

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended December 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

Commission file number 0-12255

YRC WORLDWIDE INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

48-0948788
(I.R.S. Employer
Identification No.)

10990 Roe Avenue, Overland Park, Kansas
(Address of principal executive offices)

66211
(Zip Code)

Registrant's telephone number, including area code: (913) 696-6100

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

Common Stock, \$1 Par Value Per Share
(Title of class)

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

NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes No

The aggregate market value of the voting and non-voting common equity held by nonaffiliates of the registrant at June 30, 2008, was \$847,734,150.

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

Class	Outstanding at January 31, 2009
Common Stock, \$1 Par Value Per Share	59,334,300 shares

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference into the Form 10-K:

- 1) Proxy Statement related to the 2009 Annual Meeting of Stockholders - Part III

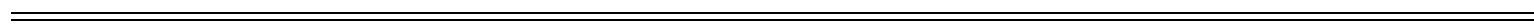


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Form 10-K
Year Ended December 31, 2008

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This entire annual report, including (among other items) “Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations” and certain statements in the Notes to Consolidated Financial Statements contained in “Item 8, Financial Statements and Supplementary Data”, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (each a “forward-looking statement”). Forward-looking statements include those preceded by, followed by or including the words “should,” “could,” “may,” “expect,” “believe,” “estimate” or similar expressions. Our actual results could differ materially from those projected by these forward-looking statements due to a number of factors, including (without limitation), inflation, inclement weather, price and availability of fuel, sudden changes in the cost of fuel or the index upon which the Company bases its fuel surcharge, competitor pricing activity, expense volatility, including (without limitation) expense volatility due to changes in rail service or pricing of rail service, ability to capture cost reductions, including (without limitation) those cost reduction opportunities arising from the integration of the Company’s Yellow Transportation and Roadway networks, changes in equity and debt markets, a downturn in general or regional economic activity, effects of a terrorist attack, and labor relations, including (without limitation), the impact of work rules, work stoppages, strikes or other disruptions, any obligations to multi-employer health, welfare and pension plans, wage requirements and employee satisfaction, the risk factors included in “Item 1A – Risk Factors” and the risk factors that are from time to time included in the Company’s reports filed with the Securities and Exchange Commission (the “SEC”).

PART I

Item 1. Business

General Description of the Business

YRC Worldwide Inc. (also referred to as “YRC Worldwide”, “the Company”, “we” or “our”), one of the largest transportation service providers in the world, is a holding company that through wholly owned operating subsidiaries offers its customers a wide range of transportation services. These services include global, national and regional transportation as well as logistics. Our operating subsidiaries include the following:

- YRC National Transportation (“National Transportation”) is the reporting unit for our transportation service providers focused on business opportunities in regional, national and international services. Through September 30, 2008, National Transportation was comprised of the Company’s two largest less-than truckload (“LTL”) subsidiaries, Yellow Transportation and Roadway. In October 2008, these two subsidiaries merged and changed the name of the surviving entity to YRC Inc. (“YRC”). This unit provides for the movement of industrial, commercial and retail goods, primarily through regionalized and centralized management and customer facing organizations. National Transportation also includes YRC Reimer (formerly Reimer Express Lines), a subsidiary located in Canada that specializes in shipments into, across and out of Canada. Approximately 38% of National Transportation shipments are completed in two days or less. In addition to the United States (“U.S.”) and Canada, National Transportation also serves parts of Mexico, Puerto Rico and Guam.
- YRC Regional Transportation (“Regional Transportation”) is the reporting unit for our transportation service providers focused on business opportunities in the regional and next-day delivery markets. Regional Transportation is comprised of New Penn Motor Express (“New Penn”), Holland and Reddaway. These companies each provide regional, next-day ground services in their respective regions through a network of facilities located across the U.S., Canada, Mexico and Puerto Rico. Approximately 92% of Regional Transportation LTL shipments are completed in two days or less.
- YRC Logistics plans and coordinates the movement of goods worldwide to provide customers a single source for logistics management solutions. YRC Logistics delivers a wide range of global logistics management services, with the ability to provide customers improved return-on-investment results through logistics services and technology management solutions.
- YRC Truckload (“Truckload”) reflects the results of Glen Moore, a provider of truckload services throughout the U.S.

For revenue and other information regarding these segments, see the “Business Segments” note to our consolidated financial statements.

Incorporated in Delaware in 1983 and headquartered in Overland Park, Kansas, we employed approximately 55,000 people as of December 31, 2008. The mailing address of our headquarters is 10990 Roe Avenue, Overland Park, Kansas 66211, and our telephone number is (913) 696-6100. Our website is www.yrcw.com. Through the “SEC Filings” link on our website, we make available the

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following filings as soon as reasonably practicable after they are electronically filed with or furnished to the SEC: our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended. All of these filings may be viewed or printed from our website free of charge.

Narrative Description of the Business

Operating Units

YRC National Transportation

Through September 30, 2008, National Transportation was comprised of the Company's two largest LTL subsidiaries, Yellow Transportation and Roadway. In October 2008, these two subsidiaries merged and changed the name of the surviving entity to YRC, headquartered in Overland Park, Kansas. YRC continued to operate Yellow Transportation and Roadway as two separate divisions, each with a distinct, separate transportation network of terminal and transportation routes and each continuing their respective brand names. Prior to the merger, Yellow Transportation and Roadway were in many cases operating out of different parts of the same facility. In October 2008, YRC began to integrate the Yellow Transportation and Roadway networks by installing common management at locations where the divisions shared a facility and by having only one local pickup and delivery function at certain locations. On March 1, 2009, YRC fully combined both networks into a single network with a single management structure and a single set of routes. This combination eliminated the two divisions. This network is operated under the brand YRC, although the legacy brand names, Yellow Transportation and Roadway, will continue to exist in the marketplace and be phased out over time as equipment and sales collateral bearing these brands is replaced.

National Transportation offers a full range of services for the transportation of industrial, commercial, and retail goods in regional, national and international markets, primarily through the operation of owned or leased equipment in their respective North American surface distribution networks. Transportation services are provided for various categories of goods, which may include (among others) apparel, appliances, automotive parts, chemicals, food, furniture, glass, machinery, metal, metal products, non-bulk petroleum products, rubber, textiles, wood and other manufactured products or components. National Transportation provides both LTL services, which combines shipments from multiple customers on a single trailer, and truckload services. Most deliveries are LTL shipments with truckload services offered to maximize equipment utilization and reduce empty miles (the distance empty or partially full trailers travel back to origin to balance the network). National Transportation provides higher-margin specialized services, including guaranteed expedited services, time-specific deliveries, cross-border services, coast-to-coast air delivery, global transportation, product returns, temperature-sensitive shipment protection and government material shipments.

National Transportation serves more than 560,000 manufacturing, wholesale, retail and government customers throughout North America. National Transportation's 37,000 employees are dedicated to operating its expansive network which supports over 430,000 shipments in transit at any time. National Transportation shipments have an average shipment size of 1,200 pounds and travel an average distance of roughly 1,200 miles. Approximately 38% of shipments are delivered in two days or less. Operations research and engineering teams centrally coordinate the equipment, routing, sequencing and timing necessary to transport shipments through our network. At December 31, 2008, National Transportation had 14,327 owned tractors, 2,348 leased tractors, 59,682 owned trailers and 2,802 leased trailers. The National Transportation network includes 521 strategically located facilities with 24,763 doors. National Transportation accounted for 70% of our total operating revenue in 2008, 69% of our total operating revenue in 2007 and 69% of our total operating revenue in 2006.

National Transportation provides services throughout North America, including within Puerto Rico, Guam, Alaska and Hawaii. National Transportation also has affiliates that provide services in Mexico and Canada.

National Transportation has the largest network of service centers, equipment and transportation professionals throughout North America and provides flexible and efficient supply chain solutions including:

- *Guaranteed PrecisionTM* – a guaranteed on-time service with constant shipment monitoring and proactive notification and more direct points than any other guaranteed standard delivery service.
- *Expedited PrecisionTM* – comprised of two key offerings including:
 - *YRC Time-CriticalTM* – Expedited, emergency and window deliveries via ground or air anywhere in North America with shipment arrival timed to the hour, day, or span of days and a 100% on-time guarantee. Guaranteed multiple-day window deliveries meet a retail industry need to reduce chargeback fees.

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- *YRC Time-Advantage™* – Cost-effective blend of ground and air transportation to provide highly reliable deliveries at any speed throughout North America, with both expedited and deferred air capabilities.
- *Specialized Solutions™* – includes a variety of service to meet industry and customer-specific needs with offerings such as *Custom Projects*, *Consolidation and Distribution*, *Reverse Logistics*, *Exhibit Services* and *Shipment Protection* through *Insulated Covers* and our patented *Sealed Divider™* and *Sealed Trailer™* services that are designed for products that are difficult or expensive to package for shipping, are of high value, or need verifiable security throughout the transit.
- *my.yrc.com* – a secure e-commerce website offering online resources for supply chain visibility and shipment management in real time.
- *Global Services* – Global offerings in cooperation with YRC Logistics provide air, ocean and ground transportation and logistics services at any point in the supply chain; *Standard Forwarding*, *Global Logistics*, *Transportation Management*, *Flow Through and Pool Distribution* and *Dedicated Warehouse*.

YRC Reimer

Founded in 1952, YRC Reimer, a wholly owned subsidiary of YRC, offers Canadian shippers a selection of direct connections within Canada, throughout North America and around the world. YRC Reimer is also a part of National Transportation and its network and information systems are completely integrated with those of YRC enabling YRC Reimer to provide seamless cross-border services between Canada, Mexico and the U.S. and markets overseas.

YRC Regional Transportation

Regional Transportation is comprised of New Penn, Holland and Reddaway. In 2006, Regional Transportation also included USF Bestway. In February 2007, we consolidated the majority of USF Bestway's operations into Reddaway. Together, the Regional Transportation companies deliver services in the next-day, second-day and time-sensitive markets, which are among the fastest-growing transportation segments. The Regional Transportation service portfolio includes:

- *Regional delivery* – including next-day local area delivery and second-day services; consolidation/distribution services; protect-from-freezing and hazardous materials handling; and a variety of other specialized offerings.
- *Expedited delivery* – including day-definite, hour-definite and time definite capabilities.
- *Inter-regional delivery* – combining our best-in-class regional networks with reliable sleeper teams, Regional Transportation provides reliable, high-value services between our regional operations.
- *Cross-border delivery* – through strategic partnerships, the Regional Transportation companies provide full-service capabilities between the U.S. and Canada, Mexico and Puerto Rico.
- *USFNet.com and NewPenn.com* – are both leading edge e-commerce websites offering secure and customized online resources to manage transportation activity.

The Regional Transportation companies are described as follows:

- *New Penn Motor Express*, headquartered in Lebanon, Pennsylvania, provides local next-day, day-definite, and time-definite services through a network located in the Northeastern United States; Quebec, Canada; and Puerto Rico.
- *Holland*, headquartered in Holland, Michigan, provides local next-day, regional and expedited services through a network located in the Midwestern, Southeastern and portions of the Northeast United States. Holland also provides service to the provinces of Ontario and Quebec, Canada.
- *Reddaway*, headquartered in Clackamas, Oregon, provides local next-day, regional and expedited services through a network located in California, the Pacific Northwest, the Rocky Mountain States and the Southwest. Additionally Reddaway provides services to Alaska and to the provinces of Alberta and British Columbia, Canada. In February 2007, we consolidated the majority of USF Bestway's operations into Reddaway.

The Regional Transportation companies serve more than 180,000 manufacturing, wholesale, retail and government customers throughout North America. At December 31, 2008, the Regional Transportation network included 161 service centers with 7,637 doors, and the fleet included 7,933 tractors and 18,177 trailers. Regional Transportation's over 13,000 employees, including 391 local, company based-sales executives, are dedicated to supporting the delivery of over 12.3 million shipments annually.

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Headquartered in Overland Park, Kansas, the Regional Transportation companies accounted for 22% of our total operating revenue in 2008, 24% of our total operating revenue in 2007 and 24% of the total operating revenue in 2006.

YRC Logistics

YRC Logistics is a global logistics services provider that plans and coordinates the movement of goods worldwide to provide customers a single source for logistics management solutions.

YRC Logistics delivers a wide range of global and domestic logistics services, with the ability to provide clients services through the design, implementation and execution of innovative logistics solutions. Our broad portfolio of services makes it possible to offer end-to-end supply chain solutions supported by the visibility of Web-native technology. YRC Logistics' service portfolio includes the following services:

Distribution Services that include:

- Flow through and pool distribution
- Dedicated warehousing
- Value-added services

Global Services that include:

- International freight forwarding
- Customs brokerage
- Value-added services

Transportation Services that include:

- Truckload brokerage
- Dedicated contract carriage
- Domestic freight forwarding
- Transportation management

In August 2008, YRC Logistics acquired 65% of Shanghai Jiayu Logistics Co., Ltd., one of the largest providers of less-than-truckload ground transportation services in China, with over 40,000 customers and 1,700 employees in 180 locations. The Company also has a 50% ownership interest in JHJ International Transportation Co., Ltd., a Shanghai, China-based freight forwarder with 1,700 employees in 64 locations.

At December 31, 2008, YRC Logistics had more than 2,600 employees in North America, Asia, Latin America, and Europe (predominately in the United Kingdom). Based in Overland Park, Kansas, YRC Logistics' network includes 29 service centers with 722 doors and the fleet includes 654 tractors and 1,816 trailers. YRC Logistics operates its global services from 58 locations across the U.S. YRC Logistics accounted for 7% of our total operating revenue in 2008, 6% of our total operating revenue in 2007 and 6% of our total operating revenue in 2006.

YRC Truckload

Glen Moore, headquartered in Carlisle, Pennsylvania, provides spot, dedicated and single-source customized truckload services on both a regional and national level through the use of company and team-based drivers. Glen Moore has two primary domiciles located in Carlisle, Pennsylvania, and Knoxville, Tennessee.

At December 31, 2008, Glen Moore had more than 795 employees in North America. YRC Truckload accounted for 1% of our total operating revenue in 2008, 2007 and 2006.

Shared Services

We have three wholly owned subsidiaries that provide shared support services across the YRC Worldwide enterprise. These are YRC Worldwide Technologies, YRC North American Transportation and YRC Assurance Co. Ltd. ("YRC Assurance").

YRC Worldwide Technologies is headquartered in Overland Park, Kansas, and has approximately 500 employees. YRC Worldwide Technologies and YRC Logistics together provide hosting, infrastructure services and managed transportation business systems development.

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YRC North American Transportation, headquartered in Overland Park, Kansas, provides a wide variety of centrally managed support services to our operating companies. These services span nearly all functions, including components of finance, operations support, sales and marketing and security. Enterprise Solutions Group, a division that provides sales and marketing services to our operating subsidiaries for an identified group of large accounts who desire to buy services from more than one of these operating subsidiaries in a coordinated manner, is a part of YRC North American Transportation. YRC North American Transportation employs approximately 1,500 people.

YRC Assurance is a captive insurance company domiciled in Bermuda and a wholly owned and consolidated subsidiary of YRC Worldwide. YRC Assurance provides insurance services to certain wholly owned subsidiaries of YRC Worldwide. In February 2009, we amended our Credit Agreement which requires the termination of YRC Assurance's insurance arrangements with our subsidiaries. We expect to terminate these arrangements and dissolve YRC Assurance in 2009.

In addition to the above, YRC Worldwide provides certain services to its subsidiaries such as legal, risk management, finance and coordination services. Each of our shared services organizations charges the operating companies for their services, either based upon usage or on an overhead allocation basis.

Competition

Customers have a wide range of choices. The companies of YRC Worldwide believe that overall brand strategy, service quality, technology, a broad service portfolio, responsiveness and flexibility are important competitive differentiators.

Few U.S.-based transportation companies offer comparable transportation and logistics capabilities. By integrating traditional ground, expedited, air, ocean and managed transportation capabilities, we provide business organizations with a single-source answer to shipping challenges globally. Our market studies show a continued preference among customers for transportation and logistics providers based on "service value," which is the relationship between overall quality and price. We believe that we can compete against any transportation and logistics competitor from a value perspective.

The companies of YRC Worldwide – YRC, YRC Reimer, YRC Logistics, New Penn, Holland, Reddaway and Glen Moore – operate in a highly competitive environment. Their competitors include global, integrated transportation services providers; global forwarders; national transportation services providers; regional or interregional providers; and small, intraregional transportation companies. The companies of YRC Worldwide also compete against providers within several modes of transportation including: LTL, truckload, air and ocean cargo, rail, transportation consolidators and privately owned fleets.

Ground-based transportation includes private fleets and two "for-hire" provider groups. The private provider segment consists of fleets that companies who move their own goods own and operate. The two "for-hire" groups are based on typical shipment sizes that transportation service companies handle. Truckload refers to providers transporting shipments that generally fill an entire 48- or 53-foot trailer and LTL or 'shared load' refers to providers transporting goods from multiple shippers in a single load that would not fill a full-sized trailer on their own.

Shared load or LTL transportation providers consolidate numerous orders generally ranging from 100 to 10,000 pounds from varying businesses at individual service centers in close proximity to where those shipments originated. Utilizing expansive networks of pickup and delivery operations around these local service centers, shipments are moved between origin and destination utilizing distribution centers when necessary, where consolidation and deconsolidation of loads occurs. Depending on the distance shipped, shared load providers (asset and non-asset based) are often classified into one of four sub-groups:

- Regional - Average distance is typically less than 500 miles with a focus on one- and two-day delivery times. Regional transportation companies can move shipments directly to their respective destination centers, which increases service reliability and avoids costs associated with intermediate handling.
- Interregional - Average distance is usually between 500 and 1,000 miles with a focus on two- and three-day delivery times. There is a competitive overlap between regional and national providers in this category as each group sees the interregional segment as a growth opportunity, and there are no providers focusing exclusively on this sector.
- National - Average distance is typically in excess of 1,000 miles with focus on two- to five-day delivery times. National providers rely on interim shipment handling through a network of terminals, which require numerous satellite service centers, multiple distribution centers, and a relay network. To gain service and cost advantages, they often ship directly between service centers, minimizing intermediate handling.

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- Global – providing freight forwarding and final-mile delivery services to companies shipping to and from multiple regions around the world. This service can be offered through a combination of owned assets or through a purchased transportation or third-party logistics model.

Competitive cost of entry into the asset-based LTL sector on a small scale, within a limited service area, is relatively small (although more than in other sectors of the transportation industry). The larger the service area, the greater the barriers to entry, due primarily to the need for additional equipment and facilities associated with broader geographic service coverage. Broader market coverage in the competitive transportation landscape also requires increased technology investment and the ability to capture cost efficiencies from shipment density (scale), making entry on a national basis more difficult.

YRC and YRC Logistics (through transportation management services) provide service in all four sub-groups. New Penn, Holland, Reddaway and Glen Moore compete in the regional, interregional and national transportation marketplace. Each brand competes against a number of providers in these markets from small firms with one or two vehicles, to global competitors with thousands of physical assets.

The competition specifically for YRC Logistics includes all of the same types of providers mentioned previously in addition to transportation management systems providers, domestic and international freight forwarders, freight brokers, warehouse management providers, and third-party logistics companies.

Regulation

National Transportation, Regional Transportation, Truckload and other interstate carriers were substantially deregulated following the enactment of the Motor Carrier Act of 1980, the Trucking Industry Regulatory Reform Act of 1994, the Federal Aviation Administration Authorization of 1994 and the ICC Termination Act of 1995. Prices and services are now largely free of regulatory controls, although the states retained the right to require compliance with safety and insurance requirements, and interstate motor carriers remain subject to regulatory controls that agencies within the U.S. Department of Transportation impose.

Our operating companies are subject to regulatory and legislative changes, which can affect our economics and those of our competitors. Various federal and state agencies regulate us, and our operations are also subject to various federal, foreign, state, provincial and local environmental laws and regulations dealing with transportation, storage, presence, use, disposal and handling of hazardous materials, discharge of storm-water and underground fuel storage tanks. We are also subject to regulations to combat terrorism that the U.S. Department of Homeland Security and other agencies impose. See risk factors related to our compliance with laws and regulations in Item 1A of this report.

Environmental Matters

Our operations are subject to U.S. federal, foreign, state, provincial and local regulations with regard to air and water quality and other environmental matters. We believe that we are in substantial compliance with these regulations. Regulation in this area continues to evolve and changes in standards of enforcement of existing regulations, as well as the enactment and enforcement of new legislation may require us and our customers to modify, supplement or replace equipment or facilities or to change or discontinue present methods of operation.

Our operating companies store fuel for use in our revenue equipment in approximately 300 underground storage tanks (“UST”) located throughout the U.S. Maintenance of such USTs is regulated at the federal and, in some cases, state level. The USTs are required to have leak detection systems and are required to be extracted upon our exiting the property. Traditionally upon sale of properties containing USTs, the UST is considered an asset in the transaction and as such, we contractually transfer this removal obligation to the buyer.

During 2008, we spent approximately \$8.2 million to comply with U.S. federal, state and local provisions regulating the discharge of materials into the environment or otherwise relating to the protection of the environment (collectively, “Environmental Regulations”). In 2009, we expect to spend approximately \$8.0 million to comply with the Environmental Regulations. Based upon current information, we believe that our compliance with Environmental Regulations will not have a material adverse effect upon our capital expenditures, results of operation and competitive position because we have either made adequate reserves for such compliance expenditures or the cost for such compliance is expected to be small in comparison with our overall net worth.

We estimate that we will incur approximately \$0.5 million in capital expenditures for environmental control equipment during 2009. We believe that capital expenditures for environmental control equipment for 2009 will not have a material adverse effect upon our financial condition because the aggregate amount of these expenditures is expected to be immaterial.

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The Comprehensive Environmental Response, Compensation and Liability Act (known as the “Superfund Act”) imposes liability for the release of a “hazardous substance” into the environment. Superfund liability is imposed without regard to fault and even if the waste disposal was in compliance with the then current laws and regulations. With the joint and several liabilities imposed under the Superfund Act, a potentially responsible party (“PRP”) may be required to pay more than its proportional share of such environmental remediation. Several of our subsidiaries have been identified as PRPs at various sites discussed below. The U.S. Environmental Protection Agency (the “EPA”) and appropriate state agencies are supervising investigative and cleanup activities at these sites. The EPA has identified the former Yellow Transportation (now a part of YRC) as a PRP for four locations: Angeles Chemical Co., Santa Fe Springs, CA; Alburn Incinerator, Inc., Chicago, IL; Mercury Refinery, Albany, NY and IWI, Inc., Summit, IL. We estimate that the combined potential costs at these sites will not exceed \$0.2 million. With respect to these sites, it appears that YRC Inc. delivered minimal amounts of waste to these sites, which is *de minimis* in relation to other respondents. The EPA has identified the former Roadway Express (now a part of YRC) as a PRP for eight locations: Operating Industries Site, Monterey Park, CA; BEMS Landfill, Mt. Holly, NJ; Double Eagle Site, Oklahoma City, OK; Jones Industrial, South Brunswick, NJ; Voda Petroleum, Clarsville City, TX; Malone Service Co., Texas City, TX; Ward Transformer, Raliegh, NC and Berry’s Creek, Carlstadt, NJ. We estimate that combined potential costs at the first seven sites will not exceed \$0.7 million. The EPA has notified YRC and 140 other potential parties of their potential responsibility status at the Berry’s Creek site where YRC owns and operates a service center in the watershed area that discharges into Berry’s Creek. We estimate the Berry’s Creek potential cost to be \$0.6 million. The EPA has identified USF Red Star, a non-operating subsidiary, as a PRP at six locations: Champion Chemical, Marlboro, NJ; Booth Oil, N. Tonawanda, NJ; Quanta Resources, Syracuse, NY and three separate landfills in Byron, NJ, Moira, NY and Palmer, MA. We believe the potential combined costs at these sites to be \$0.4 million. The EPA has identified New Penn as a PRP for one location, Pennsauken Landfill, Pennsauken, NJ. We believe the potential cost at this site to be immaterial. The EPA has identified Holland as a PRP for one location, Horton Sales Piedmont Site, Greenville County, SC. We believe the potential cost at this site to be immaterial.

While PRPs in Superfund actions have joint and several liabilities for all costs of remediation, it is not possible at this time to quantify our ultimate exposure because the projects are either in the investigative or early remediation stage. Based upon current information, we do not believe that probable or reasonably possible expenditures in connection with the sites described above are likely to have a material adverse effect on our financial condition or results of operations because:

- To the extent necessary, we have established adequate reserves to cover the estimate we presently believe will be our liability with respect to the matter;
- We and our subsidiaries have only limited or *de minimis* involvement in the sites based upon a volumetric calculation;
- Other PRPs involved in the sites have substantial assets and may reasonably be expected to pay their share of the cost of remediation;
- We have adequate resources to cover the ultimate liability; and
- We believe that our ultimate liability is relatively small compared with our overall net worth.

We are subject to various other governmental proceedings and regulations, including foreign regulations, relating to environmental matters, but we do not believe that any of these matters are likely to have a material adverse effect on our financial condition or results of operation.

This section, “Environmental Matters,” contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words “believe”, “expect”, “will”, “estimate”, “may” and similar expressions are intended to identify forward-looking statements. Our expectations regarding our compliance with Environmental Regulations and our expenditures to comply with Environmental Regulations, including (without limitation) our capital expenditures on environmental control equipment, and the effect that liability from Environmental Regulation or Superfund sites may have on our financial condition or results of operations, are only our forecasts regarding these matters. These forecasts may be substantially different from actual results, which may be affected by the following factors: changes in Environmental Regulations; unexpected, adverse outcomes with respect to sites where we have been named as a PRP, including (without limitation) the sites described above; the discovery of new sites of which we are not aware and where additional expenditures may be required to comply with Environmental Regulations; an unexpected discharge of hazardous materials in the course of our business or operations; an acquisition of one or more new businesses; a catastrophic event causing discharges into the environment of hydrocarbons; the inability of other PRPs to pay their share of liability for a Superfund site; and a material change in the allocation to us of the volume of discharge and a resulting change in our liability as a PRP with respect to a site.

Economic Factors and Seasonality

Our business is subject to a number of general economic factors that may have a materially adverse effect on the results of our operations, many of which are largely out of our control. These include recessionary economic cycles and downturns in customers' business cycles, particularly in market segments and industries, such as retail and manufacturing, where we have a significant concentration of customers. Economic conditions may adversely affect our customers' business levels, the amount of transportation services they need and their ability to pay for our services. We operate in a highly price-sensitive and competitive industry, making pricing, customer service, effective asset utilization and cost control major competitive factors. All of our revenues are subject to seasonal variations. Customers tend to reduce shipments after the winter holiday season, and operating expenses as a percent of revenue tend to be higher in the winter months primarily due to colder weather. Generally, the first quarter is the weakest while the third quarter is the strongest. The availability and cost of labor can significantly impact our cost structure and earnings.

Financial Information About Geographic Areas

Our revenue from foreign sources is largely derived from Canada, the United Kingdom, Asia, Latin America and Mexico. We have certain long-lived assets located in these areas as well. We discuss this information in the "Business Segments" note to our consolidated financial statements.

Item 1A. Risk Factors

In addition to the risks and uncertainties contained elsewhere in this report or in our other SEC filings, the following risk factors should be considered carefully in evaluating us. These risks could have a material adverse effect on our business, financial condition and results of operations.

We are subject to general economic factors that are largely out of our control, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to a number of general economic factors that may adversely affect our business, financial condition and results of operations, many of which are largely out of our control. These factors include recessionary economic cycles and downturns in customers' business cycles and changes in their business practices, particularly in market segments and industries, such as retail and manufacturing, where we have a significant concentration of customers. Economic conditions may adversely affect our customers' business levels, the amount of transportation services they need and their ability to pay for our services. Due to our high fixed-cost structure, in the short-term it is difficult for us to adjust expenses proportionally with fluctuations in volume levels. Customers encountering adverse economic conditions represent a greater potential for loss, and we may be required to increase our reserve for bad-debt losses.

We are subject to business risks and increasing costs associated with the transportation industry that are largely out of our control, any of which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to business risks and increasing costs associated with the transportation industry that are largely out of our control, any of which could adversely affect our business, financial condition and results of operations. The factors contributing to these risks and costs include weather, excess capacity in the transportation industry, interest rates, fuel prices and taxes, fuel surcharge collection, terrorist attacks, license and registration fees, insurance premiums and self-insurance levels, difficulty in recruiting and retaining qualified drivers, the risk of outbreak of epidemical illnesses, the risk of widespread disruption of our technology systems, and increasing equipment and operational costs. Our results of operations may also be affected by seasonal factors.

We operate in a highly competitive industry, and our business will suffer if we are unable to adequately address potential downward pricing pressures and other factors that could have a material adverse effect on our business, financial condition and results of operations.

Numerous competitive factors could adversely affect our business, financial condition and results of operations. These factors include the following:

- We compete with many other transportation service providers of varying sizes, some of which have a lower cost structure, more equipment and greater capital resources than we do or have other competitive advantages.
- Some of our competitors periodically reduce their prices to gain business, especially during times of reduced growth rates in the economy, which limits our ability to maintain or increase prices or maintain or grow our business.

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- Our customers may negotiate rates or contracts that minimize or eliminate our ability to offset fuel price increases through a fuel surcharge on our customers.
- Many customers reduce the number of carriers they use by selecting so-called “core carriers” as approved transportation service providers, and in some instances, we may not be selected.
- Many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress prices or result in the loss of some business to competitors.
- The trend towards consolidation in the ground transportation industry may create other large carriers with greater financial resources and other competitive advantages relating to their size.
- Advances in technology require increased investments to remain competitive, and our customers may not be willing to accept higher prices to cover the cost of these investments.
- Competition from non-asset-based logistics and freight brokerage companies may adversely affect our customer relationships and prices.

If our relationship with our employees were to deteriorate, we may be faced with labor disruptions or stoppages, which could have a material adverse effect on our business, financial condition and results of operations and place us at a disadvantage relative to non-union competitors.

Virtually all of our operating subsidiaries have employees who are represented by the International Brotherhood of Teamsters (the “IBT”). These employees represent approximately 70% of our workforce.

Each of our YRC, New Penn and Holland business units employ most of their unionized employees under the terms of a common national master freight agreement with the IBT, as supplemented by additional regional supplements and local agreements. The IBT members ratified a five-year agreement that took effect on April 1, 2008, and will expire on March 31, 2013, as modified by the Memorandum of Understanding on the Wage Reduction – Job Security Plan, effective January 9, 2009. The IBT also represents a number of employees at Reddaway, Glen Moore and YRC Logistics under more localized agreements, which have wages, benefit contributions and other terms and conditions that better fit the cost structure and operating models of these business units.

