Legal Determinations and Computational Matters. All factual and legal determinations and computations required to be made under this Agreement (including, without limitation, with respect to the amount of Stand-Alone Tax Liability of the Controlled Group (and any changes thereto from time to time), the amount of Transfer Taxes, Distribution Taxes, Indemnifiable Losses and Restructuring Income Taxes, the amount of indemnification payments to be made (from time to time) by either Company to the other Company and whether and to what extent Section 13.2 applies to any indemnification payment to be made hereunder) shall be made by Distributing Co. in its sole discretion and shall be conclusively presumed to be correct absent manifest and material error, except to the extent that this Agreement expressly provides that Distributing Co. shall make the determination or computation in its reasonable discretion. Accordingly, Controlled Co. may challenge a factual or legal determination or computation made by Distributing Co. only if (i) there has been manifest and material error on the part of Distributing Co. in making such determination or computation or (ii) solely as to those matters where this Agreement expressly requires Distributing Co. to use its reasonable discretion, Distributing Co.'s exercise of its discretion was unreasonable and, in either case, Controlled Co. shall have the burden of proving that Distributing Co.'s determination or computation was manifestly and materially in error or represented an unreasonable

exercise of discretion (as the case may be). Any such dispute will be resolved in accordance with Article V, "Dispute Resolution" of the Distribution Agreement.

(b) Other Decisions. Except as otherwise expressly provided in this Agreement, any decisions required to be made under this Agreement that are not covered by clause (a) (including, without limitation, whether and how to resolve any Tax Contest or whether or not to make any Tax election permitted to be made under applicable law) shall be made by Distributing Co. in its sole discretion and, in making any such decision, Distributing Co. may act solely in its best interests (even if Distributing Co.'s decision benefits Distributing Co. at the expense of Controlled Co. or Controlled Co.'s Affiliates).

(c) Disputed Payments. If there is any dispute under this Agreement regarding the amount of any payment to be made by Controlled Co. to Distributing Co. or any Distributing Group Indemnified Party, or by Distributing Co. to Controlled Co., any disputed payments shall be made in accordance with Distributing Co.'s determination, computation or decision pending the resolution of such dispute, and any change ultimately made to Distributing Co.'s determination shall be given effect only after such dispute is finally resolved.

Section 15. Expenses. Except as otherwise provided in Section 14, each Company and its Affiliates shall bear their own expenses incurred in connection with preparation of Tax Returns, Tax Contests, and other matters related to Taxes under the provisions of this Agreement.

Section 16. General Provisions.

16.1. Notices and Addresses.

(a) Notices. Any notice, demand, request or report required or permitted to be given or made to any party under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class mail or by other commercially reasonable means of written communication (including delivery by an internationally recognized courier service, by facsimile transmission or by e-mail) to the party at the party's principal business address. A party may change the address for receiving notices under this Agreement by providing written notice of the change of address to the other party.

(b) Addresses.

Notice to Distributing Co. shall be provided to:

Yellow Corporation
10990 Roe Avenue
Overland Park, KS 66211

Attention: Tax Director
Fax: (913) 696-6116

Notice to Controlled Co. shall be provided to:

SCS Transportation, Inc.
One Main Plaza
4435 Main Street, Suite 930
Kansas City, MO 64111
Attention: Tax Director
Fax: (816) 714-5920

16.2. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

16.3. Waiver. No failure by any party to insist upon the strict performance of any obligation under this Agreement or to exercise any right or remedy under this Agreement shall constitute waiver of any such obligation, right, or remedy or any other obligation, rights, or remedies under this Agreement.

16.4. Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not be affected thereby.

16.5. Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from such reasonable taking action as may be necessary or appropriate to achieve the purposes of this Agreement, including the execution and delivery to the other Company and its Affiliates and representatives of such powers of attorney or other authorizing documentation as is reasonably necessary or appropriate in connection with Tax Contests (or portions thereof) under the control of such other Company in accordance with Section 9.

16.6. Integration. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements and understandings pertaining thereto. In the event of any inconsistency between this Agreement and the Distribution Agreement or any other agreements relating to the transactions contemplated by the Distribution Agreement, the provisions of this Agreement shall control.

16.7. Confidentiality. Any information or documentation received by Controlled Co. or its Affiliates, agents or representatives from Distributing Co. (or Distributing Co.'s Affiliates, agents or representatives) that relates to any Consolidated or Combined Income Tax matters shall be used solely for purposes of this Agreement and shall be kept confidential, except

as may otherwise be necessary in connection with the filing of any Consolidated or Combined Income Tax Returns or in connection with any administrative or judicial proceeding relating to Consolidated or Combined Income Taxes.

16.8. Construction. The language in all parts of this Agreement shall in all cases be construed according to its fair meaning and shall not be strictly construed for or against any party.

16.9. No Double Recovery; Subrogation. No provision of this Agreement shall be construed to provide an indemnity or other recovery for any costs, damages, or other amounts for which the damaged party has been fully compensated under any other provision of this Agreement or under any other agreement or action at law or equity. Unless expressly required in this Agreement, a party shall not be required to exhaust all remedies available under other agreements or at law or equity before recovering under the remedies provided in this Agreement.

16.10. Method of Making Payments. All payments required to be made by either party under this Agreement shall be made in immediately available funds (either by wire transfer, certified check or other similar means).

16.11. Third Party Beneficiaries. The Distributing Group Indemnified Parties (and their respective legal representatives, heirs, administrators, executors, successors and assigns) are intended third party beneficiaries of this Agreement. Except as provided in the preceding sentence or as otherwise expressly provided herein, this Agreement shall not confer any rights or remedies upon any Person other than the parties to this Agreement and their legal representatives, heirs, administrators, executors, successors and assigns.

16.12. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

16.13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts executed in and to be performed in that State.

[Signature Pages Follow]

S-1

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers as of the date first written above.

YELLOW CORPORATION

By: /s/ William F. Martin, Jr.

Name: William F. Martin, Jr.
Title: Senior Vice President

SCS TRANSPORTATION, INC.

By: /s/ James J. Bellinghausen

Name: James J. Bellinghausen
Title: VP Finance and Chief Financial
Officer

[SIDLEY AUSTIN BROWN & WOOD LETTERHEAD]

September 30, 2002

Mr. Tom Donahue
Prudential
Chase Tower
2200 Ross Avenue
Suite 4200E
Dallas, TX 75201

Ms. Janet Mallow
Riggs, Abney, Neal, Turpen, Orbison & Lewis
502 West Sixth Street
Tulsa, OK 74119-1010

Mr. Mike Royle
Bryan Cave
1200 Main Street
Suite 3500
Kansas City, MO 64105

RE: Yellow Corporation

Ladies and Gentlemen:

Enclosed please find copies of the following fully executed documents (collectively, the "ESCROWED DOCUMENTS"):

1. Amendment No. 1 to Revolving Credit Agreement among Yellow Corporation, as Borrower, the financial institutions whose names are listed on the signature pages thereto, as Lenders, and Bank One, NA, having its principal place of business in Chicago, Illinois, as one of the Lenders and as Agent.
2. Release by the Agent, for itself and on behalf of the Lenders, of Saia Motor Freight Line, Inc. and Jevic Transportation, Inc. as Guarantors under the Revolving Credit Agreement.

September 30, 2002
Page 2

The Escrowed Documents are being delivered to you with the understanding that they will be held in escrow by you, on behalf of the Agent. The Escrowed Documents shall be deemed to be released from escrow upon the occurrence of each of the following conditions:

1. The receipt by the Borrower of the preliminary cash dividend payment from SCS Transportation, Inc. ("SCST") as described in the SCST Information Statement dated September 10, 2002 (the "SCST" INFORMATION STATEMENT").

2. The completion of the distribution of the common shares of SCST to the shareholders of the Borrower as describe in the SCST Information Statement.

Please acknowledge your acceptance of the foregoing terms by signing in the space below and returning a copy to me by fax at (312) 853-7036.

Very truly yours,

/s/ Jennifer Tedjeske

Jennifer Tedjeske

RECEIPT ACKNOWLEDGED

BY:

AMENDMENT NO. 1
TO
REVOLVING CREDIT AGREEMENT

This Amendment No. 1 (this "Amendment") is entered into as of September 30, 2002 by and among YELLOW CORPORATION, a Delaware corporation (the "Borrower"), the financial institutions whose names are listed on the signature pages hereto (collectively, the "Lenders") and BANK ONE, NA, having its principal office in Chicago, Illinois, as one of the Lenders and in its capacity as contractual representative (the "Agent") on behalf of itself and the other Lenders.