Certain of our subsidiaries are regularly subject to grievances, arbitration proceedings and other claims concerning alleged past and current non-compliance with applicable labor law and collective bargaining agreements.

Neither we nor any of our subsidiaries can predict the outcome of any of the matters discussed above. These matters, if resolved in a manner unfavorable to us, could have a material adverse effect on our business, financial condition and results of operations.

Ongoing self-insurance and claims expenses could have a material adverse effect on our business, financial condition and results of operations.

Our future insurance and claims expenses might exceed historical levels. We currently self-insure for a majority of our claims exposure resulting from cargo loss, personal injury, property damage and workers’ compensation. If the number or severity of claims for which we are self-insured increases, our business, financial condition and results of operations could be adversely affected and we may have to post additional letters of credit to support our insurance policies. If we lose our ability to self insure, our insurance costs could materially increase and we may find it difficult to obtain adequate levels of insurance coverage.

We have significant ongoing capital requirements that could reduce our income if we are unable to generate sufficient cash from operations.

Our business is capital intensive. If we are unable to generate sufficient cash from operations to fund our capital requirements, we may have to limit our growth, utilize our existing, or enter into additional, financing arrangements, including leasing arrangements, or operate our revenue equipment (including tractors and trailers) for longer periods resulting in increased maintenance costs, any of which could reduce our income. Although we expect reduced capital expenditures due to the integration of Yellow Transportation and Roadway, if our cash from operations and existing financing arrangements are not sufficient to fund our capital requirements, we may not be able to obtain additional financing at all or on terms acceptable to us.

We operate in an industry subject to extensive government regulations, and costs of compliance with, or liability for violation of, existing or future regulations could significantly increase our costs of doing business.

The U.S. Departments of Transportation and Homeland Security and various federal, state, local and foreign agencies exercise broad powers over our business, generally governing such activities as authorization to engage in motor carrier operations, safety and permits to conduct transportation business. We may also become subject to new or more restrictive regulations that the Departments of Transportation and Homeland Security, the Occupational Safety and Health Administration, the Environmental Protection Agency or other authorities impose, including regulations relating to engine exhaust emissions, the hours of service that our drivers may provide in any one time period, security and other matters. Compliance with these regulations could substantially impair equipment productivity and increase our costs.

We are subject to various environmental laws and regulations, and costs of compliance with, or liabilities for violations of, existing or future laws and regulations could significantly increase our costs of doing business.

Our operations are subject to environmental laws and regulations dealing with, among other things, the handling of hazardous materials, underground fuel storage tanks and discharge and retention of stormwater. We operate in industrial areas, where truck terminals and other industrial activities are located, and where groundwater or other forms of environmental contamination may have occurred. Our operations involve the risks of fuel spillage or seepage, environmental damage, and hazardous waste disposal, among others. If we are involved in a spill or other accident involving hazardous substances, or if we are found to be in violation of applicable environmental laws or regulations, it could significantly increase our cost of doing business. Under specific environmental laws and regulations, we could be held responsible for all of the costs relating to any contamination at our past or present terminals and at third-party waste disposal sites. If we fail to comply with applicable environmental laws and regulations, we could be subject to substantial fines or penalties and to civil and criminal liability.

In addition, as global warming issues become more prevalent, federal and local governments and our customers are beginning to respond to these issues. This increased focus on sustainability may result in new regulations and customer requirements that could negatively affect us. This could cause us to incur additional direct costs or to make changes to our operations in order to comply with any new regulations and customer requirements, as well as increased indirect costs or loss of revenue resulting from, among other things, our customers incurring additional compliance costs that affect our costs and revenues. We could also lose revenue if our customers divert business from us because we haven't complied with their sustainability requirements. These costs, changes and loss of revenue could have a material adverse effect on our business, financial condition and results of operations.

We may be obligated to make additional contributions to multi-employer pension plans.

If a surcharge is assessed on any of the multi-employer pension plans to which our operating subsidiaries contribute and the funds available under our collective bargaining agreements are insufficient, we may have to contribute more to the plans than our contracted amounts. See the "Employee Benefits" note to our consolidated financial statements.

Our management team is an important part of our business and loss of key personnel could impair our success.

We benefit from the leadership and experience of our senior management team and depend on their continued services to successfully implement our business strategy. Other than William D. Zollars, our President and Chief Executive Officer, we have not entered into employment agreements for a fixed period with members of our current management. The loss of key personnel could have a material adverse effect on our business, financial condition and results of operations.

Our business may be harmed by anti-terrorism measures.

In the aftermath of the terrorist attacks on the United States, federal, state and municipal authorities have implemented and are implementing various security measures, including checkpoints and travel restrictions on large trucks. Although many companies will be adversely affected by any slowdown in the availability of freight transportation, the negative impact could affect our business disproportionately. For example, we offer specialized services that guarantee on-time delivery. If the security measures disrupt or impede the timing of our deliveries, we may fail to meet the needs of our customers, or may incur increased expenses to do so. We cannot assure you that these measures will not significantly increase our costs and reduce our operating margins and income.

The outcome of legal proceedings and IRS audits to which the Company and its subsidiaries are a party could have a material adverse effect on our businesses, financial condition and results of operations.

The Company and its subsidiaries are a party to various legal proceedings, including claims related to personal injury, property damage, cargo loss, workers' compensation, employment discrimination, breach of contract, multi-employer pension plan withdrawal liability and antitrust violations. See the "Commitments, Contingencies and Uncertainties" note to our consolidated financial

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statements. The IRS may issue adverse tax determinations in connection with its audit of our prior year tax returns or the returns of a consolidated group that we acquired in 2005. See the “Income Taxes” note to our consolidated financial statements. We may incur significant expenses defending these legal proceedings and IRS audits. In addition, we may be required to pay significant awards, settlements or taxes in connection with these proceedings and audits, which could have a material adverse effect on our businesses, financial condition and results of operations.

We may not obtain the projected benefits and cost savings from operational changes and performance improvement initiatives.

In response to our business environment, we initiated operational changes and process improvements to reduce costs and improve financial performance. The changes and initiatives included integrating our Yellow Transportation and Roadway transportation networks, reorganizing our management, reducing corporate overhead, closing redundant offices and eliminating unnecessary activities. There is no assurance that these changes and improvements will be successful or that we will not have to initiate additional changes and improvements in order to achieve the projected benefits and cost savings.

Our credit agreement and other financing arrangements subject us to various covenants and restrictions that could limit our operating flexibility.

Our credit agreement and other financing arrangements contain covenants and other restrictions that, among other things, require us to satisfy certain financial ratios and restrict our ability to take certain actions, including incur additional indebtedness. The covenants and restrictions in our financing arrangements may limit our ability to respond to market conditions or take advantage of business opportunities by limiting, among other things, the amount of additional borrowings we may incur. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition—Liquidity” for additional information regarding our liquidity.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

At December 31, 2008, we operated a total of 711 transportation service centers located in 50 states, Puerto Rico, Canada and Mexico. Of this total, 429 were owned and 282 were leased, generally with renewal terms of three years or less. The number of vehicle back-in doors totaled 33,122, of which 26,848 were at owned facilities and 6,274 were at leased facilities. The transportation service centers vary in size ranging from one to three doors at small local facilities, to over 426 doors at the largest consolidation and distribution facility. We own substantially all of the larger facilities, which contain the greatest number of doors, but intend to pursue sale and leaseback type transactions that could result in lease relationships versus an ownership position for certain of these locations. In addition, we and our subsidiaries own and occupy general office buildings in Overland Park, Kansas; Akron, Ohio; Lebanon, Pennsylvania; Carlisle, Pennsylvania; and Holland, Michigan. We also lease and occupy general office buildings in Clackamas, Oregon and Winnipeg, Manitoba. Our owned transportation service centers and office buildings serve as collateral under our Credit Agreement.

Our facilities and equipment are adequate to meet current business requirements in 2009. Refer to “Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations”, for a more detailed discussion of expectations regarding capital spending in 2009.

Item 3. Legal Proceedings

We discuss legal proceedings in the “Commitments, Contingencies, and Uncertainties” note to our consolidated financial statements.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

PART II**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.****Common Stock**

As of January 31, 2009, approximately 16,100 shareholders of record held YRC Worldwide common stock. Our only class of stock outstanding is common stock, traded through the NASDAQ Stock Market. Trading activity averaged 2,410,000 shares per day during 2008, up from 1,490,000 per day in 2007. The NASDAQ Stock Market quotes prices for our common stock under the symbol "YRCW." The high and low prices at which YRC Worldwide common stock traded for each calendar quarter in 2008 and 2007 are shown below.

Quarterly Financial Information (unaudited)

<u>(in thousands, except per share data)</u>	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>
2008 ^(a)				
Operating revenue	\$2,232,592	\$2,398,728	\$2,380,258	\$1,928,823
Losses (gains) on property disposals, net	3,486	3,053	(15,466)	(10,156)
Operating income (loss)	(53,443)	71,254	(756,621)	(335,316)
Net income (loss)	(45,875)	36,274	(720,382)	(244,409)
Diluted earnings (loss) per share	(0.81)	0.62	(12.57)	(4.14)
Common stock:				
High	19.80	20.95	22.52	11.87
Low	10.99	11.90	11.52	1.20
2007 ^(b)				
Operating revenue	\$2,328,342	\$2,486,505	\$2,457,731	\$2,348,738
Losses (gains) on property disposals, net	2,949	(2,788)	1,400	(7,381)
Operating income (loss)	20,400	108,422	87,651	(781,599)
Net income (loss)	1,279	55,367	40,744	(735,771)
Diluted earnings (loss) per share	0.02	0.95	0.70	(12.99)
Common stock:				
High	47.09	45.99	38.51	28.83
Low	37.95	36.59	26.43	15.87

(a) The second and third quarters of 2008 include curtailment gains of \$34.1 million and \$63.3 million, respectively, related to the curtailment of postretirement healthcare and pension benefits. The third and fourth quarters of 2008 include impairment charges of \$823.1 million and \$200.3 million, respectively.

(b) The 2007 fourth quarter amounts include an impairment charge of \$781.9 million, additional depreciation expense of \$9.3 million related to the abandonment of certain in-process technology projects and reorganization charges, primarily severance, of \$9 million.

Purchases of Equity Securities by the Issuer

In April 2006, our Board of Directors approved a stock repurchase program that authorized the Company to repurchase up to \$100 million of its common stock. During 2007, the Company purchased 1.1 million shares under this program at a weighted-average cost of \$31.13 per share for a total cost of \$35.0 million. In 2006, the Company purchased 521,100 shares under this program at a weighted-average cost of \$38.34 per share for a total cost of \$20.0 million. At December 31, 2008, \$45 million remains available under the authorized program. Our current Credit Agreement restricts our ability to purchase additional shares under this program.

Dividends

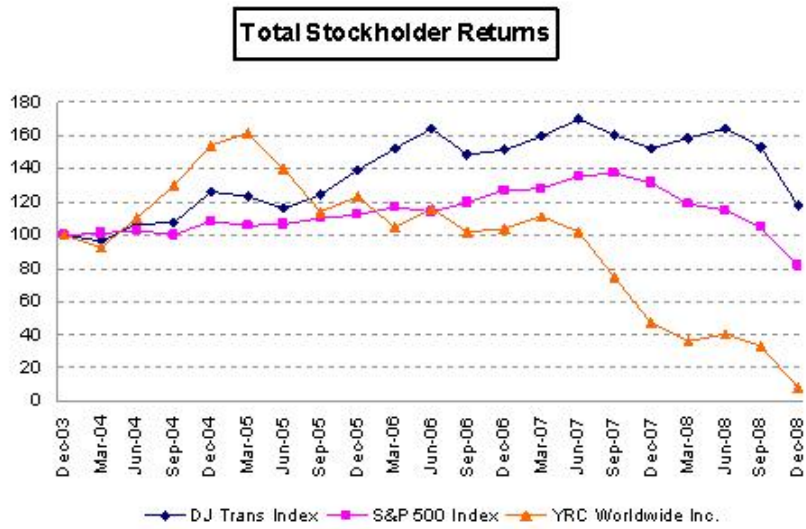
We did not declare any cash dividends on our common stock in 2008, 2007 or 2006.

Equity Compensation Plans

The information required by this item with respect to information regarding our equity compensation plans is included under the caption "Equity Compensation Plan Information" in our Proxy Statement related to the 2009 Annual Meeting of Stockholders and is incorporated herein by reference.

Common Stock Performance

Set forth below is a line graph comparing the quarterly percentage change in the cumulative total stockholder return of the Company's common stock against the cumulative total return of the S&P Composite-500 Stock Index and the Dow Jones Transportation Average Stock Index for the period of five years commencing December 31, 2003 and ending December 31, 2008.



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Item 6. Selected Financial Data

<u>(in thousands except per share data)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005^(a)</u>	<u>2004</u>
<u>For the Year</u>					
Operating revenue	\$ 8,940,401	\$9,621,316	\$9,918,690	\$8,741,557	\$6,767,485
Operating income (loss)	(1,074,126)	(565,126)	545,434	536,310	361,601
Gains on property disposals, net	(19,083)	(5,820)	(8,360)	(5,388)	(4,547)
Reorganization and settlements	25,210	22,385	26,302	13,029	—
Impairment charges	1,023,376	781,875	—	—	—
Interest expense	77,907	88,760	87,760	63,371	43,954
Net income (loss)	(974,392)	(638,381)	276,632	288,130	184,327
Depreciation and amortization expense ^(b)	264,291	255,603	274,184	250,562	171,468
Net capital expenditures	34,686	338,424	303,057	256,435	164,289
Net cash from operating activities	219,820	392,598	532,304	497,677	435,718
<u>At Year-End</u>					
Net property and equipment	2,200,977	2,380,473	2,269,846	2,205,792	1,422,718
Total assets	3,966,113	5,062,623	5,851,759	5,734,189	3,627,169
Long-term debt, less current portion	787,415	822,048	1,058,496	1,113,085	403,535
ABS facility	147,000	180,000	225,000	374,970	—
Total debt	1,360,752	1,234,003	1,283,496	1,488,055	657,935
Total shareholders' equity ^(c)	474,394	1,612,304	2,192,549	1,936,488	1,214,191
<u>Measurements</u>					
Basic per share data:					
Net income (loss)	(16.92)	(11.17)	4.82	5.30	3.83
Average common shares outstanding – basic	57,583	57,154	57,361	54,358	48,149
Diluted per share data:					
Net income (loss)	(16.92)	(11.17)	4.74	5.07	3.75
Average common shares outstanding – diluted	57,583	57,154	58,339	56,905	49,174
Debt to capitalization	74.1%	43.4%	36.9%	43.5%	35.1%
Shareholders' equity per share	8.00	28.43	38.33	33.80	24.66
Common stock price range:					
High	22.52	47.09	51.54	63.40	56.49
Low	1.20	15.87	35.27	39.25	29.77
<u>Other Data</u>					
Average number of employees	55,000	63,000	66,000	68,000	50,000
Operating ratio:					
National Transportation	111.9%	97.6%	93.8%	93.1%	94.4%
Regional Transportation ^(d)	107.5%	n/m ^(e)	94.3%	94.5%	87.0%
YRC Logistics	124.1%	99.2%	97.8%	96.6%	98.2%
Truckload	109.7%	105.2%	93.6%	94.8%	—

(a) Includes the results of all YRC Worldwide entities including USF entities from the date of acquisition, May 24, 2005.

(b) Depreciation lives and salvage values were revised effective July 1, 2006. See “Principles of Consolidation and Summary of Accounting Policies - Property and Equipment” note to our consolidated financial statements.

(c) SFAS No. 158 was adopted effective December 31, 2006. See “Employee Benefits – Pension and Other Postretirement Benefit Plans” note to our consolidated financial statements.

(d) Includes the results of New Penn only in 2004.

(e) Not meaningful.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

“Management’s Discussion and Analysis of Financial Condition and Results of Operations” contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. See the introductory section immediately prior to “Part I” and risk factors in “Part I” of this report regarding these statements.

Overview

YRC Worldwide Inc., one of the largest transportation service providers in the world, is a holding company that through wholly owned operating subsidiaries offers its customers a wide range of transportation services. These operating subsidiaries are primarily represented by National Transportation, a reporting unit that reflects the merger of Yellow Transportation and Roadway, now collectively YRC, a leading transportation service provider offering a full range of regional, national and international services; Regional Transportation, a reporting unit for our transportation service providers focused on business opportunities in the regional and next-day delivery markets; YRC Logistics, a global logistics management company that plans and coordinates the movement of goods worldwide to provide customers a single source for logistics management solutions; and Truckload, which reflects the results of Glen Moore, a provider of truckload services throughout the U.S. These companies represent our reporting segments and are more fully described in “Item 1 – Business”.

Prior to the second quarter of 2008, our Truckload results, consisting of Glen Moore, were included in the Regional Transportation segment as a significant portion of Glen Moore’s revenue was related to moving shipments between Regional Transportation LTL sister companies. Beginning in the second quarter 2008, our focus has shifted to providing more comprehensive truckload capabilities directly to shippers as well as providing those services to all YRC Worldwide companies. As a result, we have presented Truckload as a separate segment. Historical amounts are presented in a manner that is consistent with the revised segment reporting.

The following management’s discussion and analysis explains the main factors impacting our results of operations, liquidity and capital expenditures and the critical accounting policies of YRC Worldwide. This information should be read in conjunction with the accompanying financial statements and notes thereto, as well as our detailed discussion of risk factors included in Item 1A.

Our Operating Environment

We operate in a highly competitive environment, yet one where we believe the right value proposition for our customers permits us to recover our cost of capital over the business cycle. The economic recession in the U.S. as well as global financial concerns has impacted the competitiveness of our industry and created unique challenges for both our company and our customers. Over the last several years, significant changes have occurred in our operating environment, including: consolidation and liquidation of LTL carriers; the increased presence of large global, service providers; and increasing needs and demands of our customers. We continue to proactively address these changes through our strategy of being a global transportation services provider. Since 2004, our focus has been twofold – capitalizing on the synergies presented from several acquisitions, both asset and non-asset based, and two, expanding globally to firmly position ourselves as a true end-to-end service provider. The synergy efforts addressed following the Roadway and USF acquisitions were initially internally focused and included combining routine, non-customer facing processes. In 2008, we initiated the integration of the Yellow Transportation and Roadway networks. This integration, completed on March 1, 2009, is expected to result in a larger overall network yet eliminate several redundancies in the former two processes. Our leadership team is now aligned with this new network, branded YRC.

From a global perspective we have continued to expand our logistics virtual footprint, primarily in Asia and Latin America. In August 2008, we completed the acquisition of a 65% interest in a Shanghai based LTL and truckload ground transportation provider. We believe this, coupled with our 50% equity interest in a freight forwarding joint venture with a Chinese corporation, provides significant opportunity to meet customers’ global transportation and logistics needs.

We will continue to face challenges in the environment which we operate, primarily due to the changing competitive landscape, meeting our stakeholders’ demands and the current recession. Specific economic areas that impact our ability to generate profits and cash flows include the levels of consumer spending, manufacturing and overall economic activity. We monitor these areas primarily through several common economic indices, including the gross domestic product (“GDP”) and the industrial production index (“IPI”). Real GDP measures the value of goods and services produced in the U.S., excluding inflation, and the IPI measures the physical units and inputs into the U.S. production process. Over time the IPI has been a relatively good indicator for general levels of freight volume available in our markets. We manage the impact of our customers’ spending, manufacturing and economic activity through, among others, pricing discipline, cost management programs, liquidity management, investment in technology and continuous improvement programs. In 2008 and 2007, market conditions were especially weak and contributed to resulting impairment charges of the value

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of goodwill and certain tradenames totaling \$1,023.4 million and \$781.9 million, respectively. In response to the deep and prolonged U.S. recession, we have implemented a union and non-union 10% wage reduction effective January 1, 2009. A significant majority of our union employees ratified this reduction in January 2009 which includes the 10% wage reduction through the remaining term of the contract, March of 2013. The non-union reduction is scheduled to change to a 5% reduction July 1, 2009, with base salaries fully recovering January 1, 2010. The non-union employees also were affected by the suspension of the employer match provision in our defined contribution plans, the termination of our postretirement healthcare plan and the freezing of benefit accruals under our defined benefit pension plans.

Acquisitions and Investments

Shanghai Jiayu Logistics Co., Ltd.

On August 19, 2008, we completed the purchase of a 65% equity interest in Shanghai Jiayu Logistics Co., Ltd. (“Jiayu”), a Shanghai, China ground transportation company with a purchase price of \$47.7 million including transaction costs. The purchase agreement provides for an adjustment to the purchase price based upon the final working capital of Jiayu as reflected in its opening balance sheet. This process is virtually complete and will result in additional purchase price of approximately \$5.8 million; however, the amount will be paid via a dividend from Jiayu to the seller. We will not be required to make an additional cash payment as a result of this process. We account for our ownership in Jiayu using the equity method of accounting and record our portion of the financial results of Jiayu one month in arrears. This investment is a part of our YRC Logistics segment and is included in “Other assets” in the accompanying consolidated balance sheets.

If Jiayu meets certain financial performance targets during 2008 and 2009, we could be obligated to purchase the remaining 35% interest in 2010 for an amount not to exceed CNY 248.0 million (approximately \$36 million), as determined by the level of Jiayu’s financial performance. If Jiayu does not meet these financial targets, we have an option to purchase the remaining 35% of the shares of Jiayu in 2010 for the greater of CNY 77.5 million (approximately \$11 million) and 35% of the appraised value of the net assets of Jiayu at that time. All additional payments will be made in Chinese Yuan, and their estimated U.S. dollar equivalents are provided above.

Results of Operations

This section focuses on the highlights and significant items that impacted our operating results over the last three years. We will discuss the areas that caused material fluctuations and required specific evaluation by management.

Consolidated Results

Our consolidated results include the results of each of the operating segments discussed below and corporate charges for the periods presented. A more detailed discussion of the operating results of our segments is presented below.

The following table summarizes the statements of consolidated operations for the three years ended December 31:

(in millions)	2008	2007	2006	Percent Change	
				2008 vs. 2007	2007 vs. 2006
Operating revenue	\$ 8,940.4	\$9,621.3	\$9,918.7	(7.1%)	(3.0%)
Impairment charges	1,023.4	781.9	—	n/m ^(a)	n/m
Operating income (loss)	(1,074.1)	(565.1)	545.4	n/m	n/m
Nonoperating expenses, net	69.3	86.6	89.5	(20.0%)	(3.2%)
Net income (loss)	\$ (974.4)	\$ (638.4)	\$ 276.6	n/m	n/m

(a) Not meaningful.

2008 compared to 2007

Consolidated operating revenue decreased by \$680.9 million during the year ended December 31, 2008, as compared to the same period in 2007, which is reflective of decreased revenue at all of our operating companies with the exception of our Truckload segment whose revenue was slightly greater than the same period in 2007. Overall, volumes and to a lesser extent yield are lower in 2008 versus 2007 offset by increased fuel surcharge revenue. The U.S. economic recession and its impact on the tangible goods and other sectors, directly impacts our ability to grow and maintain operating revenue. The recession limits our ability somewhat to correctly discern the exact reason for revenue declines; however, we believe certain customers have diverted volumes from our network in response to concerns regarding our financial stability. Also contributing to the revenue decline was the closure of 27 service centers in the Regional Transportation network in February 2008.

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Consolidated operating revenue includes fuel surcharge revenue. Fuel surcharges are common throughout our industry and represent an amount that we charge to customers that adjusts with changing fuel prices. We base our fuel surcharges on a published national index and adjust them weekly. Rapid material changes in the index or our cost of fuel can positively or negatively impact our revenue and operating income versus prior periods as there is a lag in the Company's adjustment of base rates in response to changes in fuel surcharge. Fuel surcharge is an accepted and important component of the overall pricing of our services to our customers. Without an industry accepted fuel surcharge program, our base pricing for our transportation services would require changes. We believe the distinction between base rates and fuel surcharge has been blurring over time, and it is impractical to clearly separate all the different factors that influence the price that our customers are willing to pay. In general, under our present fuel surcharge program, we believe rising fuel costs are beneficial to us, and falling fuel costs are detrimental to us, in the short term. However, as fuel prices reached record highs during the first half of 2008, we experienced a higher percentage of customers whose increased fuel surcharge revenue did not cover our increased fuel costs. As fuel prices began to retreat in the second half of 2008, a more typical relation returned between fuel cost and fuel surcharge revenue.

Consolidated operating results for the year ended December 31, 2008, include non-cash impairment charges of \$1,023.4 million representing write offs of goodwill associated with our National Transportation and YRC Logistics segments, a write off of our Roadway tradename due to the introduction of YRC as our new brand, a write off of the USF brand (a part of the Regional Transportation segment) as we will no longer support this brand, and a reduction in the tradename value attributed to YRC Reimer (a part of the National Transportation segment). In the year ended December 31, 2007, we recorded impairment charges of \$781.9 million which represented a write off of goodwill associated with our Regional Transportation segment as well as reductions in the tradename values attributed to USF (a part of the Regional Transportation segment) and Roadway (a part of the National Transportation segment.) Absent these impairment charges, consolidated operating income decreased by \$267.5 million during the year ended December 31, 2008, as compared to the same period in 2007. The decline in consolidated operating income in 2008 is attributable to erosion in volume and base pricing and higher contractual labor rates in our National Transportation and our Regional Transportation segments as well as a challenging economy and tough competitive environment. Regional Transportation has been challenged by the difficult economic conditions, especially in the industrial sector in the Upper Midwest, which has significantly impacted volumes, and operational difficulties associated with the combination of Reddaway and USF Bestway in 2007. Our asset based companies experienced significantly higher fuel costs in 2008 as compared to 2007 as reflected in the increase in "Operating expenses and supplies" in the accompanying statements of consolidated operations. Fuel costs also drove higher purchased transportation costs in 2008 versus 2007. These increases were partially offset by \$88.7 million net curtailment and settlement gains included in "Salaries, wages and employees' benefits" in the accompanying consolidated statement of operations, primarily related to the elimination of postretirement healthcare benefits via a plan amendment for certain current and retired Roadway employees and the freezing of future benefit accruals under our non-union defined benefit plans effective July 1, 2008. During the year ended December 31, 2008, we continued to target cost control initiatives at all of our operating companies which is necessary given the volatility in the domestic markets and the overall tepid consumer spending patterns.

Our consolidated operating income during the year ended December 31, 2008, was also unfavorably impacted by \$25.2 million of reorganization charges. During the first quarter of 2008, we closed 27 service centers in the Regional Transportation networks. These closures contributed to approximately \$12.4 million of the reorganization charges. The majority of these closures were in the former USF Bestway footprint and represented locations that we inserted in the Reddaway network in 2007. This combination led to challenging operational difficulties and resulted in the 2008 closure of the former USF Bestway locations. A smaller portion of the closures were in the Holland network and represented locations in the former USF Dugan network. In addition, we incurred severance and reorganization charges during 2008 of approximately \$11.1 million resulting from continued realignment of our operations, and we closed a YRC Logistics facility in the United Kingdom and terminated a YRC Logistics service offering which resulted in closure charges, primarily lease cancellation charges, of approximately \$1.2 million and \$0.5 million, respectively. In 2007 we recorded \$27.3 million of reorganization charges, primarily severance and acceleration of stock compensation charges related to terminated executives. During the year ended December 31, 2008, we recognized gains on the sale of property and equipment of \$19.1 million compared to gains of \$5.8 million on the sale of property and equipment during the year ended December 31, 2007.

Nonoperating expenses for the year ended December 31, 2008, decreased \$17.3 million from the year ended December 31, 2007. Lower overall borrowings throughout 2008 contributed to decreased interest expense of \$11.5 million versus 2007. The 2008 period also reflects decreased interest related to withdrawal liabilities to USF Red Star multi-employer pension plans of \$1.5 million offset by an increase in amortization of deferred debt costs of \$1.1 million and a decrease in amortization of debt premiums of \$1.0 million. Nonoperating expenses also included the impacts of foreign currency which increased favorably \$5.7 million in 2008 versus 2007. Interest income, net financing transaction costs and earnings of joint ventures are also included in nonoperating expenses.

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Our effective tax rate for the year ended December 31, 2008, was 14.8% compared to 2.0% for the year ended December 31, 2007. Significant items impacting the 2008 rate include goodwill impairment charges and certain nondeductible expenses partially offset by benefits associated with various state jurisdictions and an alternative fuel tax credit. The effective tax rate for 2007 was more proportionately impacted by the goodwill impairment charges.

2007 compared to 2006

Our consolidated revenue declined 3% in 2007 versus 2006 as reflected in each of our asset-based operating segments. This decrease was primarily a function of decreased shipments resulting from the slowing economy, weak consumer spending trends and the resulting intense competitive pricing environment. While we have experienced lower volumes throughout our entire network, the industrial Midwest has been especially challenging largely due to its dependence on the automotive and related industries. In general, pricing or yield, including fuel surcharge revenue, increased modestly for our National Transportation segment yet was relatively flat for our Regional Transportation segment, which suffered more dramatic competitive pricing pressure.

Consolidated operating income decreased significantly from 2006 resulting in an operating loss of \$565.1 million in 2007. Included in this operating loss are impairment charges of \$781.9 million as discussed above. Absent this charge, consolidated operating income was \$216.8 million for 2007 versus \$545.4 million for 2006. This significant downturn in earnings was experienced by all of our operating companies; however, our Regional Transportation segment experienced the greatest percentage decline on a year-over-year basis. Given its regional concentration, the weak economy in the Upper Midwest impacted this segment more severely. Additionally, we were less effective in reducing our variable costs in the regional market in response to the decline in revenue than in our national market. This is partly attributable to continued challenges associated with the Reddaway and USF Bestway consolidation in February 2007. In response to these and other challenges, in February 2008 Reddaway closed 21 service centers primarily representing the former USF Bestway footprint. Holland closed 6 service centers at this same time.

Our 2007 consolidated operating results were negatively impacted by \$27.3 million of reorganization charges, primarily severance and acceleration of stock compensation charges related to terminated executives, of which \$9.5 million was included in the Corporate results. Our 2006 consolidated operating results included \$10.2 million of similar charges as well as \$13.3 million related to a USF Red Star multi-employer pension plan matter. In 2007, we successfully settled certain of these USF Red Star multi-employer pension plan obligations resulting in a gain of \$6.4 million. Consolidated operating income also included gains on the sale of property and equipment of \$5.8 million and \$8.4 million for the years ended December 31, 2007 and 2006, respectively.

Our 2007 nonoperating expenses of \$86.6 million included \$88.8 million of interest expense as compared to \$87.8 million in 2006. Included in the 2007 interest amount is \$5.6 million attributed to income tax items. In conjunction with our adoption of FIN No. 48, "Accounting for Uncertainty in Income Taxes" effective January 1, 2007, we now classify interest related to income tax items in interest expense as opposed to the 2006 classification in income tax provision (benefit). Interest expense attributed to financing arrangements is down slightly from 2006 due to decreased borrowings. Other nonoperating charges in 2007 included foreign currency losses of \$5.4 million offset by interest income of \$4.4 million and other gains of \$3.2 million while 2006 included \$4.6 million of charges related to the write down of certain nonoperating assets offset by interest income of \$3.1 million.

Our effective tax rate for 2007 was 2.0% compared to 39.3% for 2006. The 2007 rate reflects a \$638.6 million goodwill impairment charge that is non deductible for tax purposes. The 2007 rate was favorably impacted by a \$1.8 million alternative fuel tax credit related to 2006 and reflects a benefit of \$7.1 million for the same type of credit in 2007.

National Transportation Results

National Transportation represented approximately 70%, 69% and 69% of our consolidated revenue in 2008, 2007 and 2006, respectively. The table below provides summary information for National Transportation for the three years ended December 31:

<u>(in millions)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>Percent Change</u>	
				<u>2008 vs. 2007</u>	<u>2007 vs. 2006</u>
Operating revenue	\$6,304.9	\$6,657.8	\$6,878.6	(5.3%)	(3.2%)
Impairment charges	776.7	76.6	—	n/m ^(a)	n/m
Operating income (loss)	(749.4)	159.3	423.3	n/m	(62.4%)
Operating ratio	111.9%	97.6%	93.8%	14.3pp ^(b)	3.8pp

(a) Not meaningful.

(b) Percentage points.

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2008 compared to 2007

National Transportation reported operating revenue of \$6,304.9 million in 2008, a decline of \$352.9 million or 5.3% compared to the prior year. The two primary components of operating revenue are volume, comprised of the number of shipments and weight per shipment, and price or yield, usually evaluated on a per hundred weight basis. The decline in operating revenue was largely driven by a 9.9% decline in total picked up tonnage per day. The decline in total picked up tonnage per day was made up of an 11.2% decline in total shipments per day and a 1.5% increase in total weight per shipment.

The tonnage decline is primarily the result of a weak economy. As the economy has weakened, capacity has become more readily available and competition for available loads has intensified. Additionally, we believe certain customers diverted some freight to our competitors in early 2008 while we were finalizing our union labor contract and again in late 2008 due to uncertainty around a proposed amendment to our union labor agreement, which was subsequently ratified by the union, as well as perceived uncertainty around the financial stability of our Company.

The decline in total tonnage per day was partially offset by a 4.1% increase in total revenue per hundred weight. The increase in total revenue per hundred weight was the result of higher fuel surcharge revenue associated with substantially higher diesel fuel prices in 2008 compared to the prior year. Fuel prices were higher overall in 2008 compared to 2007 despite a significant and rapid decline in fuel prices in the fourth quarter of 2008.

The operating loss for National Transportation in 2008 included a non-cash charge of \$776.7 million primarily relating to the impairment of goodwill and tradenames of Roadway and YRC Reimer, both a part of National Transportation. The prior year also contained an impairment charge in the amount of \$76.6 million. Absent these charges, operating income for National Transportation was \$27.3 million in 2008, a decline of \$208.6 million or 88.4% compared to 2007. This decrease was primarily the result of lower revenue of \$352.9 million, higher operating expenses and supplies of \$134.0 million and higher purchased transportation of \$39.1 million, partially offset by lower salaries, wages and benefits of \$313.0 million (which includes pension and postretirement medical curtailment gains) and by lower other operating expenses of \$9.2 million.

An impairment charge was taken against goodwill and tradenames for Roadway and YRC Reimer in the third quarter of 2008 in the amount of \$635.9 million. Deteriorating economic conditions in 2008 were a primary factor in calculating the fair value of goodwill and tradenames and the resulting write-down. Additionally, management elected to discontinue the use of the Roadway name in marketing efforts which resulted in a fourth quarter charge to the Roadway tradename of \$140.8 million. In 2007, an impairment charge was taken against tradenames for Roadway and Reimer.

Operating expenses and supplies were higher due mostly to an increase in fuel costs. Fuel and oil costs were 25.3% higher in 2008 compared to 2007 despite fewer shipments and despite a substantial decline in fuel prices during the fourth quarter of 2008. Additionally, bad debt expense in 2008 was \$6.3 million or 29.3% higher than the prior year reflective of increased bankruptcies in our customer base.

Purchased transportation was higher due mostly to increased motor carrier costs combined with a change in administering certain intercompany transactions. Effective July 2007, we began recording both revenue and intercompany expense, primarily purchased transportation, for transactions serviced by our sister company, YRC Logistics, that we otherwise could not service within our network. We also pay a transaction fee to YRC Logistics that is included in purchased transportation. Previously, YRC Logistics recorded the revenue and purchased transportation. This change does not affect the consolidated financial statements of YRC Worldwide.

The decline in salaries, wages and benefits during 2008 was due mostly to lower hourly wages and benefits of \$174.0 million and lower salaries and benefits of \$136.0 million. Hourly wages and benefits declined as a result of lower volume but were partially offset by contractual wage and benefit increases effective April 1, 2008, and August 1, 2008, respectively. Salaries and benefits include curtailment gains of \$95.1 million in the second and third quarters of 2008 as well as the impact of substantial headcount reductions during the year and were partially offset by pension settlement costs of \$6.9 million related to the lump sum provision of the Roadway pension plan. The curtailment gains relate to the freezing of future benefit accruals under pension plans covering Yellow Transportation and Roadway non-union employees as well as termination of the Roadway postretirement medical plan.

Other operating expenses decreased mostly due to lower operating taxes and licenses of \$7.9 million primarily due to lower fuel taxes reflective of lower miles or volume. General liability claims expense increased \$16.1 million in 2008 compared to 2007 due to unfavorable experience related to road accidents. Cargo claims expense in 2008 was \$18.4 million lower than 2007 due to lower shipments and better claims experience.

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Net gains were recorded on the disposal of property of \$11.5 million in 2008 compared to a net gain of \$8.3 million in 2007. The 2008 gain is reflective of our initiative to combine duplicate locations within the YRC network and monetize these real estate holdings.

During 2008, reorganization and settlement costs, primarily severance costs associated with headcount reductions including certain management changes, were \$8.8 million. In 2007, severance costs were \$6.7 million due primarily to the combination of management structures of Yellow and Roadway to form National Transportation in the first quarter of 2007.

In October 2008, Yellow and Roadway legally merged and changed the legal name of the surviving entity to YRC Inc. The intention of management was to integrate the operations, technology and processes of both companies into one company. Though we can provide no assurance of success, the network integration was expected to have a significant favorable impact on our costs and service levels due to a substantial improvement in freight density. The integration process was completed on March 1, 2009.

Our expectations regarding the impact of the integration of Yellow Transportation and Roadway and the timing of achieving that improvement could differ materially from those projected in such forward-looking statements based on a number of factors, including (among others) the risk factors identified in "Part I" and the introductory section immediately prior to "Part I" of this report, the ability to identify and implement cost reductions in the time frame needed to achieve these expectations, the success of our operating plans, the need to spend additional capital to implement cost reduction opportunities, including (without limitation) to terminate, amend or renegotiate prior contractual commitments, the accuracy of our estimates of our spending requirements, changes in our strategic direction, the need to replace any unanticipated losses in capital assets, approval of the affected unionized employees of changes needed to complete the integration under our union agreements, the readiness of employees to utilize new combined processes, the effectiveness of deploying existing technology necessary to facilitate the combination of processes, our ability to receive expected price for our services from the combined network and customer acceptance of those services.

2007 compared to 2006

National Transportation revenue decreased \$220.8 million or 3.2% in 2007 compared to 2006. The decline in operating revenue was largely driven by a 6.1% decline in total picked up tonnage per day. The tonnage decline was primarily the result of a slowing economy, and we believe that the freight transportation sector also experienced softening business levels in 2007 based on reports of tonnage declines. Partially offsetting the reduction in volume was a 2.4% increase in revenue per hundred weight which includes higher fuel surcharge revenue.

Operating income for National Transportation decreased \$264.0 million or 62.4% in 2007 compared to the previous year. The decrease was primarily a result of lower revenue, a tradename impairment charge of \$76.6 million and higher purchased transportation of \$34.6 million, partially offset by lower salaries, wages and benefits of \$45.7 million, lower depreciation and amortization expense of \$17.2 million and lower other operating expenses of \$6.8 million. Additionally, the prior year results included a \$4.0 million recovery of business interruption insurance related to hurricane Katrina and \$3.5 million of costs associated with hosting an industry conference. No such conference was held in 2007, resulting in lower costs compared to the prior year period.

The impairment charge resulted from a reduction in the calculated fair value of the Roadway tradename. The fair value decline in our tradename was largely the result of a change in the assumptions (primarily discount rate and long-term revenue growth) used in the valuation model versus those used at the original acquisition date in 2003. Assumptions are reflective of current economic conditions, including the slow recovery in sectors impacting transportation.

Purchased transportation costs were higher primarily due to a change in administering certain intercompany transactions with YRC Logistics as previously discussed, certain new business initiatives with one of our largest customers and a contractual increase with our primary rail provider, partially offset by lower rail usage due largely to lower volumes.

Salaries, wages and benefits were lower due to lower workers' compensation costs of \$24.9 million and lower hourly wages and benefits of \$17.7 million. Hourly wages and benefits declined due to lower volumes and were partially offset by the annual contractual wage and benefit increase combined with having fewer new hire employees on the lower end of the union wage progression scale and having fewer casual (i.e., part-time, supplemental) employees. As volumes decline, it is more challenging to utilize casual employees who are used to supplement our regular workforce and have a lower overall cost as employees with greater seniority at higher wage rates must be utilized first under our labor agreement. Additionally, there have been fewer newly hired employees who have a lower initial cost than regular employees due to the wage progression. The prior year results included a reduction to expense of \$11.8 million due to a change in our vacation practices. The reduced workers' compensation cost is attributed to the absence of material unfavorable changes in the development of prior year claims that we experienced in 2006.

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Depreciation expense was lower primarily because of a change in depreciable lives and salvage values of revenue equipment effective July 1, 2006, reducing 2007 depreciation expense. This reduction was offset by \$9.3 million of technology amortization expense related to certain abandoned internal technology projects previously considered in process. As National Transportation moves to a common technology platform, these projects were identified as non-strategic and not a part of the future direction of the reporting unit.

Other operating expenses decreased mostly due to lower operating taxes and licenses of \$4.3 million. Cargo claims expense in 2007 was flat when compared to 2006. Additional resources were allocated for improving cargo claim frequency and resulted in lower year over year claims expense primarily during the second half of 2007.

During the year ended December 31, 2007, National Transportation reported net gains of property disposals of \$8.3 million versus \$6.4 million in 2006. The primary contributor to the 2007 amount was a gain of \$5.7 million on the sale of a property in California.

Reorganization charges in 2007, primarily severance costs, of \$6.7 million were largely the result of combining management structures of Yellow Transportation and Roadway to form National Transportation. During the year ended 2006, we incurred \$4.3 million of severance costs associated with a significant realignment in operations and a related reduction in workforce.

Regional Transportation Results

Regional Transportation represented approximately 22%, 24% and 24% of our consolidated revenue in 2008, 2007 and 2006, respectively.

The table below provides summary financial information for Regional Transportation for the three years ended December 31:

(in millions)	2008	2007	2006	Percent Change	
				2008 vs. 2007	2007 vs. 2006
Operating revenue	\$1,974.1	\$2,280.4	\$2,333.6	(13.4%)	(2.3%)
Impairment charges	89.7	705.3	—	n/m ^(a)	n/m
Operating income (loss)	(147.8)	(700.8)	133.6	n/m	n/m
Operating ratio	107.5%	n/m	94.3%	n/m	n/m

(a) Not meaningful.

2008 compared to 2007

Regional Transportation reported operating revenue of \$1,974.1 million for 2008, representing a decrease of \$306.3 million, or 13.4% from 2007. The decreased operating revenue was driven by lower business volumes, partially offset by improved pricing including improved fuel surcharge revenue. Total weight per day was down 16.4%, representing a 16.5% decline in total shipments per day and a flat total weight per shipment compared to last year. Shipment volumes were negatively impacted by a continued weak economy and the closure of 6 service centers at Holland and 21 service centers at Reddaway in mid-February 2008.

Total revenue per hundred weight increased 2.9% in 2008 as compared to 2007, primarily due to higher fuel surcharge revenue associated with higher diesel fuel prices, partly offset by pricing pressure impacts on our base rates. A meaningful portion of our regional footprint is concentrated in the Upper Midwest where business levels and pricing negotiations have been especially difficult due to the economic challenges in this geographic area.

Operating loss for Regional Transportation in 2008 includes an impairment charge of \$89.7 million related to the reduction in fair value of the USF tradename. We continue to incorporate all business units in our master branding strategy and have elected to discontinue the use of the USF name in marketing efforts. The 2007 results include a \$705.3 million non-cash impairment charge relating to goodwill and intangible assets. Absent these charges, the operating loss was \$58.1 million for 2008, a decrease of \$62.6 million from 2007, consisting of a \$306.3 million decline in revenue and a \$243.7 million decrease in operating expenses. Regional Transportation has reduced most operating expenses in proportion to lower business volumes. Expense decreases in 2008 were in salaries, wages and benefits of \$189.0 million, operating expenses and supplies of \$17.8 million, purchased transportation of \$24.4 million, depreciation and amortization of \$1.1 million and other operating expenses of \$17.4 million. Expense increases in 2008 were in gains/losses on property disposals of \$0.6 million and reorganizations and settlements of \$5.4 million.

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Salaries, wages and benefits expense decreased 13.0% reflecting lower employee levels and improved productivity, partly offset by annual/contractual salary, wage and benefit increases, and higher workers' compensation costs as a result of favorable adjustments in 2007. Operating expenses and supplies decreased 3.5% compared to 2007 reflecting a 14.3% reduction in costs other than fuel and a 7.9% increase in fuel costs (primarily due to higher fuel prices). Costs were lower in the areas of equipment maintenance, facilities, travel, driver hotels/meals and uncollectible revenue as a result of lower business volumes, effective cost management and terminal closures in 2008. Purchased transportation was 21.2% lower due to lower business volumes and the in-sourcing of certain linehaul transportation from third-party providers. Depreciation was 1.6% lower due to a smaller equipment fleet, mostly offset by the impact of newer equipment. Other operating expenses were 14.4% lower mainly in the areas of operating taxes, licenses and insurance primarily due to lower business volumes.

Property disposals resulted in a gain of \$3.4 million in 2008 compared to a gain of \$4.0 million in 2007, primarily due to the sale of terminal facilities in each year. Reorganization costs were higher in 2008 due to the overall size and amount of impacted facilities and employees for the relative reorganizations in each year.

2007 compared to 2006

Regional Transportation reported operating revenue of \$2,280.4 million for 2007, representing a decrease of \$53.2 million or 2.3% from 2006. With the same number of workdays in both years, the decline in operating revenue was largely driven by a 3.8% decline in total tonnage picked up. Regional Transportation volume decline is consistent with that experienced by National Transportation and also heavily concentrated in the industrial Midwest. As the economy slowed, capacity became more readily available, and competition for available loads increased. The decline in total tonnage was made up of a 1.0% decrease in shipments per day and a 2.9% decline in weight per shipment. Partially offsetting the reduction in volume was a 1.7% increase in total revenue per hundred weight, which includes increased fuel surcharge revenue.

Operating loss for Regional Transportation in 2007 includes an impairment charge of \$705.3 million relating to goodwill and intangible assets. There was no comparable charge in 2006. Absent this charge, operating income was \$4.5 million for 2007, a decrease of \$129.1 million from 2006, consisting of a \$53.2 million decline in revenue and a \$75.9 million increase in operating expenses. Expense increases in 2007 were in salaries, wages and benefits of \$44.1 million, operating expenses and supplies of \$37.5 million, other operating expenses of \$2.0 million and reorganizations and settlements of \$7.9 million. Expense decreases in 2007 were in purchased transportation of \$8.7 million, depreciation and amortization of \$6.8 million and gains/losses on property disposals of \$0.1 million.

Salaries, wages and benefits expense increased 3% despite lower tonnage and reductions in non-union incentive accruals and salaried headcount. The primary reasons for the increase were higher contractual wage expenses and associated benefits. Inefficiencies in the networks of Holland and Reddaway drove higher wages because of their negative impact on productivity.

Operating expenses and supplies were 8% higher due to several unfavorable factors including higher fuel costs, vehicle maintenance costs and corporate overhead, partly offset by reductions in uncollectible revenue. Other operating expenses were 2% higher due to higher fuel taxes driven by correspondingly higher fuel costs, and a higher provision for bodily injury and property damage claims.

Purchased transportation was 7% lower due mainly to the in-sourcing of linehaul carriage from third-party providers. Depreciation was 9% lower due to a change in depreciable life policy beginning in July 2006, reduction in assets due to terminal consolidation at Reddaway and lower equipment counts.

Property disposals resulted in a gain of \$4.0 million in 2007 compared to a gain of \$3.9 million in 2006. Reorganization costs in 2007 related to the closure of USF Bestway and the consolidation of terminals into Reddaway's California network. There were no reorganization costs in 2006.

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YRC Logistics Results

YRC Logistics represented approximately 7%, 6% and 6% of our consolidated revenue in 2008, 2007 and 2006, respectively. The table below provides summary financial information for YRC Logistics for the three years ended December 31:

(in millions)	2008	2007	2006	Percent Change	
				2008 vs. 2007	2007 vs. 2006
Operating revenue	\$ 621.7	\$ 623.2	\$ 609.7	(0.2)%	2.2%
Impairment charges	157.0	—	—	n/m ^(a)	n/m
Operating income	(149.9)	5.2	13.7	n/m	(62.4%)
Operating ratio	124.1%	99.2%	97.8%	24.9pp ^(b)	1.4pp

(a) Not meaningful.

(b) Percentage points.

2008 compared to 2007

For the year ended December 31, 2008, YRC Logistics revenue decreased by \$1.5 million or 0.2%. Revenue and expense associated with the fulfillment of certain of National Transportation's domestic forwarding business line were recorded within the National Transportation segment effective July 2007. Previously such revenue and related expense were recorded in the YRC Logistics segment. The transfer of this revenue resulted in a decrease of revenue of \$23.6 million for 2008 compared to 2007 with minimal impact on operating income as the corresponding purchased transportation was also transferred. Excluding this revenue, YRC Logistics revenue increased by \$22.1 million or 3.5% driven by customer growth and increased volumes in both global services of \$23.2 million and dedicated fleet of \$12.2 million. Increases in these services were partially offset by shrinking volumes in distribution services caused by weakening economic conditions in the retail sector and YRC Logistics' decision to exit its domestic ocean service offering.

Operating loss for the year ended December 31, 2008, includes an impairment charge related to the reduction in fair value of the YRC Logistics reporting unit resulting in a write off of goodwill of \$157.0 million. There was no comparable charge in 2007. Absent this charge, operating income increased by \$1.9 million from \$5.2 million in 2007 to \$7.1 million in 2008. During 2008, YRC Logistics exited a warehousing contract in the United Kingdom and its domestic ocean service offering along with other restructuring and severance charges resulting in \$1.7 million of expense. Similar restructuring items in 2007 resulted in a \$3.3 million restructuring and severance charge and \$0.7 million of losses from property disposals. Restructuring charges in 2008 were offset by a \$6.0 million gain from the sale of real estate. In 2008, YRC Logistics experienced increased provisions for uncollectible accounts of \$2.5 million compared to 2007 primarily due to economic conditions our customers are facing and stale accounts.

2007 compared to 2006

For the year 2007, YRC Logistics revenue increased by \$13.5 million or 2.2%. The transfer of domestic forwarding revenue to National Transportation as discussed above resulted in a decrease of revenue of \$27.2 million for 2007 compared to the same period in 2006 with minimal impact on operating income as the corresponding purchased transportation was also transferred. Excluding this revenue, YRC Logistics revenue increased by \$40.7 million or 6.7% driven by increases in transportation services and distribution services.

Operating income decreased \$8.5 million in 2007 including \$3.3 million in reorganization charges in 2007. Despite the 6.7% growth discussed above, in the current year YRC Logistics was challenged with pressure from an economic slowdown which hampered revenue growth as it relates to our expectations. Operating expenses were not reduced as quickly in response to sluggish revenue growth rates. Distribution services however performed better than our other offerings with stronger revenue gains. As a result, operating expenses for this business line increased \$5.4 million or 9.7% in 2007 as compared to 2006. Claims and insurance expenses increased approximately \$3.6 million in 2007 compared to 2006, primarily attributable to a favorable adjustment in 2006 relating to prior year claims development.

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Truckload Results

Truckload represented approximately 1% of our consolidated revenue in 2008, 2007 and 2006, respectively. The table below provides summary financial information for Truckload for the three years ended December 31:

(in millions)	2008	2007	2006	Percent Change	
				2008 vs. 2007	2007 vs. 2006
Operating revenue	\$120.5	\$112.9	\$133.3	6.7%	(15.3%)
Operating income	(11.6)	(5.9)	8.6	n/m ^(a)	n/m
Operating ratio	109.7%	105.2%	93.6%	4.5pp ^(b)	11.6pp

(a) Not meaningful.

(b) Percentage points.

2008 compared to 2007

Truckload reported 2008 operating revenue of \$120.5 million, representing an increase of \$7.6 million or 6.7% from 2007. The two primary components of truckload operating revenue are volume, comprised of the miles driven, and price, usually evaluated on a revenue per mile basis. Total miles driven per day were up 1.9% in 2008 as compared to 2007 due primarily to higher use by YRC Worldwide operating companies as they convert rail miles to road service partially offset by the soft economy. Revenue per mile was up 4.2%, due to increased fuel surcharge revenue associated with higher diesel fuel prices.

The operating loss for 2008 was \$11.6 million, as compared to an operating loss of \$5.9 million for 2007, consisting of a \$7.6 million increase in revenue and a \$13.3 million increase in operating expenses. Increased operating expenses were primarily in the areas of fuel costs (higher diesel prices and higher miles driven), salaries and wages (higher miles driven and annual compensation rate increases), driver recruiting costs and tolls. Decreased operating expenses were primarily due to lower purchased transportation costs of \$1.2 million and lower losses on equipment disposals of \$1.5 million.

2007 compared to 2006

Truckload reported 2007 operating revenue of \$112.9 million, representing a decrease of \$20.4 million or 15.3% from 2006. Total miles driven per day were down 13.7% in 2007 as compared to 2006 due primarily to the loss of the company's largest customer during the year. Revenue per mile was down 1.8%, due to an aggressive rate environment evidenced by a very active bid season early in 2007.

The operating loss for 2007 was \$5.9 million, as compared to an operating profit of \$8.6 million for 2006, consisting of a \$20.4 million decrease in revenue and a \$5.9 million decrease in operating expenses. Salaries, wages and benefits expense was \$4.8 million lower than 2006, primarily due to lower miles driven, partly offset by higher compensation rates. The net of all other operating expenses decreased \$1.1 million in 2007 compared to 2006. Decreases in fuel costs, equipment maintenance and purchased transportation were primarily the result of lower business volumes and were mostly offset by increases in equipment depreciation, bodily injury and property damage costs and losses on equipment disposals.

Financial Condition

Liquidity

During the year ended December 31, 2008, the global credit market crisis and economic recession had a dramatic effect on our industry. As a result, we experienced declining revenue (a function of both declining volume and yield) and declining operating income and in turn, violated certain covenants in our Credit Agreement, dated as of August 17, 2007, (the "Credit Agreement") and asset-backed securitization facility ("ABS Facility"). Each of these facilities were amended in February 2009 as discussed below. Overall U.S. economic trends are declining as seen in most indices including those applicable to the retail sector, manufacturing, construction and housing. Declining economic activity, as evidenced by these trends, negatively impacts our customers' needs to ship and, therefore, negatively impacts the volume of freight we service and the price we receive for our services.

The deterioration in our operating results coupled with the economic recession has reduced our overall liquidity, including having reduced cash available under our revolving credit and ABS facilities. During the fourth quarter of 2008, we took several actions to manage near-term maturities and reduce overall indebtedness. Specifically, in October 2008, we exchanged 1.7 million shares of common stock previously held in treasury for \$13.2 million principal amount of our outstanding 5% net share settled contingent convertible senior notes due 2023. Based on the closing price of our common stock on the exchange dates, we recognized a pre-tax

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gain of approximately \$5.3 million related to the exchanges. Further, in November 2008, we redeemed the \$225 million principal amount 8.25% Roadway senior notes due December 1, 2008, and the \$100 million principal amount 6.5% USF senior notes due May 1, 2009. This resulted in a pre-tax loss on redemption of \$2.9 million. We utilized available funding under our Credit Agreement to redeem these notes. We considered repurchasing other of our outstanding bonds, many of which are trading considerably below par value, through a tender offer but ultimately we did not consummate this transaction.

Our primary liquidity vehicles, the Credit Agreement and our ABS Facility are collectively referred to herein as the "Credit Facilities". As of December 31, 2008, these facilities shared common covenant requirements including performance covenants, specifically a maximum permitted leverage ratio and a minimum required interest coverage ratio. We were not in compliance with the maximum permitted leverage ratio at December 31, 2008. On January 15, 2009, we and our bank group entered in to Waiver No. 1 to the Credit Agreement ("Credit Agreement Waiver") and a Limited Waiver and Second Amendment to the Third Amended and Restated Receivables Purchase Agreement ("ABS Waiver"). These waivers primarily served to bridge the timing between the covenant violations as of December 31, 2008, and the amended Credit Facilities described below.

In connection with the Credit Agreement Waiver, the Company paid a waiver fee to the consenting lenders equal to \$4.7 million. In connection with the ABS Waiver, Yellow Roadway Receivables Funding Corporation, a special purpose entity and wholly owned subsidiary of the Company, paid a waiver fee to the co-agents equal to \$2.5 million.

Amendment to Credit Facilities

On April 18, 2008, we entered into Amendment No. 1 to the Credit Agreement and on February 12, 2009, we entered into Amendment No. 2 to the Credit Agreement (collectively, the "Credit Agreement Amendments"). The Credit Agreement, as amended, continues to provide the Company with a \$950 million senior revolving credit facility, including sublimits available for borrowings under certain foreign currencies, and a \$111.5 million senior term loan (reduced from \$150 million). The Credit Agreement, expiring August 17, 2012 (or such earlier date if certain 2010 maturities related to the 8.5% USF Senior Notes and 5% Contingent Convertible Senior Notes are not paid by March 1, 2010 and June 25, 2010, respectively), also provides for letters of credit to be issued that would, in turn, reduce the borrowing capacity under the revolving credit facility. As of December 31, 2008, \$515.0 million was drawn under the revolving credit facility, the term loan of \$150 million was outstanding and \$368.3 million letters of credit were issued.

The Credit Agreement Amendments:

- require the Company to maintain quarterly minimum EBITDA (as defined in the Credit Agreement) as shown below:

<u>Period</u>	<u>Minimum Consolidated EBITDA</u>
For the fiscal quarter ending on June 30, 2009	\$ 45,000,000
For the two consecutive fiscal quarters ending on September 30, 2009	\$130,000,000
For the three consecutive fiscal quarters ending December 31, 2009	\$180,000,000
For the four consecutive fiscal quarters ending March 31, 2010	\$205,000,000
For the four consecutive fiscal quarters ending June 30, 2010	\$205,000,000
For the four consecutive fiscal quarters ending September 30, 2010	\$215,000,000
For the four consecutive fiscal quarters ending December 31, 2010	\$240,000,000

- require the Company to have a maximum Total Leverage Ratio (as defined in the Credit Agreement) of 3.5x for each fiscal quarter beginning with the fiscal quarter ending March 31, 2011;
- require the Company to have a minimum Interest Coverage Ratio (as defined in the Credit Agreement) of 2.5x for each fiscal quarter beginning with the fiscal quarter ending March 31, 2011;
- require certain terms regarding the Company's asset sales and direct the net proceeds from certain asset sales to be applied as follows:
 - for any real estate asset sale (other than the first \$150 million in net cash proceeds received under certain transactions with NATMI Truck Terminals, LLC ("NATMI") described below) the net cash proceeds of which, together with the aggregate amount of net cash proceeds from all such real estate asset sales occurring on or after January 1, 2009,
 - is less than or equal to \$300 million and occurs on or prior to July 15, 2009, 50 percent of such proceeds shall be used to prepay outstanding revolving loans under the Credit Agreement (without a corresponding permanent reduction of the revolving commitments) ("Revolver Reserve Amount") and the remaining 50 percent shall be deposited into an escrow account ("Escrow Account");

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- is less than or equal to \$300 million and occurs after July 15, 2009, 50 percent of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement and the remaining 50 percent shall be retained by the Company;
 - is greater than \$300 million and less than or equal to \$500 million, 75 percent of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement and the remaining 25 percent shall be retained by the Company; and
 - is greater than \$500 million, all of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement.
- limit our maximum capital expenditures to \$150 million for the year ended December 31, 2009, and to \$235 million for the year ended December 31, 2010;
 - direct the net proceeds from any additional indebtedness or from the issuance of common stock or other equity interests (other than if used to redeem the outstanding 8.5% USF Senior Notes or 5% Contingent Convertible Notes) to be used to prepay amounts under the Credit Agreement;
 - beginning in 2010, require the Company to prepay amounts under the Credit Agreements representing 50% of any annual excess cash flows (as defined in the Credit Agreement);
 - require the Company to maintain daily liquidity (as defined in the Credit Agreement) equal to or greater than \$100 million;
 - increased the interest rates and fees applicable to the revolving credit facility and term loan as set forth in the definition of “Applicable Rate” in Section 1.01 of the Credit Agreement; the interest rate on amounts outstanding under the revolving credit facility and term loan is LIBOR (with a floor of 350 basis points) plus 650 basis points (10.0% and 5.2% at December 31, 2008 and 2007, respectively), and the commitment fee for the revolving credit facility is 100 basis points;
 - required the Company and its domestic subsidiaries to pledge the following collateral (i) receivables not secured by the ABS Facility, (ii) intercompany notes not secured by the ABS Facility, (iii) fee-owned real estate parcels, (iv) all rolling stock, (v) 100% of the stock of all domestic subsidiaries of the Company and (vi) 65% of the stock of first-tier foreign subsidiaries of the Company other than the Company’s captive insurance companies; and
 - required each domestic subsidiary of the Company except for Yellow Roadway Receivables Funding Corporation to guarantee the Credit Agreement.