RECITALS:

WHEREAS, the Borrower, the Lenders and the Agent are parties to that certain Revolving Credit Agreement dated as of April 5, 2001 (the "Credit Agreement");

WHEREAS, the Borrower seeks to amend the Credit Agreement, among other things, to permit the Borrower to spin off certain of its subsidiaries; and

WHEREAS, the Lenders and the Agent are willing to amend the Credit Agreement on the terms and conditions herein set forth;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to such terms in the Credit Agreement.

2. Amendments to Credit Agreement. Upon the effectiveness of this Amendment in accordance with the provisions of Section 3 below, the Credit Agreement is hereby amended as follows:

(a) Article I of the Credit Agreement is amended by adding the following definition thereto in appropriate alphabetical order:

"Spin-Off" means the spin-off by the Borrower to its shareholders of all of the capital stock of its Subsidiary SCS Transportation, Inc., the owner of all of the capital stock of Saia Motor Freight Line, Inc. and Jevic Transportation, Inc., substantially in accordance with the terms and conditions described in SCS Transportation, Inc.'s Information Statement dated September 10, 2002.

(b) Section 2.4.2 of the Credit Agreement is amended by deleting the figure "\$175,000,000" in clause (iii) thereof and substituting the figure "\$225,000,000" therefor.

(c) Section 2.7.4 of the Credit Agreement is amended by deleting the last sentence thereof and substituting the following therefor:

The Borrower may from time to time pay, subject to the payment of any funding indemnification amounts required by Section 3.4 but without penalty or premium, all outstanding Eurodollar Ratable Advances, or, in a minimum aggregate amount of \$1,000,000 or any integral multiple of \$500,000 in excess thereof, any portion of the outstanding Eurodollar Ratable Advances upon three Business Days' prior notice to the Agent. The Borrower may not voluntarily repay a Competitive Bid Advance prior to the last day of the applicable Interest Period.

(d) Section 5.8 of the Credit Agreement is amended by amending the first sentence thereof in its entirety to read as follows:

After giving effect to the Spin-Off, Amended Schedule "2" hereto contains an accurate list of all of the presently existing Subsidiaries of the Borrower, setting forth their respective jurisdictions of incorporation and the percentage of their respective capital stock owned by the Borrower or other Subsidiaries.

(e) Section 6.4 of the Credit Agreement is amended by adding the following proviso at the end thereof:

; provided that the Borrower may consummate the Spin-Off.

(f) Section 6.12 of the Credit Agreement is amended (i) by deleting the reference to "clause (v)" therein and substituting a reference to "clause (iv)" therefor and (ii) by adding at the end thereof the following:

Notwithstanding the foregoing, the Borrower may consummate the Spin-Off, provided that no Default or Unmatured Default shall have occurred and be continuing or would result immediately therefrom. The Spin-Off shall not constitute a disposition of Property for purposes of clause (iv) of the first sentence of this Section 6.12.

(g) Section 6.15 of the Credit Agreement is amended by adding at the end thereof the following sentence:

Notwithstanding the foregoing, the Borrower may consummate the Spin-Off.

(h) Section 6.16 of the Credit Agreement is amended in its entirety to read as follows:

6.16 Consolidated Net Worth. The Borrower will maintain at all times Consolidated Net Worth of not less than the sum of (i) \$293,622,400 plus (ii) 50% of Consolidated Net Income earned in each fiscal quarter beginning with the fiscal quarter ending on September 30, 2002 (without deduction for losses), provided that the adjustment to minimum Consolidated Net Worth as a result of this clause (ii) shall occur quarterly upon the delivery by the Borrower of the financial

statements described in Section 6.1(i) or Section 6.1(ii), as applicable, for the relevant fiscal period.

(i) Section 6.17 of the Credit Agreement is amended by adding at the end thereof the following sentence:

For the four fiscal quarter period ending on September 30, 2002, and for each four fiscal quarter period thereafter that includes the fiscal quarter in which the Spin-Off occurred, Consolidated EBITDAR for purposes of the foregoing ratio shall be calculated on a pro forma basis as if the Spin-Off occurred on the first day of such four fiscal quarter period.

(j) Section 6.22(b) is amended by adding at the end thereof the following sentence:

In accordance with clause (ii) of the preceding sentence, upon the consummation of the Spin-Off, the Agent will, on behalf of the Lenders, promptly deliver to the Borrower a release of Saia Motor Freight Line, Inc. and Jevic Transportation, Inc. from their respective obligations under the Guaranty.