In connection with Amendment No. 2 to the Credit Agreement, we paid fees to the consenting lenders of approximately \$8.0 million.

On February 12, 2009, we renewed and amended our ABS Facility. The renewed facility will expire on February 11, 2010. The renewed facility (i) reduced the financing limit available under the ABS Facility to \$500 million (\$700 million at December 31, 2007), (ii) reduced the letters of credit sublimit to \$105 million (\$325 million at December 31, 2007) and added a letter of credit fee of 350 basis points, (iii) conformed the financial ratios to be consistent with the Credit Agreement Amendments described above, (iv) increased the loss and discount reserve ratio requirements, (v) increased the administrative fee (calculated based on financing limit) and program fee (calculated based on utilization) to 275 basis points, respectively and (vi) terminated YRC Assurance as a purchaser under the ABS Facility. The interest rate under the ABS Facility for conduits continues to be a variable rate based on A1/P1 rated commercial paper with an approximate interest rate of 2.25% and 5.30% at December 31, 2008 and 2007, respectively, plus the program fee. The interest rate for Wachovia Bank, National Association is one-month LIBOR (with a floor of 350 basis points), plus 650 basis points (10.0% at December 31, 2008), as Wachovia no longer uses a conduit to purchase receivables under the ABS facility.

In connection with the ABS Facility renewal, the Company paid fees to the consenting bank parties equal to approximately \$3.8 million. An additional fee equal to approximately \$10.0 million will become due September 30, 2009, if the ABS Facility has not been terminated by such date and the Company does not have a corporate credit rating of B/B2 or better from Standard & Poor’s (“S&P”) and Moody’s Investors Service, Inc. (“Moody’s”), respectively, by such date. The Company’s corporate credit ratings from S&P and Moody’s are currently CCC/Caa3, respectively.

On February 27, 2009, we amended the ABS Facility to modify certain maximum permitted ratios through September 30, 2009, related to the quality of the underlying accounts receivable supporting the facility.

Capital Transactions Subsequent to December 31, 2008

On January 30, 2009, we received \$102.2 million (\$101.1 million net of transaction costs) from the proceeds of a sale leaseback type transaction with NATMI. The underlying transaction included providing title of certain real estate assets to NATMI in exchange for proceeds of \$102.2 million; however, the transaction did not meet the accounting definition of a ‘sale leaseback’ and as such, the assets remain on our balance sheet and long-term debt is reflected on our balance sheet in the amount of the proceeds. We are required to make annual lease payments, which are recorded as principal and interest payments, of approximately \$14.4 million under this arrangement. The proceeds received from this transaction are available to us for general working capital purposes.

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On February 13, 2009, we received \$9.0 million from the proceeds of an additional closing for additional properties of the sale leaseback transaction with NATMI. The terms of this transaction mirror the January 30, 2009, transaction. We are required to make annual lease payments, which are recorded as principal and interest payments of approximately \$1.3 million related to these properties. The proceeds received from this transaction are available to us for general working capital purposes.

On February 13, 2009, we entered into agreements to sell certain real estate assets for approximately \$122 million under sale and leaseback type transactions with Estes Express Lines, subject to the satisfaction of normal and customary due diligence. We expect to close on these agreements at various points through June 2009. If all of these transactions close, annual lease payments, which are recorded as principal and interest payments will approximate \$11 million.

Risks and Uncertainties

We believe that our forecasted operating performance and planned capital structure actions are sufficient to allow us to remain in compliance with our covenants in our amended Credit Agreement and renewed ABS Facility through 2009. Further, we believe these actions provide sufficient liquidity to meet our working capital needs. However, our belief in remaining in compliance and regarding liquidity sufficiency is a forward-looking statement within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21 of the Securities Exchange Act of 1934, as amended. As discussed above, each of the amended Credit Agreement and the ABS Facility contains a minimum EBITDA requirement through December 31, 2010 and maximum leverage and minimum interest coverage ratio thereafter. Our forecasts that reflect our ability to meet these requirements include significant judgment and significant market risk that may or may not be realized. Items that contribute to these judgments and risks, many of which are beyond our control, include the actual duration of the U.S. recession and our related assumptions around economic outlook, the effectiveness of our planned integration of our National Transportation networks and our customers' acceptance of this change, our ability to further reduce costs and our need for additional liquidity including liquidity from cash flows from operating activities and other liquidity enhancing initiatives (such as sale and leaseback type transactions) that may not materialize. Our forecasts are also dependent on the factors listed in the introduction to Part I and the risk factors listed in Part I of this report.

We anticipate that our existing capital resources, including availability under our Credit Facilities and cash flows from operations, will be adequate to satisfy our liquidity requirements through calendar year 2009. As discussed above, the amended Credit Agreement contains restrictions on the use of proceeds from all types of asset sales excluding up to \$150 million related to the NATMI transactions discussed above. If available liquidity is not sufficient to meet our operating and debt service obligations as they come due, management's plans include pursuing alternative financing arrangements, additional sale leaseback type transactions, extending the temporary non-union wage and benefit reductions, accelerating restructuring activities or reducing expenditures as necessary to meet our cash requirements throughout 2009. However, there is no assurance that, if required, we will be able to raise additional capital, complete asset sale transactions or reduce discretionary spending to provide the required liquidity.

Indebtedness

The following table provides details of the outstanding components and unused capacity under the February 2009 amended revolving credit facility and ABS Facility as if they were applicable at December 31:

(in millions)	2008	2007
Capacity:		
Revolving loan	\$ 950.0	\$ 950.0
ABS facility	500.0	700.0
Total capacity	<u>1,450.0</u>	<u>1,650.0</u>
Amounts outstanding:		
Revolving loan	(515.0)	(5.1)
Letters of credit	(460.5)	(473.2)
ABS facility	(147.0)	(180.0)
ABS usage for captive insurance company (see below)	<u>(221.0)</u>	<u>(201.4)</u>
Total outstanding	<u>(1,343.5)</u>	<u>(859.7)</u>
Unused capacity	<u>\$ 106.5</u>	<u>\$ 790.3</u>

As shown above, the amended ABS facility permits borrowings of up to \$500 million based on qualifying accounts receivable of the Company. However, at December 31, 2008, our underlying accounts receivable supported total capacity under the ABS facility of \$435.4 million. Considering this limitation, outstanding borrowings of \$147.0 million, captive capacity utilization of \$221.0 million, and outstanding letters of credit of \$92.2 million, we were overdrawn on the ABS Facility at December 31, 2008, by \$24.8 million. This is permitted under the ABS Facility provided that we cure the position on the following business day. We remitted the necessary funds January 2, 2009, to remain in compliance with our ABS Facility.

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YRC Assurance Co. Ltd. (“YRC Assurance”) is the Company’s captive insurance company domiciled in Bermuda and a wholly owned and consolidated subsidiary of YRC Worldwide. YRC Assurance insured certain of our subsidiaries for certain of their respective self-insured obligations for workers’ compensation liabilities. Certain qualifying investments were made by YRC Assurance as required by Bermuda regulations. These investments included purchasing a position in the underlying receivables in our ABS Facility. As a result, as shown in the table above, our capacity under the ABS Facility was reduced by YRC Assurance’s investment in receivables of \$221.0 million and \$201.4 million at December 31, 2008 and 2007, respectively. Our amended Credit Agreement requires us to cease the participation of YRC Assurance in the ABS Facility. We have complied with this requirement. We are also in the process of dissolving YRC Assurance. As a result of these transactions, the operating companies who received insurance from YRC Assurance will be self-insured for their workers’ compensation liabilities.

Contingent Convertible Notes

The balance sheet classification of our contingent convertible notes between short-term and long-term is dependent upon certain conversion triggers, as defined in the applicable indenture. The contingent convertible notes include a provision whereby the note holder can require immediate conversion of the notes if, among other reasons, the credit rating on the contingent convertible notes assigned by Moody’s is lower than B2 or if the credit rating assigned by S&P is lower than B. At December 31, 2008, the credit rating was CC as assigned by S&P, meeting the conversion trigger, and accordingly, the contingent convertible notes have been classified as a short-term liability in the accompanying 2008 consolidated balance sheet. Based upon this particular conversion right and based upon an assumed market price of our stock of \$3 per share, which approximates the current market price, our aggregate obligation for full satisfaction of the \$386.8 million par value of contingent convertible notes would require cash payments of \$27.9 million.

At December 31, 2007, no conversion triggers had been met. Accordingly, based on the effective maturity date, this obligation has been classified as a long-term liability in the accompanying 2007 consolidated balance sheet. The future balance sheet classification of these liabilities will be monitored at each reporting date, and will be determined based on an analysis of the various conversion rights described above and contained in the applicable indenture.

Credit Rating

As of the date of this filing, the credit rating and outlook assigned to us by the three major rating agencies were as follows:

	<u>Corporate/Issuer Rating</u>	<u>Outlook</u>
Fitch	CC	Not applicable
Moody’s	Caa3	Negative
S&P	CCC	Positive

A credit rating reflects an assessment by the rating agency of the credit risk associated with a corporate entity or particular securities issued by that entity. Credit ratings are not recommendations to buy, sell or hold securities and are subject to revision or withdrawal at any time by the assigning rating agency. Each rating agency may have different criteria for evaluating risk, and therefore, ratings should be evaluated independently. Lower credit ratings generally result in higher borrowing costs and reduced access to capital markets. The agencies have indicated that our lower ratings are primarily a reflection of the rating agencies’ concerns regarding ongoing weakness in the U.S. economy pressuring our financial performance, specifically cash flow and profitability.

Cash Flow Measurements

We use free cash flow as a measurement to determine the amounts available to fund strategic capital allocation alternatives. Free cash flow indicates cash available to fund additional capital expenditures, to reduce outstanding debt (including current maturities), or to invest in our growth strategies. This measurement is used for internal management purposes and should not be construed as a better measurement than net cash from operating activities as defined by generally accepted accounting principles.

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The following table illustrates our calculation for determining free cash flow for the years ended December 31:

<u>(in millions)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net cash from operating activities	\$219.8	\$ 392.6	\$ 532.3
Net property and equipment additions	(34.7)	(338.4)	(303.1)
Acquisition of companies	—	—	(25.6)
Investment in affiliate	(46.1)	(1.6)	—
Proceeds from stock options	0.1	6.5	5.7
Free cash flow	<u>\$139.1</u>	<u>\$ 59.1</u>	<u>\$ 209.3</u>

Operating cash flows decreased \$172.8 million during the year ended December 31, 2008, versus the same period in 2007. Cash from operations was impacted by the reduction of general business volumes in 2008 with lower revenue and exponentially larger reduction in operating income. Lower business volumes contributed to a reduction in accounts receivable from 2007 to 2008 of \$236.9 million. Pension transactions in 2008 included contributions of \$4.0 million versus contributions of \$134.3 million in 2007.

Net cash provided by operating activities decreased from 2006 to 2007 and was reflective of our decreased operating results. During 2007 we made pension contributions of \$134.3 million and accrued pension expense of \$48.7 million versus \$72.1 million of pension contributions and accrued pension expense of \$61.5 million in 2006. Additionally, we settled certain obligations with multi-employer pension plans and remitted payments of \$45.5 million related to this withdrawal liability in 2007 compared to \$16.2 million of payments remitted and accrued expense of \$13.3 million in 2006. Our accounts receivable declined from 2006 to 2007 due to a combination of lower business volumes and increased efforts at improving our cash collections. Further, in 2007 we received net tax refunds of \$48.1 million, included in "Prepaid expenses and other" in the accompanying balance sheets, versus net tax payments in 2006 of \$109.5 million.

In 2008, net property and equipment additions decreased by \$303.7 million compared to 2007. Gross property and equipment additions for 2008 were \$162.3 million versus \$393.8 million for 2007 with the decrease primarily due to a strategic decision to reduce overall capital expenditures due in part to the National Transportation integration. Revenue equipment purchases of \$85.5 million were down in 2008 from 2007 due to our financing alternative of leasing \$87.1 million of revenue equipment. Proceeds on land sales in 2008 were \$110.8 million versus \$47.7 million in 2007 as we sold excess properties resulting from our network integration efforts. See a more detailed discussion of 2008 and 2007 activity below in "Capital Expenditures".

In 2007, net property and equipment additions increased by \$35.3 million compared to 2006. Gross property and equipment additions for 2007 were \$393.8 million versus \$377.7 million for 2006 with the increase primarily due to technology investments and terminal and facility construction. Revenue equipment purchases of \$268.9 million were consistent with 2006 which was in line with our fleet replacement patterns.

Other than the property and equipment activity discussed above, investing activities in 2008 also includes \$46.1 million used to purchase a 65% equity interest in Shanghai Jiayu Logistics Co., Ltd. while 2007 includes transaction costs associated with the acquisition of Jiayu and other immaterial investments. The amounts reported in 2006 include payments of \$21.9 million to the seller of GPS Asia and \$2.5 million to GPS Logistics (EU) Limited, both under contractual earn-out obligations.

Net cash provided by financing activities for 2008 was \$134.2 million versus cash used in financing activities of \$69.7 million for 2007. The 2008 activity is a result of \$145.6 million increase of debt, offset by \$11.4 million of debt issuance costs related to the modification and expansion of our Credit Agreement and \$3.8 million of make whole premium payments in relation to the redemption of the USF and Roadway notes. The 2007 activity is a result of \$35.0 million of common stock repurchases, \$39.9 million of net debt reduction and \$1.3 million of debt issuance costs offset by stock option proceeds of \$6.5 million. The 2006 activity is the result of \$20.0 million of common stock repurchases and \$195.0 million of debt pay down offset by stock option proceeds of \$5.7 million.

Capital Expenditures

Our capital expenditures focus primarily on the replacement of revenue equipment, land and structures, investments in information technology and acquisitions. As reflected on our consolidated balance sheets, our business is capital intensive with significant investments in service center facilities and a fleet of tractors and trailers. We determine the amount and timing of capital expenditures based on numerous factors, including anticipated growth, economic conditions, new or expanded services, regulatory actions and availability of financing.

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The table below summarizes our actual net capital expenditures by type and investments for the years ended December 31:

<u>(in millions)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenue equipment	\$ 68.5	\$ 261.4	\$ 268.2
Land, structures and technology	(33.8)	77.0	34.9
Total net capital expenditures	34.7	338.4	303.1
Acquisition of companies and affiliates	46.1	1.6	25.6
Total	<u>\$ 80.8</u>	<u>\$ 340.0</u>	<u>\$ 328.7</u>

In 2008, we elected to lease new revenue equipment under \$87.1 million of operating leases. This, coupled with our goal of reducing overall capital expenditures as we plan and execute our National Transportation integration, resulted in decreased net spending on revenue equipment in 2008 versus 2007. Our 2008 technology expenditures decreased \$32.3 million versus 2007 as we changed our IT efforts from building new tools to planning for, and data migration related to, the National Transportation integration, both of which are not capitalizable. Proceeds on land sales in 2008 were \$110.8 million versus \$47.7 million in 2007. We expect 2009 net capital spending to approximate \$25 to \$50 million. We believe our financial condition and access to capital, as they exist today, are adequate to fund our anticipated capital expenditures.

Our expectation regarding our ability to fund capital expenditures out of existing financing facilities and cash flow is only our forecast regarding this matter. This forecast may be substantially different from actual results. In addition to the factors previously described in the introduction to "Part I" and the risk factors listed in "Part I" of this report, the following factors could affect levels of capital expenditures: the accuracy of our estimates regarding our spending requirements; the occurrence of any unanticipated acquisition opportunities; changes in our strategic direction; the need to spend additional capital on cost reduction opportunities; the need to replace any unanticipated losses in capital assets and our ability to dispose of excess real estate at our anticipated sales price.

Non-union Pension Obligations

We provide defined benefit pension plans for certain employees not covered by collective bargaining agreements. The two largest plans are the qualified plans for Yellow Transportation and Roadway. The Yellow Transportation and Roadway qualified plans cover approximately 14,000 employees including those currently receiving benefits and those who have left the company with deferred benefits. On January 1, 2004, the existing qualified benefit plans were closed to new participants. On July 1, 2008, benefits for all participants were frozen. All U.S. salaried non-union employees will participate in a defined contribution retirement plan prospectively.

Although the benefits have been frozen, we expect pension funding to remain an area of management focus over the next several years. The Pension Protection Act of 2006 encouraged companies to fully fund their benefit obligation by 2011. However, the recent significant market declines have impacted our ability to capture the benefits of such aggressive funding. The Worker, Retiree and Employer Recovery Act of 2008 has provided modest relief from the market events in 2008 by decreasing short-term contribution requirements. We intend to make the required minimum contributions specified by the legislation. Given the dependence on the economy and the significant amounts involved, pension funding could have a material impact on our liquidity. Using our current plan assumptions, which include an assumed 8.5% return on assets and discount rate of 6.52%, we either recorded or expect to record the following for all YRC-sponsored pension plans.

<u>(in millions)</u>	<u>Cash Funding</u>	<u>Pension Expense (Benefit)</u>	<u>Under Funded Status at December 31</u>
2008 Actual	\$ 4.0	\$ (37.2)	\$ 360.3
2009 Expected	13.8	18.7	368.5
2010 Expected	50.8	23.0	337.8
2011 Expected	63.8	24.6	292.1
2012 Expected	93.7	25.4	214.5
2013 Expected	82.3	24.7	143.1

The forward-looking pension cash estimates are based on the provisions of the Worker, Retiree and Employer Recovery Act of 2008, including asset smoothing and reduced amortizations. We have projected these costs assuming no changes to current assumptions other than asset returns. For purposes of projecting cash contributions, we have projected asset returns using an assumption of 6.5% per year. If actual asset returns fall short of the 6.5% assumption by 1% per year, total cash funding would be \$9.5 million higher over the next five years. In addition, if interest rates decrease 100 basis points from January 1, 2009, levels, total cash funding would be \$84.8 million higher over the next five years.

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Our actual 2008 pension benefit of \$37.2 million was lower than the \$34.7 million of expense we estimated at December 31, 2007 due to resulting curtailment gains from the plan freeze on July 1, 2008.

The above discussion includes forward-looking statements as indicated by “expect” and “estimate” and the actual results may be materially different. Factors that affect these results include actual return on plan assets and discount rate changes among others.

Contractual Obligations and Other Commercial Commitments

The following tables provide aggregated information regarding our contractual obligations and commercial commitments as of December 31, 2008. Most of these obligations and commitments have been discussed in detail either in the preceding paragraphs or the notes to the financial statements. The tables do not include expected pension funding as disclosed separately in the previous section.

Contractual Cash Obligations

(in millions)	Payments Due by Period				Total
	Less than 1 year	2-3 years	4-5 years	After 5 years	
Balance sheet obligations: ^(a)					
ABS borrowings	\$ 147.0	\$ —	\$ —	\$ —	\$ 147.0
Long-term debt including interest ^(b)	127.6	546.7	828.6	—	1,502.9
USF Red Star multi-employer pension withdrawal obligation including interest	1.7	3.5	3.0	—	8.2
Off balance sheet obligations:					
Operating leases	106.1	128.2	45.2	17.0	296.5
Capital expenditures	15.5				15.5
Total contractual obligations	\$ 397.9	\$678.4	\$876.8	\$17.0	\$1,970.1

(a) Total liabilities for unrecognized tax benefits as of December 31, 2008, were \$199.8 million and are classified on the Company’s consolidated balance sheet within “Other Current and Accrued Liabilities”.

(b) Long-term debt maturities are reflected by contractual maturity for all obligations other than the contingent convertible senior notes. These notes are instead presented based on the earliest possible redemption date defined as the first date on which the note holders have the option to require us to purchase their notes at par. At December 31, 2008, these notes are convertible for cash payments of approximately \$27.9 million based on an assumed market price of \$3 per share for our common stock. Should the note holders elect to exercise the conversion options, cash payments of \$27.9 million would be less than those presented in the table above.

During the year ended December 31, 2008, we entered into new operating leases for revenue equipment of approximately \$87.1 million. We expect in the ordinary course of business that our operating leases will be renewed or replaced as they expire. The leases generally provide for fixed and escalating rentals and contingent escalating rentals based on the Consumer Price Index not to exceed certain specified amounts. We record rent expense for our operating leases on a straight-line basis over the base term of the lease agreements. In many cases our subsidiaries enter into leases and a parent guarantee is issued. The maximum amount of undiscounted future payments under the guarantee are the same as the contractual cash obligations disclosed above.

On January 30, 2009, we completed a financing transaction with NATMI that included new borrowings of \$102.2 million at an implied interest rate of 11%. We are required to make annual lease payments, which are recorded as principal and interest payments of \$14.4 million through February 2019. On February 13, 2009, we completed a second financing transaction with NATMI resulting in proceeds of \$9.0 and annual lease payments, which are recorded as principal and interest payments of \$1.3 million through March 2019.

Depending on the financial performance of Jiayu, our 65% equity interest investment, we could be obligated to purchase the remaining 35% in 2010 for an amount not to exceed \$36 million.

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Other Commercial Commitments

The following table reflects other commercial commitments or potential cash outflows that may result from a contingent event, such as a need to borrow short-term funds due to insufficient free cash flow.

<i>(in millions)</i>	Amount of Commitment Expiration Per Period				Total
	Less than 1 year	2-3 years	4-5 years	After 5 years	
Unused line of credit	\$ (24.8)	\$—	\$66.7	\$—	\$ 41.9
Letters of credit	460.5	—	—	—	460.5
Surety bonds	114.8	0.1	0.1	—	115.0
Total commercial commitments	<u>\$ 550.5</u>	<u>\$ 0.1</u>	<u>\$66.8</u>	<u>\$—</u>	<u>\$617.4</u>

Critical Accounting Policies

Preparation of our financial statements requires accounting policies that involve significant estimates and judgments regarding the amounts included in the financial statements and disclosed in the accompanying notes to the financial statements. We continually review the appropriateness of our accounting policies and the accuracy of our estimates including discussion with the Audit/Ethics Committee of our Board of Directors who make recommendations to management regarding these policies. Even with a thorough process, estimates must be adjusted based on changing circumstances and new information. Management has identified the policies described below as requiring significant judgment and having a potential material impact to our financial statements.

Revenue Reserves

We consider our policies regarding revenue-related reserves as critical based on their significance in evaluating our financial performance by management and investors. We have an extensive system that allows us to accurately capture, record and control all relevant information necessary to effectively manage our revenue reserves.

For shipments in transit, National Transportation, Regional Transportation and Truckload record revenue based on the percentage of service completed as of the period end and accrue delivery costs as incurred. In addition, National Transportation, Regional Transportation and Truckload recognize revenue on a gross basis because the entities are the primary obligors even when they use other transportation service providers who act on their behalf. National Transportation, Regional Transportation and Truckload remain responsible to their customers for complete and proper shipment, including the risk of physical loss or damage of the goods and cargo claims issues. YRC Logistics recognizes revenue upon the completion of services. In certain logistics transactions where YRC Logistics acts as an agent, revenue is recorded on a net basis. Net revenue represents revenue charged to customers less third-party transportation costs. Where YRC Logistics acts as principal, it records revenue from these transactions on a gross basis, without deducting transportation costs. Management believes these policies most accurately reflect revenue as earned. Our revenue-related reserves involve three primary estimates: shipments in transit, rerate reserves and uncollectible accounts.

Shipments in Transit

We assign pricing to bills of lading at the time of shipment based primarily on the weight, general classification of the product, the shipping destination and individual customer discounts. This process is referred to as rating. At the end of each period, we estimate the amount of revenue earned on shipments in transit based on actual shipments picked up and scheduled delivery dates. We calculate a percentage of completion using this data and the day of the week on which the period ends. Management believes this provides a reasonable estimation of the revenue actually earned.

Rerate Reserves

At various points throughout our customer invoicing process, incorrect ratings could be identified based on many factors, including weight verifications or updated customer discounts. Although the majority of rerating occurs in the same month as the original rating, a portion occurs during the following periods. We accrue a reserve for rerating based on historical trends. At December 31, 2008 and 2007, our financial statements included a rerate reserve of \$24.3 million and \$35.7 million, respectively. The decrease in the rerate reserve from 2007 to 2008 resulted primarily from the decrease in operating revenue in 2008.

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Uncollectible Accounts

We record an allowance for doubtful accounts primarily based on historical uncollectible amounts. We also take into account known factors surrounding specific customers and overall collection trends. Our process involves performing ongoing credit evaluations of customers, including the market in which they operate and the overall economic conditions. We continually review historical trends and make adjustments to the allowance for doubtful accounts as appropriate. Our allowance for doubtful accounts totaled \$32.0 million and \$34.9 million as of December 31, 2008 and 2007, respectively.

Claims and Self-Insurance

We are self-insured up to certain limits for workers' compensation, cargo loss and damage, property damage and liability claims. We measure the liabilities associated with workers' compensation and property damage and liability claims primarily through actuarial methods that an independent third party performs. Actuarial methods include estimates for the undiscounted liability for claims reported, for claims incurred but not reported and for certain future administrative costs. These estimates are based on historical loss experience and judgments about the present and expected levels of costs per claim and the time required to settle claims. The effect of future inflation for costs is considered in the actuarial analyses. Actual claims may vary from these estimates due to a number of factors, including but not limited to, accident frequency and severity, claims management, changes in healthcare costs and overall economic conditions. We discount the actuarial calculations of claims liabilities for each calendar year to present value based on the average U.S. Treasury rate, during the calendar year of occurrence, for maturities that match the initial expected payout of the liabilities. As of December 31, 2008 and 2007, we had \$495.7 million and \$478.3 million accrued for claims and insurance, respectively.

Pension

Effective July 1, 2008, YRC Worldwide froze its qualified and nonqualified defined benefit pension plans for all participating employees not covered by collective bargaining agreements. Given the frozen status of the plans, the key estimates in determining pension cost are return on plan assets and discount rate, each of which are discussed below.

Return on Plan Assets

The assumption for expected return on plan assets represents a long-term assumption of our portfolio performance that can impact our pension expense. With \$601 million of plan assets for the YRC Worldwide funded pension plans, a 50-basis-point decrease in the assumption for expected rate of return on assets would increase annual pension expense by approximately \$3.3 million and would have no effect on the underfunded pension liability reflected on the balance sheet.

We believe our 2009 expected rate of return of 8.50% is appropriate based on our historical experience in this investment portfolio as well as a review of other objective indices. Although plan investments are subject to short-term market volatility, we believe they are well diversified and closely managed. Our asset allocation as of December 31, 2008 consisted of 64% equities, 31% in debt securities, and 5% in other investments. This allocation is consistent with the long-term target asset allocation for the plans. We will continue to review our expected long-term rate of return on an annual basis and revise appropriately. Refer to our discussion of "Non-union Pension Obligations" under the "Financial Condition" section for details of actual and anticipated pension charges.

Discount Rate

The discount rate refers to the interest rate used to discount the estimated future benefit payments to their present value, also referred to as the benefit obligation. The discount rate allows us to estimate what it would cost to settle the pension obligations as of the measurement date, December 31, and impacts the following year's pension cost. We determine the discount rate by choosing a portfolio of high quality (those rated AA- or higher by Standard & Pours) non-callable bonds such that the coupons and maturities approximate our expected benefit payments. When developing the bond portfolio, there are some years when benefit payments are expected with no corresponding bond maturing. In these instances, we estimated the appropriate bond by interpolating yield characteristics between the bond maturing in the immediately preceding year and the bond maturing in the next available year. This analysis is traditionally reperformed on a biannual basis or more frequently when specific events require a current analysis. For the years that we do not prepare a bond matching analysis, we utilize a spread against a specific index, the Citigroup Pension Liability Index, which is consistent with the actual spread observed in the year the analysis is performed.

Although the discount rate used requires little judgment, changes in the discount rate can significantly impact our pension cost. For example, a 50-basis-point decrease in our discount rate would increase annual pension expense by approximately \$5.3 million and increase our underfunded pension liability reflected in shareholders' equity by approximately \$68.4 million, net of tax, assuming all

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other factors remain constant. Changes in the discount rate do not have a direct impact on cash funding requirements. The discount rate can fluctuate considerably over periods depending on overall economic conditions that impact long-term corporate bond yields. At December 31, 2008 and 2007, we used a discount rate to determine benefit obligations of 6.52% and 6.61%, respectively.

Gains and Losses

Gains and losses occur due to changes in the amount of either the projected benefit obligation or plan assets from experience different than assumed and from changes in assumptions. We recognize an amortization of the unrecognized net gain or loss as a component of net pension cost for a year if, as of the beginning of the year, that unrecognized net gain or loss exceeds ten percent of the greater of the benefit obligation or the market-related value of plan assets. If amortization is required, it equals the amount of unrecognized net gain or loss that exceeds the ten percent corridor, amortized over the average remaining service period of active employees.

As of year end 2008, the pension plans have an unrecognized net loss of \$287.0 million and a projected benefit obligation of \$961.8 million. The average remaining service period is approximately 10 years. For 2009, we expect to amortize approximately \$9.3 million of the net loss. The comparable amortization amounts for 2008 and 2007 were \$1.0 million and \$7.9 million, respectively.

Multi-Employer Pension Plans

YRC, New Penn, Holland and Reddaway contribute to approximately 20 separate multi-employer pension plans for employees that our collective bargaining agreements cover (approximately 70% of total YRC Worldwide employees). The pension plans provide defined benefits to retired participants.

We do not directly manage multi-employer plans. Trustees, half of whom the International Brotherhood of Teamsters (the "Teamsters") appoints and half of whom various contributing employers appoint, manage the trusts covering these plans.

Our labor agreements with the Teamsters determine the amounts of our contributions to these plans. We recognize as net pension cost the contractually required contribution for the period and recognize as a liability any contributions due and unpaid.