(k) Schedule "2" to the Credit Agreement is deleted in its entirety and Amended Schedule "2" in the form attached to this Amendment is substituted therefor.

3. Conditions of Effectiveness. This Amendment shall become effective as of the date hereof (the "Effective Date") if, and only if, the Agent shall have received duly executed counterparts of (i) this Amendment from the Borrower and the Required Lenders and (ii) the Consent attached hereto from Yellow Transportation, Inc. (formerly known as Yellow Freight System, Inc.).

4. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Lenders that, as of the Effective Date, both before and after giving effect to this Amendment:

(a) there exists no Default or Unmatured Default; and

(b) the representations and warranties contained in Article V of the Credit Agreement are true and correct as of the Effective Date except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty was true and correct on and as of such earlier date.

5. Reference to and Effect on the Credit Agreement.

5.1 Upon the effectiveness of this Amendment pursuant to Section 3 hereof, on and after the Effective Date each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import and each reference to the Credit Agreement in each Loan Document shall mean and be a reference to the Credit Agreement as modified hereby.

5.2 Except as specifically waived or amended herein, all of the terms, conditions and covenants of the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

5.3 The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of (a) any right, power or remedy of any Lender or the Agent under the Credit Agreement or any of the Loan Documents, or (b) any Default or Unmatured Default under the Credit Agreement.

6. CHOICE OF LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING 735 ILCS 105/5-1 ET SEQ. BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

7. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed an original and all of which taken together shall constitute one and the same agreement.

8. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Borrower, the Agent and the Lenders have executed this Amendment No. 1 as of the date first above written.

YELLOW CORPORATION

By: /s/ Stephen Bruffett

Name: Stephen Bruffett

Title: VP-Treasurer

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

BANK ONE, NA, as a Lender and as Agent

By: /s/ Timothy J. King

Name: Timothy J. King
Title: Director

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

FLEET NATIONAL BANK, as a Lender

By: /s/ Katherine A. Brand

Name: Katherine A. Brand
Title: Director

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

SUNTRUST BANK, as a Lender

By: /s/ William H. Crawford

Name: William H. Crawford
Title: Vice President
Suntrust Bank

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Barry P. Sullivan

Name: Barry P. Sullivan
Title: Vice President

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

WACHOVIA BANK, N.A., as a Lender

By: /s/ Andrew G. Pagne

Name: Andrew G. Pagne
Title: Director

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

BNP PARIBAS, as a Lender

By: /s/ Peter Labrie

Name: Peter Labrie
Title: Central Region Manager

By: /s/ Brian Hewett

Name: Brian Hewett
Title: Director

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

DEUTSCHE BANK AG, NEW YORK
BRANCH AND/OR CAYMAN ISLANDS
BRANCH, as a Lender

By: /s/ Chris Howe

Name: Chris Howe
Title: Director

By: /s/ Karsten Wetwitschka

Name: Karsten Wetwitschka
Title: Vice President

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

HIBERNIA NATIONAL BANK, as a Lender

By: /s/ Gloria I. Howard

Name:

Title:

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

THE NORINCHUKIN BANK, NEW YORK
BRANCH, as a Lender

By: /s/ Toshlyski Futsaka

Name: Toshlyski Futsaka
Title: Joint General Manager

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

UFJ BANK LIMITED, as a Lender

By: /s/ Lee E. Prewitt

Name: Lee E. Prewitt

Title: Vice President

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

BANK HAPOLIM B.M., as a Lender

By: /s/ Michael J. Bryne

Name: Michael J. Bryne
Title: VP-Senior Lending Officer

/s/ B. Boazdan

Name: B. Boazdan
Title: FVP & Branch Manager

Amendment No. 1 to
Yellow Corporation
Revolving Credit Agreement

AMENDED SCHEDULE "2"