In 2006, the Pension Protection Act became law and modified both the Internal Revenue Code (as amended, the "Code") as it applies to multi-employer pension plans and the Employment Retirement Income Security Act of 1974 (as amended, "ERISA"). The Code and ERISA (in each case, as so modified) and related regulations establish minimum funding requirements for multi-employer pension plans. The funding status of these plans is determined by the following factors:

- the number of participating active and retired employees
- the number of contributing employers
- the amount of each employer's contractual contribution requirements
- the investment returns of the plans
- plan administrative costs
- the number of employees and retirees participating in the plan who no longer have a contributing employer
- the discount rate used to determine the funding status
- the actuarial attributes of plan participants (such as age, estimated life and number of years until retirement)
- the benefits defined by the plan

If any of our multi-employer pension plans fails to:

- meet minimum funding requirements
- meet a required funding improvement or rehabilitation plan that the Pension Protection Act may require for certain of our underfunded plans
- obtain from the IRS certain changes to or a waiver of the requirements in how the applicable plan calculates its funding levels or
- reduce pension benefits to a level where the requirements are met

the Pension Protection Act could require us to make additional contributions to the multi-employer pension plan from five to ten percent of the contributions that our labor agreement requires until the labor agreement expires. Our labor agreement, however, provides that if additional contributions are required, that money designated for certain other benefits would be reallocated to pay for the additional contributions.

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If we fail to make our required contributions to a multi-employer plan under a funding improvement or rehabilitation plan or if the benchmarks that an applicable funding improvement plan provides are not met by the end of a prescribed period, the IRS could impose an excise tax on us with respect to the plan. These excise taxes are not contributed to the deficient funds, but rather are deposited in the United States general treasury funds.

Depending on the amount involved, a requirement to increase contributions beyond our contractually agreed rate or the imposition of an excise tax on us could have a material adverse impact on the financial results of YRC Worldwide.

Funded status of the Central States Plan

The plan administrators and trustees of multi-employer plans do not routinely provide us with current information regarding the status of each multi-employer pension plan's funding. This will change in the near future because the Pension Protection Act requires multi-employer pension plans to file more current and expanded, routine reports with the IRS, the Department of Labor and other interested parties for plan years that began after January 1, 2008. At this time, the information that we are providing in this Form 10-K regarding the funding status, funded percentage or our portion of multi-employer plan theoretical withdrawal liabilities is based on publicly available information, which is often dated, and on the limited information available from plan administrators or plan trustees, which may not be independently validated.

The Pension Protection Act provides that certain plans with a funded percentage of less than 65% will be deemed to be in critical status. Plans in critical status must create a rehabilitation plan to exit critical status within periods that the Pension Protection Act prescribes. The Central States Southeast and Southwest Areas Pension Plan (the "Central States Plan") provides retirement benefits to approximately 40% of our total employees. The Central States Plan has reported that it is in critical status and indicated that the employer contribution levels of our new collective bargaining agreement effective April 1, 2008, are sufficient to meet the requirements of the rehabilitation plan without additional contributions.

On December 23, 2008, the "Worker, Retiree, and Employer Recovery Act of 2008" became law which provides multi-employer plans some temporary relief from the impact of the significant market declines of 2008 in meeting the PPA requirements. It is uncertain at this time what impact the new law will have on the plans.

Contingent Withdrawal Liabilities

Because of the recent significant declines in the financial markets, it is not possible to estimate the impact of funded status of the plans without information directly from the funds. Most plans are expected to be substantially more under funded than last year which would have a materially negative impact on the estimated amount of withdrawal or termination liability. We believe that our portion of the contingent liability in the case of a full withdrawal or termination from all of the multi-employer pension plans to which we contribute would be an estimated \$4 billion on a pre-tax basis before taking into consideration the recent market declines. If the Company were subject to withdrawal liability with respect to a plan, ERISA provides that a withdrawing employer can pay the obligation in a lump sum or over time determined by the employer's annual contribution rate prior to withdrawal, which, in some cases, could be up to 20 years. Even so, our applicable subsidiaries have no current intention of taking any action that would subject us to payment of material withdrawal obligations.

Property and Equipment and Definite Life Intangibles

Impairment Testing

We review property and equipment and definite life intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We evaluate recoverability of assets to be held and used by comparing the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

We believe that the accounting estimate related to asset impairment is a critical accounting estimate because: (1) it requires our management to make assumptions about future revenues over the life of the asset, and (2) the impact that recognizing an impairment would have on our financial position, as well as our results of operations, could be material. Management's assumptions about future revenues require significant judgment because actual revenues have fluctuated in the past and may continue to do so.

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In estimating future revenues, we use our internal business forecasts. We develop our forecasts based on recent revenue data for existing services and other industry and economic factors.

Depreciable Lives of Assets

We review the appropriateness of depreciable lives for each category of property and equipment. These studies utilize models, which take into account actual usage, physical wear and tear, and replacement history to calculate remaining life of our asset base. We also make assumptions regarding future conditions in determining potential salvage values. These assumptions impact the amount of depreciation expense recognized in the period and any gain or loss once the asset is disposed.

In 2006, we revised the estimated useful lives and salvage values of certain classes of property and equipment to more appropriately reflect how the assets are expected to be used over time. Effective July 1, 2006, we increased revenue equipment lives to a range of ten to twenty years from three to fourteen years and modified certain salvage values. If we had not changed the estimated useful lives and salvage values of such property and equipment, additional depreciation expense of approximately \$69.5 million, \$66.0 million and \$26.3 million would have been recorded during the years ended December 31, 2008, 2007 and 2006, respectively. Accordingly, the changes in estimates resulted in an increase in income from continuing operations of approximately \$69.5 million, \$66.0 million and \$26.3 million (a \$40.6 million, \$41.8 million and \$16.0 million increase in net income) for the years ended December 31, 2008, 2007 and 2006, respectively. The change in estimate also increased diluted earnings per share by \$0.70, \$0.73 and \$0.27 for the years ended December 31, 2008, 2007 and 2006, respectively.

Goodwill and Indefinite Life Intangibles

Goodwill and indefinite life intangibles are assessed at least annually for impairment, or more frequently if indicators of impairment exist. Goodwill is tested by comparing the aggregate carrying amount of the reporting unit (identified as our reportable segments) to fair value. The fair value is determined primarily based on valuation studies which utilize a discounted cash flow methodology (an income approach). Indefinite life intangibles, primarily tradenames, are tested by comparing the carrying amount to fair value generally using the relief from royalty method (an income approach).

We believe that the accounting estimate related to goodwill and indefinite life intangibles is a critical accounting estimate because (1) it requires our management to make assumptions about fair values, and (2) the impact of recognizing an impairment could be material to our financial position, as well as our results of operations. Management's assumptions about fair values require considerable judgment because changes in broad economic factors and industry factors can result in variable and volatile fair values. Assumptions with respect to rates used to discount cash flows, a key input, are dependent upon interest rates and the cost of capital at a point in time.

Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141R, "Business Combinations", which revises SFAS No. 141, *Business Combinations*, originally issued in June 2001. SFAS No. 141R will apply to business combinations for which the acquisition date is on or after January 1, 2009, and could have a material impact on us with respect to business combinations completed on or after the effective date. The significant revisions include, but are not limited to the "acquirer" recording 100% of all assets and liabilities, including goodwill, of the acquired business, generally at their fair values, and acquisition-related transaction and restructuring costs will be expensed rather than treated as part of the cost of the acquisition and included in the amount recorded for assets acquired. In addition, as of the effective date, reversals of valuation allowances related to acquired deferred tax assets and changes to acquired income tax uncertainties related to any business combinations, even those completed prior to the effective date, will be recognized in earnings, except for qualified measurement period adjustments.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements, which amends Accounting Research Bulletin No. 51, Consolidated Financial Statements", to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 will be effective for our quarterly reporting period ending March 31, 2009, and could have a material impact on us to the extent we enter into an arrangement after the effective date of the standard where we are required to consolidate a noncontrolling interest. If such an event occurs, we will report the noncontrolling interest's equity as a component of our equity in our consolidated balance sheet, we will report the component of net income or loss and comprehensive income or loss attributable to the noncontrolling interest separately and changes in ownership interests will be treated as equity transactions. Upon a loss of control, any gain or loss on the interest sold will be recognized in earnings.

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Effective January 1, 2008, the Company adopted the provisions of SFAS No. 157, "Fair Value Measurements", for financial assets and financial liabilities. In accordance with Financial Accounting Standards Board Staff Position No. 157-2, Effective Date of FASB Statement No. 157, the Company will delay application of SFAS No. 157 for non-financial assets and non-financial liabilities, until January 1, 2009. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. Adoption of SFAS No. 157 did not have a material impact on our consolidated financial position, results of operations, or cash flows.

Certain non-financial assets and non-financial liabilities measured at fair value on a recurring basis include reporting units measured at fair value in the first step of a goodwill impairment test. Certain non-financial assets measured at fair value on a non-recurring basis include non-financial assets and non-financial liabilities measured at fair value in the second step of a goodwill impairment test, as well as intangible assets and other non-financial long-lived assets measured at fair value for impairment assessment. As stated above, SFAS No. 157 will be applicable to these fair value measurements beginning January 1, 2009.

In May 2008, the FASB issued FASB Staff Position ("FSP") No. APB 14-1, "Accounting for Convertible Debt Instruments that may be Settled in Cash upon Conversion (Including Partial Cash Settlement)". This FSP clarifies that issuers of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. The FSP is effective for our financial statements beginning January 1, 2009, and early adoption is not permitted. This FSP is required to be applied retrospectively to all periods presented. We are finalizing the impact of this FSP and currently believe that the adoption of this standard will result in higher interest expense of approximately \$3.0 million and lower earnings per share beginning in 2009.

Outlook

U.S. economic growth is projected to remain in recession in the first half of the year, but show positive growth in the second half. The median forecast anticipates gross domestic product ("GDP") to contract at a pace of 2.0 to 2.4 percent in 2009 as the economy works through the housing sector contraction and the effect of credit market turbulence. Growth in business capital spending, along with consumer spending in 2009, is expected to be slightly lower than 2008. Business spending is expected to continue to benefit from generally solid corporate balance sheets and cash balances accumulated during the recent period of strong corporate profits, but growth is expected to be well below the rates seen in recent years. The price of oil is expected to decline but remain elevated by historical standards. We expect competitive LTL pricing trends to continue during the upcoming year.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk**Market Risk Position**

We have exposure to a variety of market risks, including the effects of interest rates, foreign exchange rates and fuel prices.

Risk from Interest Rates

To provide adequate funding through seasonal business cycles and minimize overall borrowing costs, we utilize both fixed rate and variable rate financial instruments with varying maturities. At December 31, 2008, we had approximately 40% of our outstanding debt at fixed rates. If interest rates for our variable rate long-term debt had averaged 10% more during the year, our interest expense would have increased, and income before taxes would have decreased by \$1.2 million and \$2.4 million for the years ended December 31, 2008 and 2007, respectively.

The table below provides information regarding our interest rate risk related to fixed-rate debt as of December 31, 2008. Principal cash flows are by contractual maturity. The contingent convertible senior notes are reflected as 2009 maturities as we have triggered a conversion right at December 31, 2008.

<u>(in millions)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Thereafter</u>	<u>Total</u>
Fixed-rate debt	\$387.8	\$156.0	\$—	\$—	\$—	\$—	\$543.8
Average interest rate	4.37%	8.41%	—	—	—	—	

The fair values of our USF senior notes and contingent convertible senior notes of \$212.7 million and \$856.5 million have been calculated based on the quoted market prices at December 31, 2008 and 2007, respectively. Included in the 2007 amounts is a fair value of \$100.8 million for the 6.5% USF senior notes that were redeemed during 2008. The market price for the contingent convertible senior notes reflects the combination of debt and equity components of the convertible instrument.

Foreign Exchange Rates

Revenue, operating expenses, assets and liabilities of our Canadian, Mexican, Asian, South American and United Kingdom subsidiaries are denominated in local currencies, thereby creating exposure to fluctuations in exchange rates. The risks related to foreign currency exchange rates are not material to our consolidated financial position or results of operations.

Fuel Price Volatility

National Transportation, Regional Transportation and Truckload currently have effective fuel surcharge programs in place. As discussed previously, 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, our exposure to fuel price volatility is significantly reduced.

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Item 8. Financial Statements and Supplementary Data

CONSOLIDATED BALANCE SHEETS

YRC Worldwide Inc. and Subsidiaries

<u>(in thousands except per share data)</u>	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 325,349	\$ 58,233
Accounts receivable, less allowances of \$31,998 and \$34,933	837,055	1,073,915
Fuel and operating supplies	24,719	29,051
Deferred income taxes, net	133,781	41,019
Prepaid expenses and other	139,601	175,316
Total current assets	<u>1,460,505</u>	<u>1,377,534</u>
Property and Equipment:		
Land	413,953	449,696
Structures	1,104,818	1,127,189
Revenue equipment	1,873,274	1,919,443
Technology equipment and software	316,361	327,629
Other	269,475	259,834
	<u>3,977,881</u>	<u>4,083,791</u>
Less – accumulated depreciation	<u>(1,776,904)</u>	<u>(1,703,318)</u>
Net property and equipment	<u>2,200,977</u>	<u>2,380,473</u>
Goodwill	—	700,659
Intangibles, net	184,769	533,327
Other assets	119,862	70,630
Total assets	<u>\$ 3,966,113</u>	<u>\$ 5,062,623</u>
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	\$ 333,910	\$ 387,740
Wages, vacations and employees' benefits	356,410	426,119
Claims and insurance accruals	171,425	167,875
Other current and accrued liabilities	318,569	201,850
Asset backed securitization borrowings	147,000	180,000
Current maturities of long-term debt	426,337	231,955
Total current liabilities	<u>1,753,651</u>	<u>1,595,539</u>
Other Liabilities:		
Long-term debt, less current portion	787,415	822,048
Deferred income taxes, net	238,704	521,615
Pension and postretirement	370,031	180,166
Claims and other liabilities	341,918	330,951
Commitments and Contingencies		
Shareholders' Equity:		
Common stock, \$1 par value per share – authorized 120,000 shares, issued 62,413 and 61,514 shares	62,413	61,514
Preferred stock, \$1 par value per share – authorized 5,000 shares, none issued	—	—
Capital surplus	1,224,606	1,211,956
Retained earnings (deficit)	(547,338)	471,119
Accumulated other comprehensive income (loss)	(172,550)	12,329
Treasury stock, at cost (3,079 and 4,802 shares)	(92,737)	(144,614)
Total shareholders' equity	<u>474,394</u>	<u>1,612,304</u>
Total liabilities and shareholders' equity	<u>\$ 3,966,113</u>	<u>\$ 5,062,623</u>

The notes to consolidated financial statements are an integral part of these statements.

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STATEMENTS OF CONSOLIDATED OPERATIONS

YRC Worldwide Inc. and Subsidiaries

For the years ended December 31

<u>(in thousands except per share data)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Operating Revenue	\$ 8,940,401	\$ 9,621,316	\$9,918,690
Operating Expenses:			
Salaries, wages and employees' benefits	5,251,173	5,741,078	5,735,720
Operating expenses and supplies	1,984,030	1,864,957	1,819,030
Purchased transportation	1,075,286	1,089,041	1,090,504
Depreciation and amortization	264,291	255,603	274,184
Other operating expenses	410,244	437,323	435,876
Gains on property disposals, net	(19,083)	(5,820)	(8,360)
Reorganization and settlements	25,210	22,385	26,302
Impairment charges	1,023,376	781,875	—
Total operating expenses	<u>10,014,527</u>	<u>10,186,442</u>	<u>9,373,256</u>
Operating income (loss)	<u>(1,074,126)</u>	<u>(565,126)</u>	<u>545,434</u>
Nonoperating (Income) Expenses:			
Interest expense	77,907	88,760	87,760
Interest income	(4,293)	(4,372)	(3,127)
Other, net	(4,278)	2,203	4,845
Nonoperating expenses, net	<u>69,336</u>	<u>86,591</u>	<u>89,478</u>
Income (Loss) Before Income Taxes	(1,143,462)	(651,717)	455,956
Income Tax Provision (Benefit)	(169,070)	(13,336)	179,324
Net Income (Loss)	\$ (974,392)	\$ (638,381)	\$ 276,632
Weighted Average Common Shares Outstanding - Basic	57,583	57,154	57,361
Weighted Average Common Shares Outstanding - Diluted	57,583	57,154	58,339
Basic Earnings (Loss) Per Share	\$ (16.92)	\$ (11.17)	\$ 4.82
Diluted Earnings (Loss) Per Share	\$ (16.92)	\$ (11.17)	\$ 4.74

The notes to consolidated financial statements are an integral part of these statements.

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STATEMENTS OF CONSOLIDATED CASH FLOWS

YRC Worldwide Inc. and Subsidiaries

For the years ended December 31

<u>(in thousands except per share data)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Operating Activities:			
Net income (loss)	\$ (974,392)	\$(638,381)	\$ 276,632
Noncash items included in net income (loss):			
Depreciation and amortization	264,291	255,603	274,184
Impairment charges	1,023,376	781,875	—
Deferred income tax provision, net	(158,352)	8,533	161,223
Loss on sale of subsidiary	—	—	2,843
Gains on debt redemptions, net	(2,400)	—	—
Gains on property disposals, net	(19,115)	(7,547)	(8,360)
Curtailed gains, net	(88,690)	—	—
Other noncash items	(2,606)	9,925	9,315
Changes in assets and liabilities, net:			
Accounts receivable	236,860	107,497	(26,292)
Accounts payable	(53,904)	(9,320)	(9,618)
Other operating assets	33,374	(3,904)	(59,514)
Other operating liabilities	(38,622)	(111,683)	(88,109)
Net cash provided by operating activities	219,820	392,598	532,304
Investing Activities:			
Acquisition of property and equipment	(162,276)	(393,763)	(377,687)
Proceeds from disposal of property and equipment	127,590	55,339	74,630
Acquisition of companies	—	—	(25,627)
Investment in affiliate	(46,133)	(1,608)	—
Other	(6,115)	(1,055)	(287)
Net cash used in investing activities	(86,934)	(341,087)	(328,971)
Financing Activities:			
Asset backed securitization borrowings, net	(33,000)	(45,000)	(149,970)
Issuance of long-term debt	510,400	155,096	—
Debt issuance costs	(11,404)	(1,298)	—
Repayment of long-term debt	(331,816)	(150,000)	(45,022)
Treasury stock purchases	—	(34,997)	(19,997)
Proceeds from exercise of stock options	50	6,530	5,686
Net cash (used in) provided by financing activities	134,230	(69,669)	(209,303)
Net Increase (Decrease) In Cash and Cash Equivalents	267,116	(18,158)	(5,970)
Cash and Cash Equivalents, Beginning of Year	58,233	76,391	82,361
Cash and Cash Equivalents, End of Year	\$ 325,349	\$ 58,233	\$ 76,391
Supplemental Cash Flow Information:			
Income taxes paid (refund), net	\$ (46,463)	\$ (48,132)	\$ 109,500
Interest paid	70,945	84,076	90,072
Employer 401(k) contributions settled in common stock	8,108	9,548	7,383

The notes to consolidated financial statements are an integral part of these statements.

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STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY
YRC Worldwide Inc. and Subsidiaries
For the years ended December 31

<u>(in thousands except per share data)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Common Stock			
Beginning balance	\$ 61,514	\$ 60,876	\$ 60,450
Exercise of stock options	3	221	185
Issuance of equity awards, net	249	119	64
Employer contribution to 401(k) plan	647	298	177
Ending balance	<u>62,413</u>	<u>61,514</u>	<u>60,876</u>
Capital Surplus			
Beginning balance	1,211,956	1,180,578	1,154,654
Exercise of stock options, including tax benefits	47	6,309	5,501
Share-based compensation	5,750	14,748	12,265
Employer contribution to 401(k) plan	7,461	9,250	7,206
Other, net	(608)	1,071	952
Ending balance	<u>1,224,606</u>	<u>1,211,956</u>	<u>1,180,578</u>
Retained Earnings (Deficit)			
Beginning balance	471,119	1,115,246	838,614
Cumulative effect – adoption of FIN 48, “Accounting for Uncertainty in Income Taxes”	—	(5,746)	—
Exchange of 1.7 million shares of treasury stock for \$13.2 million contingent convertible notes	(44,065)	—	—
Net income (loss)	(974,392)	(638,381)	276,632
Ending balance	<u>(547,338)</u>	<u>471,119</u>	<u>1,115,246</u>
Accumulated Other Comprehensive Income (Loss)			
Beginning balance	12,329	(54,534)	(27,610)
Adjustment to initially apply SFAS No. 158, net of tax	—	—	(56,505)
Pension, net of tax:			
Net pension gains (losses)	(171,831)	45,345	—
Reclassification of net losses (gains) to net income	(20,711)	5,452	—
Curtailement and settlement adjustments	23,058	—	—
Minimum pension liability adjustment	—	—	28,000
Foreign currency translation adjustments	(15,395)	16,066	1,581
Ending balance	<u>(172,550)</u>	<u>12,329</u>	<u>(54,534)</u>
Treasury Stock, At Cost			
Beginning balance	(144,614)	(109,617)	(89,620)
Treasury stock purchases	—	(34,997)	(19,997)
Exchange of 1.7 million shares of treasury stock for \$13.2 million contingent convertible notes	51,877	—	—
Ending balance	<u>(92,737)</u>	<u>(144,614)</u>	<u>(109,617)</u>
Total Shareholders' Equity	<u>\$ 474,394</u>	<u>\$1,612,304</u>	<u>\$2,192,549</u>

The notes to consolidated financial statements are an integral part of these statements.

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STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

YRC Worldwide Inc. and Subsidiaries

For the years ended December 31

<u>(in thousands except per share data)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net income (loss)	\$ (974,392)	\$(638,381)	\$276,632
Other comprehensive income (loss), net of tax:			
Pension:			
Minimum pension liability adjustment	—	—	28,000
Net prior service cost	588	980	—
Net actuarial gains (losses)	(193,130)	49,817	—
Curtailement and settlement adjustments	23,058	—	—
Changes in foreign currency translation adjustments	(15,395)	16,066	1,581
Other comprehensive income (loss)	(184,879)	66,863	29,581
Comprehensive income (loss)	<u>\$(1,159,271)</u>	<u>\$(571,518)</u>	<u>\$306,213</u>

The notes to consolidated financial statements are an integral part of these statements.

Notes to Consolidated Financial Statements

YRC Worldwide Inc. and Subsidiaries

Description of Business

YRC Worldwide Inc. (also referred to as “YRC Worldwide”, “the Company”, “we” or “our”), one of the largest transportation service providers in the world, is a holding company that through wholly owned operating subsidiaries offers its customers a wide range of transportation services. These services include global, national and regional transportation as well as logistics. Our operating subsidiaries include the following:

- YRC National Transportation (“National Transportation”) is the reporting unit for our transportation service providers focused on business opportunities in regional, national and international services. Through September 30, 2008, National Transportation was comprised of the Company’s two largest less-than-truckload (“LTL”) subsidiaries, Yellow Transportation and Roadway. In October 2008, these two subsidiaries merged and changed the name of the surviving entity to YRC Inc. (“YRC”). This unit provides for the movement of industrial, commercial and retail goods, primarily through regionalized and centralized management and customer facing organizations. National Transportation also includes YRC Reimer (formerly Reimer Express Lines), a subsidiary located in Canada that specializes in shipments into, across and out of Canada. Approximately 38% of National Transportation shipments are completed in two days or less. In addition to the United States (“U.S.”) and Canada, National Transportation also serves parts of Mexico, Puerto Rico and Guam.
- YRC Regional Transportation (“Regional Transportation”) is the reporting unit for our transportation service providers focused on business opportunities in the regional and next-day delivery markets. Regional Transportation is comprised of New Penn Motor Express (“New Penn”), Holland and Reddaway. These companies each provide regional, next-day ground services in their respective regions through a network of facilities located across the United States; Quebec, Canada; Mexico and Puerto Rico. Approximately 92% of Regional Transportation LTL shipments are completed in two days or less. In 2006, Regional Transportation also included USF Bestway. In February 2007, the majority of USF Bestway’s operations were consolidated into Reddaway.
- YRC Logistics plans and coordinates the movement of goods worldwide to provide customers a single source for logistics management solutions. YRC Logistics delivers a wide range of global logistics management services, with the ability to provide customers improved return-on-investment results through logistics services and technology management solutions.
- YRC Truckload (“Truckload”) reflects the results of Glen Moore, a provider of truckload services throughout the U.S.

1. Principles of Consolidation and Summary of Accounting Policies

The accompanying consolidated financial statements include the accounts of YRC Worldwide and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. We report on a calendar year basis. The quarters of the Regional Transportation companies (with the exception of New Penn) consist of thirteen weeks that end on a Saturday either before or after the end of March, June and September, whereas all other operating segment quarters end on the natural calendar quarter end. Investments in non-majority owned affiliates or those in which we do not have control where the entity is either not a variable interest entity or YRC Worldwide is not the primary beneficiary are accounted for on the equity method. Management makes estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes. Actual results could differ from those estimates.

Accounting policies refer to specific accounting principles and the methods of applying those principles to fairly present our financial position and results of operations in accordance with generally accepted accounting principles. The policies discussed below include those that management has determined to be the most appropriate in preparing our financial statements and are not otherwise discussed in a separate note.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and highly liquid investments purchased with maturities of three months or less.

Concentration of Credit Risks and Other

We sell services and extend credit based on an evaluation of the customer's financial condition, without requiring collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. We monitor our exposure for credit losses and maintain allowances for anticipated losses.

At December 31, 2008, approximately 70% of our labor force was subject to collective bargaining agreements, which predominantly expire in 2013. In January 2009, the primary labor agreement was modified to reflect a 10% reduction in all wages, inclusive of scheduled increases, through the remaining life of the agreement of March 31, 2013. The modification also suspended any cost of living increases through 2013.

In conjunction with the reductions agreed to by our union employees, effective January 1, 2009, the salaries of all non-union employees were reduced 10%. This reduction is expected to change to a 5% reduction on July 1, 2009, with base salaries returning to their previous levels January 1, 2010.

Revenue Recognition

For shipments in transit, National Transportation and Regional Transportation record revenue based on the percentage of service completed as of the period end and accrue delivery costs as incurred. In addition, National Transportation and Regional Transportation recognize revenue on a gross basis because the entities are the primary obligors even when they use other transportation service providers who act on their behalf. National Transportation and Regional Transportation remain responsible to their customers for complete and proper shipment, including the risk of physical loss or damage of the goods and cargo claims issues. We assign pricing to bills of lading at the time of shipment based primarily on the weight, general classification of the product, the shipping destination and individual customer discounts. This process is referred to as rating. At various points throughout our process, incorrect ratings could be identified based on many factors, including weight verifications or updated customer discounts. Although the majority of rerating occurs in the same month as the original rating, a portion occurs during the following periods. We accrue a reserve for rerating based on historical trends.

YRC Logistics recognizes revenue upon the completion of services. In certain transactions where YRC Logistics acts as an agent, revenue is recorded on a net basis. Net revenue represents revenue charged to customers less third party transportation costs. Where YRC Logistics acts as principal, it records revenue from these transactions on a gross basis, without deducting transportation costs. Management believes these policies most accurately reflect revenue as earned.

Foreign Currency

Our functional currency is the U.S. dollar, whereas, our foreign operations utilize the local currency as their functional currency. Accordingly, for purposes of translating foreign subsidiary financial statements to the U.S. dollar reporting currency, assets and liabilities of our foreign operations are translated at the fiscal year end exchange rates and income and expenses are translated at

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the average exchange rates for the fiscal year. Foreign currency gains and losses resulting from foreign currency transactions resulted in a \$0.3 million gain and a \$5.4 million loss during 2008 and 2007, respectively, and are included in other nonoperating expense in the accompanying consolidated statement of operations. The amount in 2006 was not material.

Financial and Derivative Instruments

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings approximates their fair value due to the short-term nature of these instruments.

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended, requires companies to recognize all derivative financial instruments as either assets or liabilities at their fair value. During 2008 and 2007, we maintained a forward contract to hedge our exposure to foreign currency risk related to an intercompany note between a U.S. subsidiary and a United Kingdom subsidiary. This contract expired December 31, 2008, was not renewed and did not have a material impact to our operations.

Claims and Insurance Accruals

Claims and insurance accruals, both current and long-term, reflect the estimated cost of claims for workers' compensation, cargo loss and damage, and property damage and liability that insurance does not cover. We base reserves for workers' compensation and property damage and liability claims primarily upon actuarial analyses that independent actuaries prepare. These reserves are discounted to present value using a risk-free rate based on the year of occurrence. The risk-free rate is the U.S. Treasury rate for maturities that match the expected payout of such claims. The process of determining reserve requirements utilizes historical trends and involves an evaluation of accident frequency and severity, claims management, changes in health care costs and certain future administrative costs. The effect of future inflation for costs is considered in the actuarial analyses. Adjustments to previously established reserves are included in operating results in the year of adjustment. As of December 31, 2008 and 2007, we had \$495.7 million and \$478.3 million, respectively, accrued for claims and insurance.

During the year ended December 31, 2006, we received \$4.0 million of business-interruption insurance recoveries related to the August 2005 hurricane Katrina. This amount has been classified as revenue in the accompanying consolidated statement of operations for our National Transportation segment.

Stock-Based Compensation

We have various stock-based employee compensation plans, which are described more fully in the "Stock Compensation Plans" note. Effective January 1, 2006, we adopted the fair value recognition provisions of SFAS No. 123(R), "Share-Based Payment." We recognize compensation costs for non-vested shares and compensation cost for all share-based payments (*i.e.*, options) granted prior to, but not yet vested as of, January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123. Additionally, we recognize compensation cost for all share-based payments granted subsequent to January 1, 2006, on a straight-line basis over the requisite service period (generally three to four years) based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123(R).

Property and Equipment

We carry property and equipment at cost less accumulated depreciation. We compute depreciation using the straight-line method based on the following service lives:

	<u>Years</u>
Structures	10 – 30
Revenue equipment	10 – 20
Technology equipment and software	3 – 7
Other	3 – 10

We charge maintenance and repairs to expense as incurred, and capitalize replacements and improvements when these costs extend the useful life of the asset. We utilize certain terminals and equipment under operating leases. Leasehold improvements are capitalized and amortized over the original lease term.

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Our investment in technology equipment and software consists primarily of customer service and freight management equipment and related software. We capitalize certain costs associated with developing or obtaining internal-use software. Capitalizable costs include external direct costs of materials and services utilized in developing or obtaining the software, payroll and payroll-related costs for employees directly associated with the project. For the years ended December 31, 2008, 2007 and 2006, we capitalized \$12.6 million, \$26.8 million, and \$14.7 million, respectively, which were primarily payroll and payroll-related costs.

In 2006, we revised the estimated useful lives and salvage values of certain classes of property and equipment to more appropriately reflect how the assets are expected to be used over time. Effective July 1, 2006, we increased revenue equipment lives to a range of ten to twenty years from three to fourteen years and modified certain salvage values. If we had not changed the estimated useful lives and salvage values of such property and equipment, additional depreciation expense of approximately \$69.5 million, \$66.0 million and \$26.3 million would have been recorded during the years ended December 31, 2008, 2007 and 2006, respectively. Accordingly, the changes in estimates resulted in an increase in income from continuing operations of approximately \$69.5 million, \$66.0 million and \$26.3 million (a \$40.6 million, \$41.8 million and \$16.0 million increase in net income) for the years ended December 31, 2008, 2007 and 2006, respectively. The change in estimate also increased diluted earnings per share by \$0.70, \$0.73 and \$0.27 for the years ended December 31, 2008, 2007 and 2006, respectively.

For the years ended December 31, 2008, 2007 and 2006, depreciation expense was \$246.8 million, \$237.3 million, and \$251.7 million, respectively.

Impairment of Long-Lived Assets

If facts and circumstances indicate that the carrying amount of identifiable amortizable intangibles and property, plant and equipment may be impaired, we would perform an evaluation of recoverability in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". If an evaluation were required, we would compare the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a reduction to the carrying amount is required. The carrying amount of an impaired asset would be reduced to fair value.

Based on current economic conditions and on the results of our impairment tests for goodwill as discussed below, we determined a review of impairment of long-lived assets was necessary as of December 31, 2008. Our analysis of undiscounted cash flows indicated no impairment charge for long-lived assets was required at December 31, 2008.

Asset Retirement Obligations

We record estimated liabilities for the cost to return leased property to its original condition at the end of a lease term. Revisions to these liabilities for such costs may occur due to changes in the estimates for real property lease restoration costs, or changes in regulations or agreements affecting these obligations. These obligations could also include removal of underground storage tanks at leased or owned properties. Our accrual also includes amounts for restoration of U.S. federal "Superfund" sites. When we have been identified as a potentially responsible party in a Superfund site, we accrue our share of the estimated remediation costs of the site based on the ratio of the estimated volume of waste contributed to the site by us to the total volume of waste at the site. At December 31, 2008 and 2007, our estimated asset retirement obligations totaled \$6.8 million and \$7.6 million, respectively. These amounts are included in "Other current and accrued liabilities" in the accompanying consolidated balance sheets.

Assets Held for Sale

When we plan to dispose of property by sale, the asset is carried in the financial statements at the lower of the carrying amount or estimated fair value, less cost to sell, and is reclassified to assets held for sale. Additionally, after such reclassification, there is no further depreciation taken on the asset. In order for an asset to be classified as held for sale, management must approve and commit to a formal plan, the sale should be anticipated during the ensuing year and the asset must be actively marketed, be available for immediate sale, and meet certain other specified criteria. At December 31, 2008 and 2007, the net book value of assets held for sale was approximately \$32.4 million and \$26.1 million, respectively. This amount is included in "Property and equipment" in the accompanying consolidated balance sheets. We recorded charges of \$7.3 million and \$1.1 million for the years ended December 31, 2008 and 2007, respectively, to reduce properties held for sale to estimated fair value, less cost to sell. These charges are included in "Gains on property disposals, net", in the accompanying statements of operations. There were no such amounts recorded in the year ended December 31, 2006.

Earnings from Equity Method Investments

We account for our ownership in certain joint ventures under the equity method and accordingly, recognize our share of the respective joint ventures earnings in "Other nonoperating (income) expense" in the accompanying statements of operations.

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The following reflects the components of these results for the years ended December 31:

<u>(in millions)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Our share of joint venture earnings	<u>\$(3.3)</u>	<u>\$(2.9)</u>	<u>\$(1.0)</u>
Additional depreciation and amortization as required by purchase accounting	1.0	1.3	1.5
Impairment charge	—	—	2.4
Net equity method (earnings) losses	<u>\$(2.3)</u>	<u>\$(1.6)</u>	<u>\$ 2.9</u>

2. Acquisitions

In accordance with SFAS No. 141, “Business Combinations”, we allocate the purchase price of our acquisitions to the tangible and intangible assets and liabilities of the acquired entity based on their fair values. We record the excess purchase price over the fair values as goodwill. The fair value assigned to intangible assets acquired is based on valuations that independent third party appraisal firms prepared using estimates and assumptions provided by management.

The results of the entities acquired as discussed below have been included in our financial statements since the respective date of acquisition.

GPS Logistics, LLC

In March 2005, YRC Logistics exercised and closed its option to purchase GPS Logistics Group Ltd., the Asian freight forwarding operations of GPS Logistics and in turn, made a payment of \$5.7 million (\$3.2 million net of cash acquired). Under the terms of the original purchase agreement, this payment was subject to subsequent upward and downward adjustments based on the financial performance of the Asia business through March 2007. Additional earn-out payments could have been required based on the financial performance of the Asia business during the period March 2007 to March 2009.

In January 2006, we paid an additional \$11.1 million and issued a promissory note in the amount of \$10.8 million representing a buyout of all aforementioned earn-out arrangements and potential purchase price adjustments. These amounts were allocated to goodwill in the consolidated balance sheet. The \$10.8 million promissory note was paid in full in December 2006.

JHJ International Transportation Co., Ltd.

On September 1, 2005, we completed the purchase of a 50% equity interest in JHJ International Transportation Co., Ltd., (“JHJ”), a Shanghai, China-based freight forwarder, with a purchase price of \$46 million including transaction costs which is presented in “Other assets” in the consolidated balance sheets. We account for our ownership in JHJ using the equity method of accounting. As of December 31, 2008, the excess of our investment over our interest in JHJ’s equity is approximately \$22 million. As part of our 2006 impairment review process, we determined the fair value of our investment in JHJ exceeded its carrying value and as such, we recorded an impairment charge of \$2.4 million in December 2006. This amount is included in other nonoperating expense in the accompanying consolidated statement of operations. No impairment was recognized in 2008 or 2007.

Shanghai Jiayu Logistics Co., Ltd.

On August 19, 2008, we completed the purchase of a 65% equity interest in Shanghai Jiayu Logistics Co., Ltd. (“Jiayu”), a Shanghai, China ground transportation company with a purchase price of \$47.7 million including transaction costs. The purchase agreement provides for an adjustment to the purchase price based upon the final working capital of Jiayu as reflected in its opening balance sheet. This process is virtually complete and will result in additional purchase price of approximately \$5.8 million; however, the amount will be paid via a dividend from Jiayu to the seller. We will not be required to make an additional cash payment as a result of this process. We account for our ownership in Jiayu using the equity method of accounting because the minority shareholder has significant veto rights that preclude our ability to control Jiayu and record our portion of the financial results of Jiayu one month in arrears. This investment is a part of our YRC Logistics segment, and is included in “Other assets” in the accompanying consolidated balance sheets. As of December 31, 2008, the excess of our investment over our interest in Jiayu’s equity is approximately \$36.6 million.

If Jiayu meets certain financial performance targets during 2008 and 2009, we could be obligated to purchase the remaining 35% interest in 2010 for an amount not to exceed CNY 248.0 million (approximately \$36 million), as determined by the level of Jiayu’s financial performance. If Jiayu does not meet these financial targets, we have an option to purchase the remaining 35% of the shares of Jiayu in 2010 for the greater of CNY 77.5 million (approximately \$11 million) and 35% of the appraised value of the net assets of Jiayu at that time. All additional payments will be made in Chinese Yuan, and their estimated U.S. dollar equivalents are provided herein.

Other

In September 2006, YRC Logistics sold Meridian IQ China Co., Ltd., a 100% owned subsidiary that conducted a freight forwarding business in mainland China, to JHJ, an entity in which the Company owns a 50% equity interest. The proceeds, in the form of a promissory note, were approximately \$4.0 million and resulted in a loss on disposition of approximately \$2.8 million. Payment on the promissory note was received in full in December 2006.

3. Goodwill and Intangibles

Goodwill is recognized for the excess of the purchase price over the fair value of tangible and identifiable intangible net assets of businesses acquired. In accordance with SFAS No. 142, "Goodwill and other Intangible Assets", we test goodwill for impairment on an annual basis in the fourth quarter or more frequently if we believe indicators of impairment exist. The performance of the test involves a two-step process. First, a comparison of the fair value of the applicable reporting unit with their aggregate carrying values, including goodwill, is performed. We generally determine the fair value of our reporting units using the income approach valuation methodology that includes a discounted cash flow method as well as other generally accepted valuation methodologies. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, we perform the second step of the goodwill impairment test to determine the amount of impairment loss. The second step includes comparing the implied fair value of the affected reporting unit's goodwill with the carrying value of that goodwill.

During 2008, our operating performance has continued to decline as compared to prior year and our share price and market capitalization remains depressed as compared to book value. Overall U.S. economic trends are declining as seen in most indices including those applicable to the retail sector, manufacturing, construction and housing. Declining economic activity, evidenced by these trends, negatively impacts the volume of freight we service and the price we receive for our services. These trends coupled with our decreased year over year quarterly earnings along with the decrease in our market capitalization prompted management to conclude indicators of impairment existed at September 30, 2008 and again at November 30, 2008. We assessed the current fair value of our reporting units and indefinite-lived intangibles based on an income approach using estimation models including a discounted cash flow as well as assumptions related to market multiple of earnings. As a result of these processes, we determined the book value of goodwill and certain indefinite lived intangibles (tradenames) was impaired.

During the year ended December 31, 2007, we performed our annual impairment test of goodwill during the fourth quarter based on market conditions as of the beginning of our fourth quarter in 2007 and determined that our Regional Transportation segment goodwill was impaired. The 2008 and 2007 impairment charges were primarily due to decreased operating income, both actual and forecasted, the estimated timing of economic recovery of this sector triangulated with a specific, point-in-time fair value using current market conditions. Impairment tests performed during the fourth quarter of 2006 indicated that no impairment of goodwill was necessary based on the conditions at that time.

The following table shows the changes in the carrying amount of goodwill attributable to each applicable segment:

<u>(in millions)</u>	<u>National Transportation</u>	<u>Regional Transportation</u>	<u>YRC Logistics</u>	<u>Total</u>
Balances at December 31, 2006	\$ 530.9	\$ 635.7	\$ 160.0	\$1,326.6
Tax related purchase accounting adjustments	9.1	2.9	(2.2)	9.8
Impairment charge	—	(638.6)	—	(638.6)
Change in foreign currency exchange rates	2.7	—	0.2	2.9
Balances at December 31, 2007	542.7	—	158.0	700.7
Impairment charge	(541.8)	—	(157.0)	(698.8)
Change in foreign currency exchange rates	(0.9)	—	(1.0)	(1.9)
Balances at December 31, 2008	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

A tax benefit of \$4.6 million was recognized on the goodwill impairment charges in 2008. No tax benefit was recognized on the 2007 charge.

During 2007, adjustments were made to deferred taxes at Roadway (included in National Transportation), Regional Transportation and USF Logistics (a part of YRC Logistics) relating to pre-acquisition balances. In addition, in conjunction with our adoption of FIN 48, "Accounting for Uncertainty in Income Taxes", we adjusted certain pre-acquisition deferred tax amounts. In accordance with purchase accounting rules, all of these adjustments were offset to goodwill.

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The components of amortizable intangible assets are as follows at December 31:

(in millions)	Weighted Average Life (years)	2008		2007	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer related	15.3	\$ 214.2	\$ 65.4	\$ 215.7	\$ 51.0
Marketing related	5.6	3.5	2.6	4.4	2.9
Technology based	5.0	25.6	23.3	25.7	21.7
Intangible assets		<u>\$ 243.3</u>	<u>\$ 91.3</u>	<u>\$ 245.8</u>	<u>\$ 75.6</u>

Amortization expense, recognized on a straight line basis, for intangible assets was \$17.5 million, \$18.3 million and \$22.5 million for the years ending December 31, 2008, 2007 and 2006, respectively. Estimated amortization expense for the next five years is as follows:

(in millions)	2009	2010	2011	2012	2013
Estimated amortization expense	\$17.0	\$14.7	\$13.7	\$13.7	\$13.7

Total marketing related intangible assets with indefinite lives, primarily tradenames, are not subject to amortization, but are subjected to an impairment test at least annually and as triggering events may occur. The impairment test for tradenames consists of a comparison of the fair value of the intangible asset with its carrying amount. An impairment loss is recognized for the amount by which the carrying amount exceeds the fair value of the asset. In making this assessment, we utilized the relief from royalty method, an income approach, which includes assumptions as to future revenue, applicable royalty rate and cost of capital, among others.

During the year ended December 31, 2008, we impaired two tradenames via an abandonment of the underlying brands, Roadway and USF. The Roadway brand along with the Yellow Transportation brand have collectively been replaced by the YRC brand, our new National Transportation brand. The USF brand has been removed from our marketing efforts and therefore no longer has continuing value. In 2007, we also recognized an impairment charge related to both the USF and Roadway tradenames. These charges were a result of changes in the inputs (primarily revenue growth and discount rates) in the fair value model versus those used in the original valuation. Impairment tests performed during the fourth quarter of 2006 indicated that no impairment of tradenames was necessary based on the conditions at that time.

The following table shows the pre-tax changes in the carrying amount of our indefinite lived tradenames attributable to each applicable segment:

(in millions)	National Transportation	Regional Transportation	Total
Balances at December 31, 2006	\$ 326.2	\$ 177.1	\$ 503.3
Impairment charges	(76.6)	(66.7)	(143.3)
Change in foreign currency exchange rates	3.1	—	3.1
Balances at December 31, 2007	252.7	110.4	363.1
Impairment charges	(234.9)	(89.7)	(324.6)
Tax related purchase accounting adjustments	(2.8)	—	(2.8)
Change in foreign currency exchange rates	(2.9)	—	(2.9)
Balances at December 31, 2008	<u>\$ 12.1</u>	<u>\$ 20.7</u>	<u>\$ 32.8</u>

The 2008 impairment charges net of tax were \$147.9 million and \$57.5 million for National Transportation (the Roadway and Reimer Express Lines tradenames) and Regional Transportation (the USF tradename), respectively. The 2007 impairment charges net of tax were \$42.8 million and \$48.3 million for Regional Transportation (the USF tradename) and National Transportation (the Roadway tradename), respectively.

During the fourth quarter of 2008, adjustments were made to deferred taxes at Roadway (included in National Transportation) relating to pre-acquisition balances. In accordance with purchase accounting rules, in the absence of any goodwill (which was written off in the third quarter of 2008) all of these adjustments were offset to indefinite lived tradenames.

4. Restructuring

In February 2008, we closed 27 service centers that were previously a part of Regional Transportation’s networks. As a part of this action, we incurred certain restructuring charges of approximately \$12.4 million consisting of employee severance, lease cancellations and other incremental costs during the year ended December 31, 2008.

In 2008, we also reduced our non-union headcount throughout the Company with a significant portion within the National Transportation segment. This action resulted in employee separation charges of approximately \$8.9 million during the year ended December 31, 2008. Additionally, we closed a YRC Logistics facility in the United Kingdom and terminated a YRC Logistics service offering which resulted in closure charges, primarily lease cancellation charges, of approximately \$1.2 million and \$0.5 million, respectively.

During the year ended December 31, 2007, we announced several changes in our operations and incurred related restructuring charges. These organizational changes initially included bringing the management of Yellow Transportation and Roadway under one organization established as YRC National Transportation. We incurred employee separation charges related to these changes.

In 2007, we also announced the consolidation of Reddaway and USF Bestway, two subsidiaries within our Regional Transportation segment. As part of the consolidation, effective February 12, 2007, we no longer market the USF Bestway brand. We incurred certain restructuring and other closure related charges in conjunction with this organizational change consisting primarily of employee separation and contract termination costs.

A final 2007 change resulted from YRC Logistics announcing the closure of its Montgomery, Alabama flow through and warehousing facility.

During the year ended December 31, 2006, we incurred \$8.4 million of restructuring costs related to a reduction in workforce throughout the organization.

We reassess the accrual requirements under the above restructuring efforts at the end of each reporting period. Restructuring charges are included in “Reorganization and settlements” in the statements of operations. A rollforward of the restructuring accrual is set forth below:

<u>(in millions)</u>	<u>Employee Separation</u>	<u>Contract Termination and Other Costs</u>	<u>Total</u>
Balance at December 31, 2005	\$ 2.4	\$ 5.3	\$ 7.7
Restructuring charges	1.6	6.8	8.4
Payments	<u>(3.0)</u>	<u>(5.6)</u>	<u>(8.6)</u>
Balance at December 31, 2006	\$ 1.0	\$ 6.5	\$ 7.5
Restructuring charges	8.9	2.4	11.3
Adjustments ^(a)	(0.5)	(2.9)	(3.4)
Payments	<u>(5.8)</u>	<u>(3.6)</u>	<u>(9.4)</u>
Balance at December 31, 2007	\$ 3.6	\$ 2.4	\$ 6.0
Restructuring charges	13.0	10.0	23.0
Adjustments	—	(0.6)	(0.6)
Payments	<u>(10.4)</u>	<u>(7.2)</u>	<u>(17.6)</u>
Balance at December 31, 2008	<u>\$ 6.2</u>	<u>\$ 4.6</u>	<u>\$ 10.8</u>

(a) Included in adjustments are amounts credited to goodwill in accordance with purchase accounting requirements and reduction to severance accruals.

In addition to the above restructuring charges of \$23.0 million, we incurred reorganization charges of \$2.2 million during the year ended December 31, 2008. These charges are included in “Reorganization and settlements” in the statements of operations and consist primarily of employee separation charges at National Transportation due to certain leadership changes as well as reductions in the general employee population.

In addition to the above restructuring charges of \$11.3 million, we incurred reorganization and other closure related charges of \$11.1 million during the year ended December 31, 2007. These charges are included in “Reorganization and settlements” in the statements of operations and consist primarily of acceleration of stock based compensation related to certain terminated executives, write off of signage related to the YRC Logistics name change and other USF Bestway closure related charges offset by gains on the settlement of certain MEPPA obligations.

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In addition to the above restructuring charges of \$8.4 million, we incurred reorganization and settlement charges of \$17.9 million during the year ended December 31, 2006. The unsuccessful abatement of a multi-employer pension plan withdrawal liability related to USF Red Star resulted in a \$13.3 million charge. The remaining 2006 charge were related to reductions in workforce and the loss on the sale of a subsidiary.

5. Employee Benefits

Pension and Other Postretirement Benefit Plans

Qualified and Nonqualified Defined Benefit Pension Plans

With the exception of YRC Logistics, Regional Transportation, YRC Reimer and certain of our other foreign subsidiaries, YRC Worldwide and its operating subsidiaries sponsored qualified and nonqualified defined benefit pension plans for most employees not covered by collective bargaining agreements (approximately 14,000 current, former and retired employees). Qualified and nonqualified pension benefits are based on years of service and the employees' covered earnings. Employees covered by collective bargaining agreements participate in various multi-employer pension plans to which YRC Worldwide contributes, as discussed later in this section. YRC Logistics and Regional Transportation do not offer defined benefit pension plans and instead offer retirement benefits through either contributory 401(k) savings plans or profit sharing plans, as discussed later in this footnote. The existing YRC Worldwide defined benefit pension plans closed to new participants effective January 1, 2004 and were frozen effective July 1, 2008 as discussed below.

Our actuarial valuation measurement date for our pension plans and postretirement benefit plan (discussed below) is December 31.

Other Postretirement Benefit Plan

Roadway sponsored a postretirement healthcare benefit plan that covers non-union employees of Roadway hired before February 1, 1997. Health care benefits under this plan end when the participant attains age 65.

Curtailement and Settlement Events

Effective June 1, 2008, we amended the postretirement healthcare benefit plan discussed above. This amendment eliminated cost sharing benefits for active employees that retire on or after June 1, 2008, provided for the current cost sharing provisions to retirees to terminate December 31, 2008, and allows retirees to participate in our healthcare programs on a full-cost basis effective January 1, 2009. As a result of these actions, we performed a remeasurement of the plan liability at June 1, 2008, factoring in applicable plan changes as well as an increase in the discount rate used in the calculation from 6.61% to 6.84%. The curtailment (via the amendment) and remeasurement of this plan resulted in a gain of \$34.1 million during the year ended December 31, 2008, and is included in "Salaries, wages and employees' benefits" in the accompanying statements of operations.

Effective July 1, 2008, we curtailed our defined benefit plans that cover approximately 14,000 employees not covered by collective bargaining agreements. As a result of this action, future benefit accruals have been frozen effective July 1, 2008. However, employees may achieve early retirement eligibility based on age and continued service. We performed a remeasurement of these plans as of July 1, 2008, using a discount rate of 7.19%. The curtailment of these plans resulted in a gain of \$63.3 million during the year ended December 31, 2008, and is included in "Salaries, wages and employees' benefits" in the accompanying statements of operations.

As a result of the curtailment, the service and interest costs for the pension plans were reduced in the second half of 2008. At the same time, lump sum benefit payments increased during this period requiring a settlement charge of \$8.7 million during the year ended December 31, 2008, and is included in "Salaries, wages and employees' benefits" in the accompanying statements of operations.

During the year ended December 31, 2007, certain executives separated from the Company resulting in special termination benefit costs of \$1.5 million and settlement costs of \$2.8 million. These amounts are presented herein as settlement costs of \$4.3 million and are classified as "Reorganization and settlements" in the accompanying consolidated statement of operations.

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Funded Status

The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the years ended December 31, 2008 and 2007, and the funded status at December 31, 2008 and 2007, is as follows:

(in millions)	Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007
Change in benefit obligation:				
Benefit obligation at prior year end	\$1,065.9	\$1,104.8	\$ 32.3	\$ 34.4
Service cost	20.3	39.3	0.1	0.4
Interest cost	65.8	65.5	0.7	1.9
Participant contributions	—	—	1.7	1.6
Benefits paid	(91.6)	(77.3)	(5.8)	(4.6)
Actuarial (gain) loss	(6.4)	(69.7)	(5.1)	(1.4)
Special termination benefit cost	—	1.5	—	—
Curtailment gain	(91.1)	—	—	—
Plan amendments	—	—	(23.9)	—
Other	(1.1)	1.8	—	—
Benefit obligation at year end	<u>\$ 961.8</u>	<u>\$1,065.9</u>	<u>\$ —</u>	<u>\$ 32.3</u>
Change in plan assets:				
Fair value of plan assets at prior year end	\$ 928.9	\$ 802.0	\$ —	\$ —
Actual return on plan assets	(238.1)	67.8	—	—
Employer contributions	4.0	134.3	4.1	3.0
Participant contributions	—	—	1.7	1.6
Benefits paid	(91.6)	(77.3)	(5.8)	(4.6)
Other	(1.7)	2.1	—	—
Fair value of plan assets at year end	<u>\$ 601.5</u>	<u>\$ 928.9</u>	<u>\$ —</u>	<u>\$ —</u>
Funded status at year end	<u>\$ (360.3)</u>	<u>\$ (137.0)</u>	<u>\$ —</u>	<u>\$ (32.3)</u>

The underfunded status of the plans of \$360.3 million and \$169.3 million at December 31, 2008 and 2007, respectively, is recognized in the accompanying consolidated balance sheets as shown in the table below. No plan assets are expected to be returned to the Company during the year ended December 31, 2009.

Benefit Plan Obligations

Amounts recognized in the consolidated balance sheets at December 31 are as follows:

(in millions)	Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007
Noncurrent assets	\$ 2.4	\$ 5.8	\$ —	\$ —
Current liabilities	2.6	3.5	—	—
Noncurrent liabilities	\$360.1	\$139.3	\$ —	\$ 32.3

Amounts recognized in accumulated other comprehensive income at December 31 consist of:

(in millions)	Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007
Net actuarial loss (gain)	\$287.0	\$19.5	\$ —	\$ (5.7)
Prior service cost	0.1	4.6	—	0.3
	<u>\$287.1</u>	<u>\$24.1</u>	<u>\$ —</u>	<u>\$ (5.4)</u>

As shown above, included in accumulated other comprehensive income at December 31, 2008, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service costs of \$0.1 million (net of tax amount is not material) and unrecognized actuarial losses of \$287.0 million (\$180.8 million, net of tax). The prior service cost included in accumulated other comprehensive income and expected to be recognized in net periodic pension cost during the year ended December 31, 2009, is immaterial and the actuarial loss included in accumulated other comprehensive income and expected to be recognized in net periodic cost during the year ended December 31, 2009, is \$9.3 million (\$5.9 million, net of tax).

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The total accumulated benefit obligation for all plans was \$960.7 million and \$977.8 million at December 31, 2008 and 2007, respectively.

Information for pension plans with an accumulated benefit obligation (“ABO”) in excess of plan assets at December 31:

(in millions)	2008			2007		
	ABO Exceeds Assets	Assets Exceed ABO	Total	ABO Exceeds Assets	Assets Exceed ABO	Total
Projected benefit obligation	\$956.2	\$ 5.6	\$961.8	\$505.9	\$560.0	\$1,065.9
Accumulated benefit obligation	956.2	4.5	960.7	427.8	517.7	945.5
Fair value of plan assets	593.5	8.0	601.5	395.5	533.4	928.9

Assumptions

Weighted average actuarial assumptions used to determine benefit obligations at December 31:

	Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007
Discount rate	6.52%	6.61%	6.52%	6.61%
Rate of increase in compensation levels	N/A	4.2%	—	—

Weighted average assumptions used to determine net periodic benefit cost for the years ended December 31:

	Pension Benefits			Other Postretirement Benefits		
	2008	2007	2006	2008	2007	2006
Discount rate (pre 2008 curtailment)	6.61%	6.12%	5.75%	6.61%	6.12%	5.75%
Discount rate (post 2008 curtailment)	7.19%	—	—	6.84%	—	—
Rate of increase in compensation levels	4.15%	3.74%	3.77%	—	—	—
Expected rate of return on assets	8.50%	8.75%	8.75%	—	—	—

The discount rate refers to the interest rate used to discount the estimated future benefit payments to their present value, also referred to as the benefit obligation. The discount rate allows us to estimate what it would cost to settle the pension obligations as of the measurement date, December 31, and is used as the interest rate factor in the following year’s pension cost. We determine the discount rate by choosing a portfolio of high quality (those rated AA- or higher by Standard & Poors) non-callable bonds such that the coupons and maturities approximate our expected benefit payments. When developing the bond portfolio, there are some years when benefit payments are expected with no corresponding bond maturing. In these instances, we estimated the appropriate bond by interpolating yield characteristics between the bond maturing in the immediately preceding year and the bond maturing in the next available year. This analysis is performed on a biannual basis or more frequently when specific events require a current analysis. For the years that we do not prepare a bond matching analysis, we utilize a spread against a specific index, the Citigroup Pension Liability Index, which is consistent with the actual spread observed in the year the analysis is performed.

In determining the expected rate of return on assets, we consider our historical experience in the plans’ investment portfolio, historical market data and long-term historical relationships as well as a review of other objective indices including current market factors such as inflation and interest rates. Although plan investments are subject to short-term market volatility, we believe they are well diversified and closely managed. Our asset allocation as of December 31, 2008 and 2007, consisted of 64% in equities, 31% in debt securities and 5% in real estate. These allocations are consistent with the targeted long-term asset allocation for the plans. Based on various market factors, we selected an expected rate of return on assets of 8.5% effective for the 2008 valuation. We will continue to review our expected long-term rate of return on an annual basis and revise appropriately. The pension trust holds no YRC Worldwide securities.

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Future Contributions and Benefit Payments

We expect to contribute approximately \$13.8 million to our pension plans in 2009.

Expected benefit payments for each of the next five years ended December 31 are as follows:

<u>(in millions)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014-2018</u>
Expected benefit payments	\$54.8	\$56.0	\$59.0	\$62.0	\$64.6	\$ 358.8

Pension and Other Postretirement Costs

The components of our net periodic pension cost, other postretirement costs and other amounts recognized in other comprehensive income for the years ended December 31, 2008, 2007 and 2006, were as follows:

<u>(in millions)</u>	<u>Pension Costs</u>			<u>Other Postretirement Costs</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net periodic benefit cost:						
Service cost	\$ 20.3	\$ 39.3	\$ 44.2	\$ 0.1	\$ 0.4	\$ 0.5
Interest cost	65.8	65.5	63.4	0.7	1.9	1.9
Expected return on plan assets	(70.3)	(69.7)	(59.0)	—	—	—
Amortization of prior service cost	0.6	1.4	1.5	(23.6)	0.2	0.2
Amortization of net loss (gain)	1.0	7.9	11.4	(10.7)	(0.2)	(0.1)
Curtailement and settlement (gains) loss, net	(54.6)	4.3	—	—	—	—
Net periodic pension cost (benefit)	\$ (37.2)	\$ 48.7	\$ 61.5	\$ (33.5)	\$ 2.3	\$ 2.5
Other changes in plan assets and benefit obligations recognized in other comprehensive income:						
Net loss (gain)	\$301.0	\$(77.5)	\$(48.5)	\$ 5.7	\$(1.2)	\$(0.2)
Prior service cost	(0.6)	(1.3)	4.1	(0.3)	(0.2)	0.2
Curtailement and settlement loss	(36.4)	—	—	—	—	—
Total recognized in other comprehensive income	<u>264.0</u>	<u>(78.8)</u>	<u>(44.4)</u>	<u>5.4</u>	<u>(1.4)</u>	<u>—</u>
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$226.8</u>	<u>\$(30.1)</u>	<u>\$ 17.1</u>	<u>\$(28.1)</u>	<u>\$ 0.9</u>	<u>\$ 2.5</u>

The amortization of prior service costs and net gain above totaling \$34.3 million for other postretirement costs for the year ended December 31, 2008, includes the effect of the plan amendment that curtailed benefits under this plan.

During the years ended December 31, 2008, 2007 and 2006, the income tax provision related to amounts in other comprehensive income (net gain and prior service cost) was \$98.9 million, \$29.4 million and \$16.4 million, respectively.

Other Postretirement Benefit Plans

Assumed health care cost trend rates at December 31, 2007, are as follows:

Health care cost trend used in the current year	8.0%
Health care cost trend rate assumed for next year	7.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0%
Year that the rate reaches the ultimate trend rate	2010

As these benefits have been terminated, no assumptions are required as of December 31, 2008.