YELLOW CORPORATION SUBSIDIARIES
Effective as of October 1st, 2002

Jurisdiction of
Date of Name
Incorporation
Incorporation -

---- Yellow
Corporation
Delaware
1/28/1983 I.
Direct
Subsidiaries of
Yellow
Corporation
Yellow
Transportation,
Inc. Indiana
12/22/1950
Yellow
Technologies,
Inc. Delaware
5/12/1992 OPK
Insurance Co.,
Ltd. Bermuda
8/11/1992 II.
Direct
Subsidiaries of
Yellow
Transportation,
Inc. Yellow
Receivables
Corp. Delaware
7/23/1996
Mission Supply
Co. Kansas
11/3/1980
Yellow
Redevelopment
Corp. Missouri
12/22/1963
Yellow
Relocation
Services Kansas
3/20/1989
Yellow
Transportation
of Ontario,
Inc. Canada
5/20/1941
Yellow
Transportation
of British
Columbia, Inc.
Canada
4/18/1973
Yellow
Transportation
Mexicana, S.A.
de C.V. Mexico
12/21/1990 III.
Direct
Subsidiaries of
Yellow
Transportation
Mexicana, S.A.
de C.V. Yellow
Freight
Services, S. de
R.L. de C.V.
Mexico
12/18/2001 IV.
Direct
Subsidiaries of
Yellow

Technologies,
Inc. Yellow Dot
Com Subsidiary,
Inc. Delaware
5/11/2000 V.
Direct
Subsidiaries of
Yellow Dot Com
Subsidiary,
Inc. Meridian
IQ, LLC
Delaware
4/27/2000
MegaSys, Inc.
Indiana
1/18/1989 VI.
Direct
Subsidiaries of
Meridian IQ,
LLC Yellow
Global, LLC
Delaware
7/30/1992 VII.
Direct
Subsidiaries of
Yellow Global,
LLC Globe.com
Lines, Inc.
Delaware
1/5/1998

All subsidiaries are 100% owned by the respective owners shown above except for Yellow Transportation Mexicana, S.A. de C.V., which is 46.2% owned by Yellow Transportation, Inc. and 53.8% owned by Yellow Transportation of Ontario, Inc.

CONSENT

The undersigned, as Guarantor under a Guaranty executed in favor of the Agent in connection with the Credit Agreement referred to in the foregoing Amendment (as the same may have been or be amended, restated, supplemented or otherwise modified from time to time, the "Guaranty"), hereby consents to the foregoing Amendment and confirms and agrees that the Guaranty is, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects.

YELLOW TRANSPORTATION, INC.
(formerly known as Yellow Freight System, Inc.)

By: /s/ DANIEL L. HORNBECK

Name: Daniel L. Hornbeck

Title: Secretary

RELEASE

September 30, 2002

Yellow Corporation
Saia Motor Freight Line, Inc.
Jevic Transportation, Inc.
SCS Transportation, Inc.
c/o Yellow Corporation
10990 Roe Avenue
Overland Park, Kansas 66211

Ladies and Gentlemen:

We refer to the Revolving Credit Agreement dated as of April 5, 2001 among Yellow Corporation, certain financial institutions (the "Lenders") and Bank One, NA, as Agent for the Lenders, as amended by Amendment No. 1 thereto dated as of September 30, 2002 (as so amended, the "Credit Agreement"), and to the related Guaranty dated as of April 5, 2001 (the "Guaranty") executed in favor of the Agent, for the ratable benefit of the Lenders, by Yellow Transportation, Inc. (formerly known as Yellow Freight System, Inc.), Saia Motor Freight Line, Inc. ("Saia") and Jevic Transportation, Inc. ("Jevic").

Pursuant to Section 6.22(b) of the Credit Agreement, the Agent, for itself and on behalf of the Lenders, hereby releases each of Saia and Jevic from all of their respective obligations under the Guaranty and acknowledges that neither Saia nor Jevic shall have any further liability thereunder to the Agent or to any Lender.

Very truly yours,

BANK ONE, NA, as Agent

By: /s/ TIMOTHY J. KING

Name: Timothy J. King

Title: Director

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Yellow Corporation on Form 10-Q for the period ended September 30, 2002, as filed with the Securities and Exchange Commission of the date hereof (the "Report"), I, William D. Zollars, Chief Executive Officer of Yellow Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Yellow Corporation.

Date: November 14, 2002

/s/ William D. Zollars

William D. Zollars
Chairman of the Board of
Directors, President & Chief
Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Yellow Corporation on Form 10-Q for the period ended September 30, 2002, as filed with the Securities and Exchange Commission of the date hereof (the "Report"), I, Donald G. Barger, Jr., Chief Financial Officer of Yellow Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Yellow Corporation.

Date: November 14, 2002

/s/ Donald G. Barger, Jr.

Donald G. Barger, Jr.
Senior Vice President
& Chief Financial Officer