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Executive Supplemental Retirement Benefits

We maintain individual benefit arrangements for a limited number of current and former senior executives that are accounted for in accordance with APB No. 12, "Deferred Compensation Contracts". The obligation is unfunded and is actuarially determined using a discount rate of 8.25%, a lump sum rate based on the Moody's bond rate and the RP-2000 mortality table. At December 31, 2008 and 2007, we have accrued \$9.9 million and \$10.5 million (\$1.9 million as a short-term obligation in 2007), respectively, for this plan. The long-term obligation is classified in noncurrent pension and postretirement liabilities in the accompanying balance sheets. The related expense for these arrangements is not material.

Multi-Employer Plans

YRC, New Penn, Holland and Reddaway contribute to approximately 90 separate multi-employer health, welfare and pension plans for employees that our collective bargaining agreements cover (approximately 70% of total YRC Worldwide employees), including 20 pension plans. Our labor agreements with the International Brotherhood of Teamsters (the "Teamsters") determine the amounts of these contributions. The pension plans provide defined benefits to retired participants. We recognize as net pension cost the contractually required contribution for the period and recognize as a liability any contributions due and unpaid. We do not directly manage multi-employer plans. The trusts covering these plans are generally managed by trustees, half of whom the Teamsters appoint and half of whom various contributing employers appoint. We expensed the following amounts to these plans for the years ended December 31:

<u>(in millions)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Health and welfare	\$ 532.4	\$ 555.3	\$ 549.5
Pension	554.1	578.0	542.0
Total	<u>\$1,086.5</u>	<u>\$1,133.3</u>	<u>\$1,091.5</u>

In 2006, the Pension Protection Act became law and modified both the Internal Revenue Code (as amended, the "Code") as it applies to multi-employer pension plans and the Employment Retirement Income Security Act of 1974 (as amended, "ERISA"). The Code and ERISA (in each case, as so modified) and related regulations establish minimum funding requirements for multi-employer pension plans. The funding status of these plans is determined by the following factors:

- the number of participating active and retired employees
- the number of contributing employers
- the amount of each employer's contractual contribution requirements
- the investment returns of the plans
- plan administrative costs
- the number of employees and retirees participating in the plan who no longer have a contributing employer
- the discount rate used to determine the funding status
- the actuarial attributes of plan participants (such as age, estimated life and number of years until retirement)
- the benefits defined by the plan

If any of our multi-employer pension plans fails to:

- meet minimum funding requirements;
- meet a required funding improvement or rehabilitation plan that the Pension Protection Act may require for certain of our underfunded plans'
- obtain from the IRS certain changes to or a waiver of the requirements in how the applicable plan calculates its funding levels; or
- reduce pension benefits to a level where the requirements are met,

the Pension Protection Act could require us to make additional contributions to the multi-employer pension plan from five to ten percent of the contributions that our labor agreement requires until the labor agreement expires. Our labor agreement, however, provides that if additional contributions are required that money designated for certain other benefits would be reallocated to pay for the additional contributions.

If we fail to make our required contributions to a multi-employer plan under a funding improvement or rehabilitation plan or if the benchmarks that an applicable funding improvement plan provides are not met by the end of a prescribed period, the IRS could impose an excise tax on us with respect to the plan. These excise taxes are not contributed to the deficient funds, but rather are deposited in the United States general treasury funds.

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Depending on the amount involved, a requirement to increase contributions beyond our contractually agreed rate or the imposition of an excise tax on us could have a material adverse impact on the financial results of YRC Worldwide.

401(k) Savings Plans and Profit Sharing Plans

YRC Worldwide and its operating subsidiaries sponsored defined contribution plans, primarily for employees that collective bargaining agreements do not cover. The plans principally consist of contributory 401(k) savings plans and noncontributory plans. The YRC Worldwide contributory 401(k) savings plan (YRC Retirement Savings Plan) consisted of both a fixed matching percentage and a discretionary amount. The maximum nondiscretionary company match for the YRC Worldwide plan is equal to 25% of the first 6% in cash and 25% of the first 6% in YRC Worldwide common stock, for a total match of 50% of the first 6% of before-tax participant contributions. Effective in October 2008, the entire employer match was satisfied with cash versus cash and common stock. Any discretionary contributions for the YRC Worldwide 401(k) savings plan are determined annually by the Board of Directors and may be in the form of cash, stock or other property. YRC Regional Transportation sponsored a 401(k) plan for its operating companies where eligible employees can contribute up to 50% of their cash compensation and each of the operating companies may also contribute a discretionary amount. New Penn sponsored a 401(k) plan that, effective January 1, 2007, provided for a company match similar to that provided by the YRC Worldwide plan. Employer contributions for the year ended December 31, 2008, 2007 and 2006, were \$24.7 million, \$31.0 million and \$25.5 million, respectively.

Effective January 1, 2004, YRC Worldwide established a noncontributory profit sharing plan that included a nondiscretionary company contribution based on years of participation service and compensation, with a maximum fixed contribution of 5% of compensation for more than ten years of participation service. This profit sharing plan also provided for a discretionary performance based contribution of a maximum of 2 1/2% of compensation. The Board of Directors determined any discretionary contributions annually. Contributions have been made in cash. In May 2008, this plan was suspended. New Penn provided a noncontributory profit sharing plan for employees not covered by collective bargaining agreements. Any contributions were discretionary employer contributions. Employer contributions to our noncontributory profit sharing plans in 2008, 2007 and 2006, totaled \$5.4 million, \$3.8 million and \$2.9 million, respectively.

Effective December 31, 2008, we merged all domestic 401(k) savings plans and profit sharing plans into the YRC Retirement Savings Plan that continues to consist of both a fixed matching percentage and a discretionary amount. In light of the current economy, as of January 1, 2009, we have suspended all employer matching contributions. We intend to resume these contributions in the second half of 2009.

Our employees covered under collective bargaining agreements may also participate in union-sponsored 401(k) plans. We do not make employer contributions to the plans on their behalf.

Performance Incentive Awards

YRC Worldwide and its operating subsidiaries each provide annual performance incentive awards to certain non-union employees, which are based primarily on actual operating results achieved compared to targeted operating results and are paid in cash. Operating income in 2008, 2007 and 2006, included performance incentive expense for non-union employees of \$21.9 million, \$22.7 million, and \$39.2 million, respectively. We generally pay annual performance incentive awards in the first quarter of the following year.

Other

We provide a performance based long-term incentive plan to key management personnel that provides the opportunity annually to earn cash and share unit awards based on a certain defined performance period. In addition, we utilize share units to further compensate certain levels of management and our Board of Directors. The share units are more fully described in the "Stock Compensation Plans" footnote. During the years ended December 31, 2008, 2007 and 2006, compensation expense related to these awards was \$8.4 million, \$14.3 million and \$15.9 million, respectively.

During the fourth quarter of 2006, we implemented a change related to the non-union vacation payment policy at Roadway to conform to practices at our other subsidiaries. The change in the vacation payment practice resulted in lower employee benefits expense for the National Transportation segment of \$11.8 million for the year ended December 31, 2006.

6. Liquidity

During the year ended December 31, 2008, the global credit market crisis and economic recession had a dramatic effect on our industry. As a result, we experienced declining revenue (a function of both declining volume and yield) and declining operating income and in turn, violated certain covenants in our Credit Agreement, dated as of August 17, 2007, (the "Credit Agreement") and asset-backed securitization facility ("ABS Facility"). Each of these facilities were amended in February 2009 as discussed below. Overall U.S. economic trends are declining as seen in most indices including those applicable to the retail sector, manufacturing, construction and housing. Declining economic activity, evidenced by these trends, negatively impacts our customers' needs to ship and, therefore, negatively impacts the volume of freight we service and the price we receive for our services.

The deterioration in our operating results coupled with the economic recession has reduced our overall liquidity including having reduced cash available under our revolving credit and ABS facilities. During the fourth quarter of 2008, we took several actions to manage near term maturities and reduce overall indebtedness. Specifically, in October 2008, we exchanged 1.7 million shares of common stock previously held in treasury for \$13.2 million principal amount of our outstanding 5% net share settled contingent convertible senior notes due 2023. In November 2008, we redeemed the \$225 million principal amount 8.25% Roadway senior notes due December 1, 2008, and the \$100 million principal amount 6.5% USF senior notes due May 1, 2009. We utilized available funding under our credit facility to redeem these notes.

Our primary liquidity vehicles, the Credit Agreement and our ABS Facility are collectively referred to herein as the "Credit Facilities". As of December 31, 2008, these facilities shared common covenant requirements including performance covenants, specifically a maximum permitted leverage ratio and a minimum required interest coverage ratio. We were not in compliance with the maximum permitted leverage ratio at December 31, 2008. On January 15, 2009, we and our bank group entered in to Waiver No. 1 to the Credit Agreement ("Credit Agreement Waiver") and a Limited Waiver and Second Amendment to the Third Amended and Restated Receivables Purchase Agreement ("ABS Waiver"). These waivers primarily served to bridge the timing between the covenant violations as of December 31, 2008 and the amended credit agreements described below.

Subsequent to December 31, 2008, we have taken several actions, which impact liquidity.

On January 30, 2009, we received \$102.2 million (\$101.1 million net of transaction costs) from the proceeds of a sale leaseback type transaction with NATMI Truck Terminals, LLC ("NATMI"). The underlying transaction included providing title of certain real estate holdings to NATMI in exchange for proceeds of \$102.2 million; however, the transaction did not meet the accounting definition of a 'sale leaseback' and as such, the assets remain on the balance sheet and long term debt is reflected in the amount of the proceeds. We are required to make annual lease payments, which are recorded as principal and interest payments of approximately \$14.4 million under this arrangement. The proceeds received from this transaction are available to us for general working capital purposes.

On February 13, 2009, we received \$9.0 million from the proceeds of an additional closing for additional properties of the sale leaseback transaction with NATMI. The terms of this transaction mirror the January 30, 2009, transaction. We are required to make annual lease payments, which are recorded as principal and interest payments of approximately \$1.3 million relative to these properties. The proceeds received from this transaction are available to us for general working capital purposes.

On February 13, 2009, we entered into agreements to sell certain real estate assets for approximately \$122 million under sale and leaseback type transactions. We expect to close on these agreements at various points through June 2009. If these transactions close, annual lease payments, recorded as principal and interest payments will approximate \$11 million.

We believe that our forecasted operating performance and planned capital structure actions to be sufficient to allow us to remain in compliance with our covenants in our amended Credit Agreement and renewed ABS Facility through at least December 31, 2009. Further, we believe these actions provide sufficient liquidity to meet our working capital needs through at least December 31, 2009. As discussed below, each of the amended Credit Agreement and the ABS Facility contains a minimum EBITDA requirement through December 31, 2010 and maximum leverage and minimum interest coverage ratio thereafter. Our forecasts that reflect our ability to meet these requirements include significant judgment and significant market risk that may or may not be realized. Items that contribute to these judgments and risks, many of which are beyond our control, include the actual duration of the U.S. recession and our related assumptions around economic outlook, the effectiveness of our planned integration of our national transportation network and our customers acceptance of this change, our ability to further reduce costs and our need for additional liquidity including liquidity from cash flows from operating activities and other liquidity enhancing initiatives (such as sale and leaseback type transactions) that may not materialize. Should we be unsuccessful in achieving our forecasts, which include matters that are beyond our control, we may be required to seek additional cost savings through workforce reductions, reductions in facilities and equipment, and other cost saving measures, or request additional relief under our Credit Agreement and ABS Facility.

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We anticipate that our existing capital resources, including availability under our Credit Facilities and cash flows from operations, will be adequate to satisfy our liquidity requirements through calendar year 2009. As discussed below, the amended Credit Agreement contains restrictions on the use of proceeds from all types of asset sales excluding up to \$150 million related to the NATMI transactions discussed above. If available liquidity is not sufficient to meet our operating and debt service obligations as they come due, management's plans include pursuing alternative financing arrangements, additional sale leaseback type transactions, extending the temporary non-union wage and benefit reductions, accelerating restructuring activities or reducing expenditures as necessary to meet our cash requirement's throughout 2009. However, there is no assurance that, if required, we will be able to raise additional capital, complete asset sale transactions or reduce discretionary spending to provide the required liquidity.

7. Debt and Financing

At December 31, total debt consisted of the following:

<u>(in millions)</u>	<u>2008</u>	<u>2007</u>
ABS borrowings, secured by accounts receivable	\$ 147.0	\$ 180.0
USF senior notes	154.9	259.9
Roadway senior notes	—	229.5
Contingent convertible senior notes	386.8	400.0
Term loan	150.0	150.0
Revolving credit facility	515.0	5.1
Industrial development bonds	7.0	9.5
Total debt	\$1,360.7	\$1,234.0
Current maturities of long-term debt	(426.3)	(232.0)
ABS borrowings	(147.0)	(180.0)
Long-term debt	\$ 787.4	\$ 822.0

Senior Credit Facility

On April 18, 2008, we entered into Amendment No. 1 to the Credit Agreement, dated as of August 17, 2007, (the "Credit Agreement") and on February 12, 2009, we entered into Amendment No. 2 to the Credit Agreement, (collectively, the "Credit Agreement Amendments"). The Credit Agreement, as amended, continues to provide the Company with a \$950 million senior revolving credit facility, including sublimits available for borrowings under certain foreign currencies, and a \$111.5 million senior term loan. The Credit Agreement, expiring August 17, 2012 (or such earlier date if 2010 maturities related to the 8.5% USF Senior Notes and 5% Contingent Convertible Senior Notes are not paid by March 1, 2010 and June 25, 2010, respectively,) also provides for letters of credit to be issued that would, in turn, reduce the borrowing capacity under the revolving credit facility. As of December 31, 2008, \$515.0 million was drawn under the revolving credit facility, the term loan of \$150 million was outstanding and \$368.3 million letters of credit were issued. Based on these outstanding amounts, we had available unused capacity of \$66.7 million under the Credit Agreement at December 31, 2008.

The Credit Agreement Amendments:

- require a quarterly minimum EBITDA (as defined in the Credit Agreement) as shown below:

<u>Period</u>	<u>Minimum Consolidated EBITDA</u>
For the fiscal quarter ending on June 30, 2009	\$ 45,000,000
For the two consecutive fiscal quarters ending on September 30, 2009	\$ 130,000,000
For the three consecutive fiscal quarters ending December 31, 2009	\$ 180,000,000
For the four consecutive fiscal quarters ending March 31, 2010	\$ 205,000,000
For the four consecutive fiscal quarters ending June 30, 2010	\$ 205,000,000
For the four consecutive fiscal quarters ending September 30, 2010	\$ 215,000,000
For the four consecutive fiscal quarters ending December 31, 2010	\$ 240,000,000

- require a maximum Total Leverage Ratio (as defined in the Credit Agreement) of 3.5x for each fiscal quarter beginning with the fiscal quarter ending March 31, 2011;
- require a minimum Interest Coverage Ratio (as defined in the Credit Agreement) of 2.5x for each fiscal quarter beginning with the fiscal quarter ending March 31, 2011;

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- dictate the terms regarding asset sales and direct the net proceeds from certain asset sales as described below:
 - for any real estate asset sale (other than the first \$150 million in net cash proceeds received under certain transactions with NATMI described below) the net cash proceeds of which, together with the aggregate amount of net cash proceeds from all such real estate asset sales occurring on or after January 1, 2009,
 - is less than or equal to \$300 million and occurs on or prior to July 15, 2009, 50 percent of such proceeds shall be used to prepay outstanding revolving loans under the Credit Agreement (without a corresponding permanent reduction of the revolving commitments) (“Revolver Reserve Amount”) and the remaining 50 percent shall be deposited into an escrow account (“Escrow Account”);
 - is less than or equal to \$300 million and occurs after July 15, 2009, 50 percent of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement and the remaining 50 percent shall be retained by the Company;
 - is greater than \$300 million and less than or equal to \$500 million, 75 percent of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement and the remaining 25 percent shall be retained by the Company; and
 - is greater than \$500 million, all of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement;
- limit our maximum capital expenditures to \$150 million for the year ended December 31, 2009, and \$235 million for the year ended December 31, 2010;
- direct the net proceeds from any additional indebtedness or from the issuance of common stock or other equity interests (other than if used to redeem the outstanding 8.5% USF Senior Notes or 5% Contingent Convertible Notes) to be used to prepay amounts under the Credit Agreement;
- beginning in 2010, require the Company to prepay amounts under the Credit Agreements representing 50% of any annual excess cash flows (as defined in the Credit Agreement);
- require the Company to maintain daily liquidity (as defined in the Credit Agreement) equal to or greater than \$100 million;
- increased the interest rates and fees applicable to the revolving credit facility and term loan as set forth in the definition of “Applicable Rate” in Section 1.01 of the Credit Agreement; the interest rate on amounts outstanding under the revolving credit facility and term loan is LIBOR (with a floor of 350 basis points) plus 650 basis points (10.0% and 5.2% at December 31, 2008 and 2007, respectively), and the commitment fee for the revolving credit facility is 100 basis points;
- required the Company and its domestic subsidiaries to pledge the following collateral (i) receivables not secured by the ABS Facility, (ii) intercompany notes not secured by the ABS Facility, (iii) fee-owned real estate parcels, (iv) all rolling stock, (v) 100% of the stock of all domestic subsidiaries of the Company and (vi) 65% of the stock of first-tier foreign subsidiaries of the Company other than the Company’s captive insurance companies; and
- required each domestic subsidiary of the Company except for Yellow Roadway Receivables Funding Corporation to guarantee the Credit Agreement.

In connection with Amendment No. 2 to the Credit Agreement, we paid fees to the consenting lenders of approximately \$8.0 million.

As of December 31, 2008, we were not in compliance with our leverage ratio covenant. In January 2009, under the terms of the Credit Agreement, we were required to reduce the term loan with any net cash proceeds from asset sales occurring in the fourth quarter of 2008. As a result of this provision, we paid \$38.5 million on the term loan on January 7, 2009, from available cash on hand. On January 15, 2009, we received a waiver from the banks participating in our Credit Agreement of certain defaults, covenants and representations, which waiver was extended by Amendment No. 2 to the Credit Agreement. We paid a waiver fee to the consenting lenders equal to \$4.7 million. We are currently in compliance with the requirements of Amendment No. 2 to our Credit Agreement.

As of February 25, 2009, \$465.0 million was drawn under the revolving credit facility, the term loan of \$111.5 million was outstanding and \$424.1 million letters of credit were issued. Based on these outstanding amounts, we had available unused capacity of \$60.9 million under the Credit Agreement at February 25, 2009.

Asset-Backed Securitization Facility

On February 12, 2009, we renewed and amended our asset-backed securitization (“ABS”) facility. The renewed facility will expire on February 11, 2010. The renewed facility (i) reduced the financing limit available under the ABS facility to \$500 million (\$700 million at December 31, 2007), (ii) reduced the letters of credit sublimit to \$105 million (\$325 million at December 31, 2007) and added a letter of credit fee of 350 basis points, (iii) conformed the financial ratios to be consistent with the Credit Agreement Amendments described above, (iv) increased the loss and discount reserve ratio requirements, (v) increased the administrative fee (calculated based on financing limit) and program fee (calculated based on utilization) to 275 basis points, respectively and (vi) terminated YRC Assurance as a purchaser under the ABS Facility. The interest rate under the ABS facility for conduits continues to be a variable rate based on A1/P1 rated commercial paper with an approximate interest rate of 2.25% and 5.30% at December 31, 2008 and 2007, respectively plus the program fee. The interest rate for Wachovia Bank, National Association is one-month LIBOR (with a floor of 350 basis points), plus 650 basis points (10.0% and 5.30% at December 31, 2008 and 2007, respectively), as Wachovia no longer uses a conduit to purchase receivables under the ABS facility. All borrowings under the ABS facility are reflected on our balance sheet.

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As of December 31, 2008, and prior to the February 12, 2009, renewal of our ABS Facility, we were not in compliance with certain covenants of the facility. On January 15, 2009, we received a waiver from the banks participating in our ABS Facility that expired on February 17, 2009. We paid a waiver fee to the co-agents equal to \$2.5 million. On February 27, 2009, we amended the ABS Facility to modify certain maximum permitted ratios through September 30, 2009 related to the quality of the underlying accounts receivable supporting the facility. We are currently in compliance with the requirements of the ABS Facility.

The ABS facility utilizes the accounts receivable of the following subsidiaries of the Company: YRC Inc.; USF Holland Inc.; and USF Reddaway Inc. (the “Originators”). Yellow Roadway Receivables Funding Corporation (“YRRFC”), a special purpose entity and wholly owned subsidiary of the Company, operates the ABS facility. Under the terms of the renewed ABS facility, the Originators may transfer trade receivables to YRRFC, which is designed to isolate the receivables for bankruptcy purposes. A third-party conduit or committed purchaser must purchase from YRRFC an undivided ownership interest in those receivables. The percentage ownership interest in receivables that the conduits or committed purchasers purchase may increase or decrease over time, depending on the characteristics of the receivables, including delinquency rates and debtor concentrations.

The Company unconditionally guarantees to YRRFC the full and punctual payment and performance of each of the Originators obligations under the ABS facility. YRRFC has pledged its right, title and interest in the guarantee to the Administrative Agent, for the benefit of the purchasers, under the Third Amended and Restated Receivables Purchase Agreement.

The table below provides the borrowing and repayment activity under the ABS facility, as well as the resulting balances, for the years ending December 31 of each period presented:

<u>(in millions)</u>	<u>2008</u>	<u>2007</u>
ABS obligations outstanding at January 1	\$ 180.0	\$ 225.0
Transfer of receivables to conduit (borrowings)	701.0	968.0
Redemptions from conduit (repayments)	<u>(734.0)</u>	<u>(1,013.0)</u>
ABS obligations outstanding at December 31	<u>\$ 147.0</u>	<u>\$ 180.0</u>

At December 31, 2008, our underlying accounts receivable supported total capacity under the ABS Facility of \$435.4 million. In addition to the \$147.0 million outstanding above, the ABS facility capacity was also reduced by commitments related to our captive insurance company, YRC Assurance, of \$221.0 million and outstanding letters of credit of \$92.2 million resulting in an overdrawn position of \$24.8 million at December 31, 2008. This is permitted under the ABS Facility provided that we cure the position on the following business day. We remitted the necessary funds January 2, 2009, to remain in compliance with our ABS Facility.

At February 25, 2009, our underlying accounts receivable supported total capacity under the ABS Facility of \$321.9 million. This amount was fully drawn by \$229.7 million of borrowings and outstanding letters of credit of \$92.2 million at February 25, 2009.

USF Senior Notes

As part of our acquisition of USF and by virtue of the merger agreement, we assumed \$150 million aggregate principal amount of 8.5% senior notes due April 15, 2010, with interest payments due semi-annually on April 15 and October 15, and \$100 million aggregate principal amount of 6.5% senior notes due May 1, 2009, with interest payments due semi-annually on May 1 and November 1 (collectively “USF Senior Notes”). We redeemed the 6.5% senior notes due May 1, 2009, on November 3, 2008, using funds borrowed under our Credit Facility. We incurred a pre-tax loss on redemption of \$2.6 million that is included in “Other nonoperating expenses” in the accompanying statement of operations.

The USF Senior Notes were revalued as part of purchase accounting and assigned a fair value of \$272.2 million on May 24, 2005, with \$18.6 million fair value adjustment to the 2010 notes and \$3.6 million fair value adjustment to the 2009 notes. The premium over the face value of the USF Senior Notes is being amortized as a reduction to interest expense over the remaining life of the notes. As a part of the early redemption in November 2008, we accelerated the recognition of \$0.5 million of premium amortization. The unamortized premium at December 31, 2008 and 2007, was \$4.9 million and \$9.9 million, respectively.

Roadway Senior Notes

As part of our acquisition of Roadway and by virtue of the merger agreement, we assumed \$225.0 million face value of 8.25% senior notes due in full on December 1, 2008, (“Roadway Senior Notes”), with interest payments due semi-annually on June 1 and December 1. We redeemed these notes on November 3, 2008, using funds borrowed under our Credit Agreement. We incurred a pre-tax loss on redemption of \$1.3 million and accelerated the recognition of \$0.5 million of premium amortization that are included in “Other nonoperating expense” in the accompanying statements of operations.

Contingent Convertible Notes

On August 8, 2003, we closed the sale of \$200 million of 5.0% contingent convertible senior notes due 2023 (“contingent convertible senior notes”) and on August 15, 2003 we closed the sale of an additional \$50 million of the notes pursuant to the exercise of the option of the initial purchasers. We received net proceeds from the sales of \$242.5 million, after fees.

The \$250 million contingent convertible senior notes have an annual interest rate of 5.0% and are convertible into shares of our common stock at a conversion price of \$39.24 per share only upon the occurrence of certain other events. The contingent convertible senior notes may not be redeemed by us for seven years from the date of issuance but are redeemable at any time thereafter at par. Holders of the contingent convertible senior notes have the option to require us to purchase their notes at par on August 8, 2010, 2013 and 2018, and upon a change in control of the Company. These terms and other material terms and conditions applicable to the contingent convertible senior notes are set forth in the indenture governing the notes.

On November 25, 2003, we closed the sale of \$150 million of 3.375% contingent convertible senior notes due 2023. We received net proceeds from the offering of \$145.5 million, after fees, and used the proceeds to fund the acquisition of Roadway.

The \$150 million contingent convertible senior notes have an annual interest rate of 3.375% and are convertible into shares of our common stock at a conversion price of \$46.00 per share only upon the occurrence of certain other events. The contingent convertible senior notes may not be redeemed by us for nine years from the date of issuance but are redeemable at any time thereafter at par. Holders of the contingent convertible senior notes have the option to require us to purchase their notes at par on November 25, 2012, 2015 and 2020, and upon a change in control of the Company. These terms and other material terms and conditions applicable to the contingent convertible senior notes are set forth in the indenture governing the notes.

In December 2004, we completed exchange offers pursuant to which holders of the 5% contingent convertible senior notes and the 3.375% contingent convertible senior notes (collectively, the “Existing Notes”) could exchange their Existing Notes for an equal amount of our 5% net share settled contingent convertible senior notes due 2023 and 3.375% net share settled contingent convertible senior notes due 2023 (collectively, the “New Notes”), respectively. The New Notes contain a net share settlement feature that, upon conversion, provides for the Company to settle the principal amount of the New Notes in cash and the excess value in common stock, as well as an additional change of control feature. The results of the exchange offer included \$247.7 million aggregate principal amount of the \$250 million of 5% contingent convertible senior notes outstanding and \$144.6 million aggregate principal amount of the \$150 million of 3.375% contingent convertible senior notes outstanding, representing 99.06% and 96.41%, respectively, of the Existing Notes validly and timely tendered in exchange for an equal principal amount of the New Notes.

In October 2008, we exchanged 1.7 million shares of common stock previously held in treasury for \$13.2 million principal amount of our outstanding 5% net share settled contingent convertible senior notes due 2023. Based on the closing price of our common stock on the exchange dates, we recognized a pre-tax gain of approximately \$5.3 million related to the exchanges. This gain is included in “Other nonoperating expenses” in the accompanying statement of operations.

The accounting for convertible debt with the settlement features contained in our New Notes is addressed in the consensus reached by the Emerging Issues Task Force of the Financial Accounting Standards Board with respect to the accounting for Instrument C as set forth in EITF 90-19, “Convertible Bonds with Issuer Option to Settle for Cash Upon Conversion.” We are contractually obligated to settle the conversion obligations of the New Notes consistent with Instrument C. Because the accreted value of the New Notes will be settled for cash upon the conversion, only the conversion spread (the excess conversion value over the accreted value), which will be settled in stock, results in potential dilution in our earnings per share computations. (See further discussion of dilution related to the Existing Notes and the New Notes in Note 11. Earnings Per Common Share.)

The balance sheet classification of the New Notes between short-term and long-term is dependent upon certain conversion triggers, as defined in the applicable indenture. The contingent convertible notes include a provision whereby the note holder can require immediate conversion of the notes if, among other reasons, our credit rating for the new notes assigned by Moody’s is lower than B2 or if our credit rating for the new notes assigned by S&P is lower than B. At December 31, 2008, our credit rating was CC as assigned by S&P, meeting the conversion trigger, and accordingly, the contingent convertible notes have been classified as a short-term liability in the accompanying consolidated balance sheets. Based upon this particular conversion right and based upon an assumed market price of our stock of \$3 per share which approximates the current market price, our aggregate obligation for full satisfaction of the \$386.8 million par value of contingent convertible notes would require cash payments of \$27.9 million.

At December 31, 2007, no conversion triggers had been met. Accordingly, based on the effective maturity date, this obligation has been classified as a long-term liability in the accompanying 2007 consolidated balance sheet. The future balance sheet classification of these liabilities will be monitored at each reporting date, and will be determined based on an analysis of the various conversion rights described above.

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Industrial Development Bonds

We have loan guarantees, mortgages, and lease contracts in connection with the issuance of industrial development bonds (“IDBs”) used to acquire, construct or expand terminal facilities. Rates on these bonds range from 6.05% to 6.13%, with principal payments due through 2010.

Maturities

The principal maturities of total debt for the next five years and thereafter are as follows:

<u>(in millions)</u>	<u>IDBs</u>	<u>Contingent convertible senior notes</u>	<u>USF Senior Notes</u>	<u>Term Loan</u>	<u>Revolver</u>	<u>ABS</u>	<u>Total</u>
2009	\$ 1.0	\$ 386.8	\$ —	\$ 38.5	\$ —	\$147.0	\$ 573.3
2010	6.0	—	150.0 ^(a)	—	—	—	156.0
2011	—	—	—	—	—	—	—
2012	—	—	—	111.5	515.0	—	626.5
2013	—	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—	—
Total	\$ 7.0	\$ 386.8	\$ 150.0	\$ 150.0	\$ 515.0	\$147.0	\$1,355.8

- (a) As discussed above, the USF senior notes due 2010 had a carrying value of \$154.9 million at December 31, 2008, and a principal maturity value of \$150.0 million.

Based on the borrowing rates currently available to us for debt with similar terms and remaining maturities and the quoted market prices for the USF senior notes due 2010, contingent convertible senior notes and the Roadway senior notes (level two inputs for fair value measurements as defined in SFAS No. 157, “Fair Value Measurements”), the fair value of fixed-rate debt at December 31, 2008 and 2007, was approximately \$212.7 million and \$856.5 million, respectively. The carrying amount of such fixed-rate debt at December 31, 2008 and 2007, was \$548.7 million and \$898.9 million, respectively.

8. Stock Compensation Plans

We maintain a long-term incentive and equity award plan that provides for the issuance of stock-based compensation. In May 2008, our stockholders approved an amendment to this plan to increase the number of shares of Company common stock available for awards under the plan by 3 million shares (from 3.43 million to 6.43 million) and to eliminate the requirement that shares available for grant under the plan be reduced by two shares for each share to be issued pursuant to “full value awards”, which are restricted stock, share units, performance awards and other stock-based awards. As of December 31, 2008, 2.5 million shares remain available for issuance. The plan permits the issuance of restricted stock and share units, as well as options, stock appreciation rights, and performance stock and performance stock unit awards. Awards under the plan can be satisfied in cash or shares at the discretion of the Board of Directors. According to the plan provisions, the share units provide the holders the right to receive one share of our common stock upon vesting of one share unit. The plan requires the exercise price of any option equal to the closing market price of our common stock on the date of grant.

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A summary of activity in our stock option plans is presented in the following table:

	Shares (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2005	647	\$ 24.87		
Granted	—	—		
Exercised	(185)	25.89		
Forfeited / expired	(14)	26.04		
Outstanding at December 31, 2006	448	\$ 24.48		
Granted	—	—		
Exercised	(221)	22.59		
Forfeited / expired	(11)	26.91		
Outstanding at December 31, 2007	216	\$ 26.29		
Granted	1,046	18.81		
Exercised	(3)	14.57		
Forfeited / expired	(68)	21.18		
Outstanding at December 31, 2008	1,191	\$ 20.05	8.26	\$ —
Exercisable at December 31, 2008	200	26.18	3.61	\$ —

The total intrinsic value of options exercised was not material for the year ended December 31, 2008. For the year ended December 31, 2007, the intrinsic value of options exercised was \$4.7 million.

In May 2008, we granted option awards to purchase approximately 1.0 million shares of our common stock to approximately 2,200 employees. This one-time grant was made in lieu of a portion of the employees' annual incentive opportunity for 2008. The options vest in one-third increments on January 1, 2009, 2010 and 2011, and expire ten years from the date of the grant. The fair value of each option was estimated on the date of grant using the Black-Scholes-Merton pricing model. Expected volatilities are estimated using historical volatility of our common stock. We use historical data to estimate option exercise and employee termination within the valuation model; separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. The expected term of options granted is derived from the output of the valuation model and represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

We valued the options granted in 2008 using the above described model with the following weighted average assumptions:

	2008
Dividend yield	— %
Expected volatility	48.1%
Risk-free interest rate	2.7%
Expected option life (years)	3.0
Fair value per option	\$6.59

During the years ended December 31, 2007 and 2006, we did not grant any option awards.

The following table summarizes information about stock options outstanding as of December 31, 2008:

Range of exercise prices	Options Outstanding			Options Exercisable	
	Shares (in thousands)	Weighted Average Remaining Contractual Years	Weighted Average Exercise price	Shares (in thousands)	Weighted Average Exercise price
\$ 0.00 – 14.07	4	1.55	\$ 14.06	4	\$ 14.06
\$ 14.08 – 22.66	1,050	8.90	18.65	58	15.90
\$ 22.67 – 31.58	109	3.84	28.32	110	28.32
\$ 31.59 and over	28	6.52	41.30	28	41.30

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A summary of the activity of our nonvested restricted awards and share units is presented in the following table:

	Shares (in thousands)	Weighted Average Grant- Date Fair Value
Nonvested at December 31, 2005	756	\$ 47.50
Granted	352	47.10
Vested	(106)	47.47
Forfeited	(14)	47.47
Nonvested at December 31, 2006	988	47.36
Granted	307	39.99
Vested	(178)	40.06
Forfeited	(36)	47.60
Nonvested at December 31, 2007	1,081	46.46
Granted	519	14.99
Vested	(367)	48.88
Forfeited	(58)	36.06
Nonvested at December 31, 2008	1,175	\$ 32.32

We recognize expense on a straight-line basis over the vesting term. The vesting provisions for the restricted stock units and the related number of units awarded during the year ended December 31 are as follows:

Vesting Terms	Units (in thousands)		
	2008	2007	2006
• 50% to vest over three years with remaining 50% to vest over six years from the date of grant	—	—	142
• 100% on the third anniversary of the date of grant	482	275	147
• Ratably over three years	37	32	29
• 40% in the first year, 30% each year for the next two years	—	—	2
• 100% on the fifth anniversary of the date of grant	—	—	32
Total restricted stock units granted	519	307	352

As of December 31, 2008 and 2007, there was \$9.3 million and \$13.8 million, respectively of unrecognized compensation expense related to nonvested share-based compensation arrangements. That expense is expected to be recognized over a weighted-average period of 2.0 years. The fair value of nonvested shares is determined based on the closing trading price of our shares on the grant date. The fair value of shares vested during the years ended December 31, 2008 and 2007, was \$18.2 million and \$7.1 million, respectively.

9. Income Taxes

We use the liability method to reflect income taxes on our financial statements. We recognize deferred tax assets and liabilities by applying enacted tax rates to the differences between the carrying value of existing assets and liabilities and their respective tax basis and to loss carryforwards. Realizable tax credit carryforwards are recorded as deferred tax assets. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that the change occurs, other than certain changes related to business combinations. We assess the validity of deferred tax assets and loss and tax credit carryforwards and provide valuation allowances when we determine it is more likely than not that such assets, losses or credits will not be realized. We have not recognized deferred taxes relative to foreign subsidiaries' earnings that are deemed to be permanently reinvested. Any related taxes associated with such earnings are not material.

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Deferred tax liabilities (assets) were comprised of the following at December 31:

<u>(in millions)</u>	<u>2008</u>	<u>2007</u>
Depreciation	\$ 489.3	\$ 433.5
Prepaid expenses and other	17.5	17.5
Revenue on shipments in transit	22.2	34.8
Intangibles	42.7	192.0
Other	53.4	60.5
Gross tax liabilities	<u>625.1</u>	<u>738.3</u>
Claims and insurance	(186.3)	(87.1)
Allowance for doubtful accounts	(10.8)	(13.9)
Net operating loss carryforwards	(82.1)	—
Employee benefit accruals	(197.4)	(105.7)
Revenue reserves	(5.8)	(10.3)
Other	(37.8)	(40.7)
Gross tax assets	<u>(520.2)</u>	<u>(257.7)</u>
Net tax liability	<u>\$ 104.9</u>	<u>\$ 480.6</u>

Current income tax receivable was \$45.8 million and \$77.5 million as of December 31, 2008 and 2007, respectively, and is included in “Prepaid expenses and other” in the accompanying balance sheets.

As of December 31, 2008, the Company has a net operating loss of approximately \$260.6 million for tax purposes. The Company anticipates carrying back approximately \$98.8 million of this amount to 2006 and 2007. The remaining amount, approximately \$161.8 million, will be carried forward and may offset future taxable income through 2028. As of December 31, 2008, the Company has foreign tax credit carryforwards of approximately \$7.4 million. If unused, these carryforwards will expire between 2014 and 2018.

A reconciliation between income taxes at the federal statutory rate and the consolidated effective tax rate follows:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net	0.5	0.2	2.7
Goodwill impairment	(21.0)	(34.3)	—
Nondeductible business expenses	(0.4)	(0.7)	1.1
Foreign tax credit and rate differential	(1.4)	(0.1)	0.2
Alternative fuel tax credit	0.6	1.4	—
Other, net	1.5	0.5	0.3
Effective tax rate	<u>14.8%</u>	<u>2.0%</u>	<u>39.3%</u>

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The income tax provision (benefit) consisted of the following:

<u>(in millions)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Current:			
U.S. federal	\$ (18.6)	\$ (22.3)	\$ 6.5
State	3.6	(4.4)	1.2
Foreign	4.3	4.8	10.4
Current income tax provision (benefit)	<u>\$ (10.7)</u>	<u>\$ (21.9)</u>	<u>\$ 18.1</u>
Deferred:			
U.S. federal	\$ (139.3)	\$ 5.4	\$ 143.9
State	(17.2)	2.4	19.1
Foreign	(1.9)	0.8	(1.8)
Deferred income tax provision (benefit)	<u>\$ (158.4)</u>	<u>\$ 8.6</u>	<u>\$ 161.2</u>
Income tax provision (benefit)	<u>\$ (169.1)</u>	<u>\$ (13.3)</u>	<u>\$ 179.3</u>
Based on the income (loss) before income taxes:			
Domestic	\$ (1,105.7)	\$ (662.7)	\$ 441.4
Foreign	(37.8)	11.0	14.6
Income (loss) before income taxes	<u>\$ (1,143.5)</u>	<u>\$ (651.7)</u>	<u>\$ 456.0</u>

Uncertain Tax Positions

A rollforward of the total amount of unrecognized tax benefits for the years ended December 31 is as follows:

<u>(in millions)</u>	<u>2008</u>	<u>2007</u>
Unrecognized tax benefits at January 1	\$ 75.9	\$ 78.3
Increases related to:		
Tax positions taken during a prior period	6.4	1.4
Tax positions taken during the current period	119.1	1.8
Decreases related to:		
Tax positions taken during a prior period	(2.2)	(5.0)
Lapse of applicable statute of limitations	(0.1)	—
Settlements with taxing authorities	0.7	(0.6)
Unrecognized tax benefits at December 31	<u>\$ 199.8</u>	<u>\$ 75.9</u>

Included in the \$199.8 million of unrecognized tax benefits at December 31, 2008, was \$80.7 million of benefits that, if recognized, would affect the effective tax rate. We accrued \$5.6 million of interest on uncertain tax positions during each of the years ended December 31, 2008 and 2007, and the total amount of interest accrued for uncertain tax positions is \$13.0 million and \$7.4 million as of December 31, 2008 and 2007, respectively. We have not accrued any penalties relative to uncertain tax positions. We have elected to treat interest and penalties on uncertain tax positions as interest expense and other operating expenses, respectively. Amounts recorded for unrecognized tax benefits are included in "Other current and accrued liabilities" in the accompanying balance sheets.

Reasonably possible changes in the next twelve months in the amount of unrecognized tax benefits relate to the following tax positions:

The United States Internal Revenue Service ("IRS") has audited the Company's 2005 tax return and proposed an adjustment relative to the deduction claimed for contributions to union pension plans. We have protested the adjustment. The additional tax that could result from the adjustment is approximately \$51.1 million.

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The IRS has audited certain pre-acquisition tax returns for a consolidated group acquired in 2005 and disallowed a 2002 loss related to the disposition of the stock of a member of that group. We believe the loss is fully deductible and have protested the IRS adjustment. The additional tax that could result should the loss ultimately be totally denied is approximately \$36.5 million.

In connection with their audit of the Company's 2005 tax return, the IRS has proposed adjustments relative to certain transactions of our captive insurance company, YRC Assurance. We believe the proposed adjustments are not valid and have filed a written protest in connection with the 2005 tax return. As a result of a change in 2008 from the facts of 2005, additional deductions claimed by YRC Assurance may be at risk. The cumulative additional tax that could result should certain deductions become disallowed for the 2008 tax return could range up to approximately \$117.2 million.

Tax years that remain subject to examination for our major tax jurisdictions as of December 31, 2008:

	YRC Worldwide	Pre-acquisition tax years	
		USF Corporation ^(a)	Roadway ^(b)
Statute remains open	2004-2008	2000-2005	2001-03
Tax years currently under examination/exam completed	2004-2005	2000-2005	2001-03
Tax years not examined	2006-2008	None	None

(a) Years ending on or before May 24, 2005.

(b) Years ending on or before December 11, 2003.

10. Business Segments

We report financial and descriptive information about our reportable operating segments on a basis consistent with that used internally for evaluating segment performance and allocating resources to segments. We evaluate performance primarily on operating income and return on capital.

During the second quarter 2008, we modified our internal reporting process and in turn, reassessed our segment reporting. As a result of this process we now report four operating segments as compared to three segments before the change. The revised segment reporting is reflected throughout this report for all periods presented. Historical amounts are presented in a manner that is consistent with the revised segment reporting.

We have four reportable segments, which are strategic business units that offer complementary transportation services to their customers. National Transportation includes carriers that provide comprehensive regional, national and international transportation services. Regional Transportation is comprised of carriers that focus primarily on business opportunities in the regional and next-day delivery markets. YRC Logistics provides domestic and international freight forwarding, distribution, cross-dock services, multi-modal brokerage services and transportation management services. Truckload, our new segment previously included in the Regional Transportation segment, consists of Glen Moore, a domestic truckload carrier.

The accounting policies of the segments are the same as those described in the Principles of Consolidation and Summary of Accounting Policies note. We charge management fees and other corporate services to our segments based on the direct benefits received or as a percentage of revenue. Corporate and other operating losses represent operating expenses of the holding company, including compensation and benefits and professional services for all periods presented. In 2008, corporate operating losses included \$2.6 million of stock compensation expense as well as \$4.8 million of software write offs. In 2007, corporate operating losses included executive severance of \$9.5 million offset by reduced professional services fees and stock compensation expense totaling \$3.5 million. In 2006, corporate operating losses included \$13.3 million of expense related to USF Red Star multi-employer pension plan withdrawal liabilities and \$1.6 million of reorganization charges. Corporate identifiable assets primarily refer to cash, cash equivalents, technology assets and deferred debt issuance costs as well as our investment in JHJ. Intersegment revenue relates to transportation services between our segments.

Revenue from foreign sources totaled \$422.3 million, \$385.5 million, and \$370.2 million in 2008, 2007 and 2006, respectively, and is largely derived from Canada, United Kingdom, Asia, Latin America and Mexico. Long-lived assets located in foreign countries totaled \$24.2 million, \$27.6 million and \$25.8 million at December 31, 2008, 2007 and 2006, respectively.

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The following table summarizes our operations by business segment:

(in millions)	National Transportation	Regional (a) Transportation	YRC Logistics	Truckload	Corporate / Eliminations	Consolidated
2008						
External revenue	\$ 6,303.2	\$ 1,973.4	\$ 584.6	\$ 79.2	\$ —	\$ 8,940.4
Intersegment revenue	1.7	0.7	37.1	41.3	(80.8)	—
Operating income (loss)	(749.4)	(147.8)	(149.9)	(11.6)	(15.4)	(1,074.1)
Identifiable assets	2,362.6	1,207.8	229.3	71.4	95.0	3,966.1
Capital expenditures, net	52.3	(3.8)	(27.9)	(0.5)	14.6	34.7
Depreciation and amortization	138.7	66.5	15.9	10.5	32.7	264.3
Impairment charges	776.7	89.7	157.0	—	—	1,023.4
2007						
External revenue	\$ 6,654.7	\$ 2,280.4	\$ 597.0	\$ 89.2	\$ —	\$ 9,621.3
Intersegment revenue	3.1	—	26.2	23.7	(53.0)	—
Operating income (loss)	159.3	(700.8)	5.2	(5.9)	(22.9)	(565.1)
Identifiable assets	3,139.1	1,424.0	426.4	80.9	(7.8)	5,062.6
Capital expenditures, net	174.0	81.7	18.6	15.0	49.1	338.4
Depreciation and amortization ^(a)	142.4	67.6	15.8	9.9	19.9	255.6
Impairment charges	76.6	705.3	—	—	—	781.9
2006						
External revenue	\$ 6,873.6	\$ 2,333.6	\$ 603.7	\$ 107.8	\$ —	\$ 9,918.7
Intersegment revenue	5.0	—	6.0	25.5	(36.5)	—
Operating income (loss)	423.3	133.6	13.7	8.6	(33.8)	545.4
Identifiable assets	3,269.1	2,101.0	413.5	78.2	(10.0)	5,851.8
Capital expenditures, net	211.9	31.5	16.3	15.4	28.0	303.1
Depreciation and amortization	159.6	74.4	14.7	8.4	17.1	274.2

- (a) Included in the depreciation and amortization balance in the National Transportation segment for 2007 is approximately \$9 million of allocated costs related to certain abandoned technology projects previously considered in-process. As National Transportation moves to a common technology platform, these projects were identified as non-strategic and not a part of the future direction of the reporting unit.

11. Earnings per Common Share

We present both basic and diluted earnings per share (“EPS”) amounts. Basic EPS is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the year. Diluted EPS is based upon the weighted average number of common and common equivalent shares outstanding during the year which is calculated using the treasury stock method for stock options and restricted stock units and assumes conversion of our convertible senior notes based on the related fiscal year financial data.

(in thousands except per share data)	2008	2007	2006
Numerator:			
Net income (loss) for basic earnings (loss) per share	\$(974,392)	\$(638,381)	\$276,632
Interest expense on convertible senior notes (net of tax)	—	—	182
Net income (loss) for diluted earnings (loss) per share	(974,392)	(638,381)	276,814
Denominator:			
Weighted average number of common shares outstanding (basic)	57,583	57,154	57,361
Weighted average dilutive stock options and restricted stock units	—	—	470
Assumed conversion of convertible senior notes	—	—	508
Weighted average number of common and common equivalent shares outstanding (diluted)	57,583	57,154	58,339
Basic earnings (loss) per share	\$ (16.92)	\$ (11.17)	\$ 4.82
Diluted earnings (loss) per share	\$ (16.92)	\$ (11.17)	\$ 4.74

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The impacts of certain options and restricted stock units were excluded from the calculation of diluted earnings per share because the effects are antidilutive. In addition, the computation of the assumed conversion of the convertible senior notes includes inputs of the year-to-date average stock price relative to the stated conversion price. If this relationship is such that the year-to-date average stock price is less than the stated conversion price, the computed shares would be antidilutive under the treasury stock method.

Antidilutive options and share units were 2,366,000, 1,297,000 and 23,000 at December 31, 2008, 2007 and 2006, respectively. Antidilutive convertible senior note conversion shares were 20,581,000, 2,128,000 and 348,000 at December 31, 2008, 2007 and 2006, respectively.

12. Common Stock Repurchase Program

In April 2006, our Board of Directors approved a stock repurchase program that authorized the Company to repurchase up to \$100 million of our common stock. During 2007, the Company purchased 1.1 million shares under this program at a weighted-average cost of \$31.13 per share for a total cost of \$35.0 million. In 2006, the Company purchased 521,100 shares under this program at a weighted-average cost of \$38.34 per share for a total cost of \$20.0 million. At December 31, 2008, \$45 million remains available under the authorized program. Our current Credit Agreement restricts our ability to purchase additional shares under this program.

13. Commitments, Contingencies, and Uncertainties

Financial Matters

We incur rental expenses under noncancelable lease agreements for certain buildings and operating equipment. Rental expense is charged to "Operating expense and supplies" or "Purchased transportation" on the accompanying statements of operations. Rental expense was \$156.8 million, \$144.6 million, and \$157.7 million for the years ended December 31, 2008, 2007 and 2006, respectively.

At December 31, 2008, we were committed under noncancelable lease agreements requiring minimum annual rentals payable as follows:

<u>(in millions)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Thereafter</u>
Minimum annual rentals	\$106.1	\$76.8	\$51.4	\$29.3	\$15.9	\$ 17.0

We expect in the ordinary course of business that leases will be renewed or replaced as they expire. The leases provide for fixed and escalating rentals and contingent escalating rentals based on the Consumer Price Index not to exceed certain specified amounts. We record rent expense for our operating leases on a straight-line basis over the base term of the lease agreements. In many cases our leases are entered into by a subsidiary and a parent guarantee is issued. The maximum potential amount of undiscounted future payments under the guarantee are the same as the minimum annual rentals disclosed above.

Projected 2009 net capital expenditures are expected to be \$25 to \$50 million of which approximately \$15.5 million was committed at December 31, 2008.

Class Action Lawsuit

On July 30, 2007, Farm Water Technological Services, Inc. d/b/a Water Tech, and C.B.J.T. d/b/a Agricultural Supply, on behalf of themselves and other plaintiffs, filed a putative class action lawsuit against the Company and 10 other companies engaged in the LTL trucking business in the United States District Court for the Southern District of California. Since that time, other plaintiffs have filed similar cases in various courts across the nation. In December 2007, the courts consolidated these cases in the United States District Court for the Northern District of Georgia. The plaintiffs allege that the defendants, including the Company, conspired to fix fuel surcharges in violation of federal antitrust law and seek unspecified treble damages, injunctive relief, attorneys' fees and costs of litigation. The Company believes that its fuel surcharge practices are lawful and these suits are without factual basis or legal merit. An appropriate defense has begun, and the Company intends to defend these allegations vigorously. In January 2009, the court dismissed the plaintiffs' consolidated action without prejudice for failure to show sufficient facts to state a claim. The court has allowed the plaintiffs an opportunity to revise their complaint and refile it by March 2009. Given that the actions are at a very preliminary stage, the Company is not able to determine that any potential liability that might result is probable or estimatable and, therefore, the Company has not recorded a liability related to the actions. If an adverse outcome were to occur, it could have a material adverse effect on the Company's consolidated financial condition, cash flows and results of operations.

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Grupo Almex

On May 18, 2007, the Company settled the arbitration proceedings initiated against the Company by Gustavo Gonzalez Garcia and various members of his family (the "Gonzalez Family") and Autolineas Mexicanas, S.A. de C.V., Servicios Gerenciales del Norte, S.A. de C.V. and Logistica ALM, S.A. de C.V. (collectively, "Grupo Almex"). Pursuant to the settlement, the Company paid the Gonzalez Family and Grupo Almex \$2.0 million and forgave approximately \$9.3 million of debt that Soflex, S. de R.L. de C.V. ("Soflex") owed to the Company pursuant to a series of notes. The Gonzalez Family wholly owns Soflex. The notes from Soflex were written off as uncollectible debt in 2005 as part of the Company's acquisition consideration for USF Corporation. The Company accrued \$0.6 million in 2006 of the \$2.0 million settlement. The remaining \$1.4 million was expensed in 2007 and is included in "Reorganization and settlements" in the accompanying consolidated statement of operations.

USF Red Star

In 2004, USF Red Star, a USF subsidiary that operated in the Northeastern U.S was shut down. We acquired USF in 2005. Due to the shutdown, USF, now our wholly owned subsidiary, was subject to withdrawal liability under the Multi-Employer Pension Plan Amendment Act of 1980 for six multi-employer pension plans. Based on information that USF had received from these plans, we estimated that USF Red Star could be liable for up to approximately \$79 million. However, we also estimated that approximately \$13 million of this liability could be abated because of contributions that Yellow Transportation, Roadway, New Penn and USF Holland made to one of these six plans. Thus, at the May 2005 purchase date, we reserved approximately \$66 million, representing the present value, for these liabilities. We recognized those liabilities as an obligation assumed on the acquisition date of USF, resulting in additional goodwill.

During 2006, we received notification of the successful abatement of one of the six plans. As a result, payments of approximately \$2.9 million previously remitted to the plan and held in escrow were returned to us. Further, we received notification that a plan previously thought to be abated in fact was not abated resulting in a \$13.3 million charge (\$8.1 million net of tax) during the year ended December 31, 2006, to establish the required liability. Our USF Red Star withdrawal liability at December 31, 2006, was \$59.1 million and was presented in "Claims and other liabilities" in the consolidated balance sheets. During the year ended December 31, 2007, we reached a settlement agreement with all of the remaining plans aside from the plan that denied our abatement claim in 2006. As a part of the settlements, we agreed to pay \$35.8 million to be released from the obligations. As we previously accrued \$42.2 million for these obligations, resulting gains on settlement of \$6.4 million were recorded during 2007 and are included in "Reorganization and settlements" in the accompanying consolidated statement of operations. Our USF Red Star withdrawal liability at December 31, 2008 and 2007, is \$7.2 million and \$8.2 million, respectively. We are continuing to review the details of the remaining fund obligation and may contest all or a portion of the liability. Until further resolution the expected annual cash flow relative to this liability is approximately \$1.7 million.

Other Legal Matters

We are involved in other litigation or proceedings that arise in ordinary business activities. We insure against these risks to the extent deemed prudent by our management, but no assurance can be given that the nature and amount of such insurance will be sufficient to fully indemnify us against liabilities arising out of pending and future legal proceedings. Many of these insurance policies contain self-insured retentions in amounts we deem prudent. Based on our current assessment of information available as of the date of these financial statements, we believe that our financial statements include adequate provisions for estimated costs and losses that may be incurred with regard to the litigation and proceedings to which we are a party.

Environmental Matters

Remediation costs are accrued based on estimates of known environmental remediation exposure using currently available facts, existing environmental permits and technology and presently enacted laws and regulations. Our estimates of costs are developed based on internal evaluations and, when necessary, recommendations from external environmental consultants. These accruals are recorded when it is probable that we will be obligated to pay amounts for environmental site evaluation, remediation or related costs, and the amounts can be reasonably estimated. If the obligation can only be estimated within a range, we accrue the minimum amount in the range. These accruals are recorded even if significant uncertainties exist over the ultimate cost of the remediation. See additional discussion under "Environmental Matters" in "Item 1, Business" and under "Asset Retirement Obligations" in the "Principles of Consolidation and Summary of Accounting Policies" note to our consolidated financial statements.

14. Subsequent Events

On January 2, 2009, we awarded to our non-union employees options to purchase up to an aggregate of 5.3 million shares of our common stock at an exercise price equal to \$3.34 per share. The options will vest at the rate of 25% per year and will expire in 10 years. The options were granted subject to shareholder approval as a part of our annual shareholder meeting which is planned for May 2009. If such approval is not granted, the options automatically terminate.

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On January 2, 2009, we also adopted a Non-Union Employee Stock Appreciation Right Plan that awarded up to 5.3 million cash settled SARs. These SARs vest over the same four year period discussed above and automatically terminate if the Non-Union Employee Option Plan is approved by our shareholders.

On January 30, 2009, we closed on the first part of the sale and financing leaseback transaction pursuant to our Real Estate Sales Contract, effective December 19, 2008, with NATMI Truck Terminals, LLC (“NATMI”). We received approximately \$101.1 million of net proceeds at the first closing. On February 13, 2009, we received an additional \$9.0 million of net proceeds under this contract. We expect to close on the remaining part of this transaction and receive approximately \$50 million, subject to the satisfaction of normal and customary due diligence and related conditions, including NATMI’s right to elect not to acquire any of the remaining subject facilities in its sole discretion during the inspection period. We will account for the proceeds as a financing transaction, therefore, the assets remain on the balance sheet and a lease obligation will be recorded as long-term debt. The Company will recognize the lease payments through debt reduction and interest expense with no impact to depreciation expense.

On February 12, 2009, we formalized a Union Employee Option plan that provides for a grant of up to 11.4 million options to purchase our common stock at an exercise price equal to \$3.74 per share. As a part of the union wage reduction, previously described, we agreed to award a certain equity interest to all effected union employees. These options vest over a twelve month period beginning generally throughout January 2009, the dates in which each of the respective unions ratified the wage reduction. These options are subject to shareholder approval as a part of our annual shareholder meeting which is planned for May 2009. If such approval is not granted, the options automatically terminate.

On February 12, 2009, we also formalized the Union Employee Stock Appreciation Right Plan that provides for a grant of up to 11.4 million cash settled SARs. These SARs vest over the same twelve month period discussed above and automatically terminate if the Union Employee Option Plan is approved by our shareholders.

On February 12, 2009, we amended our Credit Agreement and renewed our ABS Facility as discussed in “Debt and Financing” in the notes to the consolidated financial statements. On February 27, 2009, we further amended our ABS Facility as discussed in the note referenced herein.

On February 13, 2009, we entered into agreements to sell certain real estate assets for approximately \$122 million under sale and leaseback type transactions. We expect to close on these agreements at various points through June 2009.

15. Condensed Consolidating Financial Statements

Guarantees of the Contingent Convertible Senior Notes

In August 2003, YRC Worldwide issued 5.0% contingent convertible senior notes due 2023. In November 2003, we issued 3.375% contingent convertible senior notes due 2023. In December 2004, we completed exchange offers pursuant to which holders of the contingent convertible senior notes could exchange their notes for an equal amount of net share settled contingent convertible senior notes. Substantially all notes were exchanged as part of the exchange offers. In connection with the net share settled contingent convertible senior notes, the following 100% owned subsidiaries of YRC Worldwide have issued guarantees in favor of the holders of the net share settled contingent convertible senior notes: YRC Inc., YRC Worldwide Technologies, Inc., YRC Logistics, Inc., YRC Logistics Global, LLC, Globe.com Lines, Inc., Roadway LLC, and Roadway Next Day Corporation. Each of the guarantees is full and unconditional and joint and several.

The condensed consolidating financial statements are presented in lieu of separate financial statements and other related disclosures of the subsidiary guarantors and issuer because management does not believe that separate financial statements and related disclosures would be material to investors. There are currently no significant restrictions on the ability of YRC Worldwide or any guarantor to obtain funds from its subsidiaries by dividend or loan.

The following represents condensed consolidating financial information as of December 31, 2008 and 2007, with respect to the financial position and for the years ended December 31, 2008, 2007 and 2006, for results of operations and cash flows of YRC Worldwide and its subsidiaries. The Parent column presents the financial information of YRC Worldwide, the primary obligor of the contingent convertible senior notes. The Guarantor Subsidiaries column presents the financial information of all guarantor subsidiaries of the net share settled contingent convertible senior notes. The Non-Guarantor Subsidiaries column presents the financial information of all non-guarantor subsidiaries, including those subsidiaries that are governed by foreign laws and Yellow Roadway Receivables Funding Corporation, the special-purpose entity that is associated with our ABS agreement.

Condensed Consolidating Balance Sheets

December 31, 2008 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	\$ 295	\$ 9	\$ 21	\$ —	\$ 325
Intercompany advances receivable	—	(71)	71	—	—
Accounts receivable, net	2	(16)	858	(7)	837
Prepaid expenses and other	25	203	70	—	298
Total current assets	322	125	1,020	(7)	1,460
Property and equipment	—	2,914	1,064	—	3,978
Less – accumulated depreciation	—	(1,492)	(285)	—	(1,777)
Net property and equipment	—	1,422	779	—	2,201
Investment in subsidiaries	3,377	93	203	(3,673)	—
Receivable from affiliate	(712)	321	391	—	—
Goodwill and other assets	268	200	188	(351)	305
Total assets	<u>\$3,255</u>	<u>\$ 2,161</u>	<u>\$ 2,581</u>	<u>\$ (4,031)</u>	<u>\$ 3,966</u>
Intercompany advances payable	\$ 283	\$ (105)	\$ 25	\$ (203)	\$ —
Accounts payable	11	244	80	(1)	334
Wages, vacations and employees' benefits	20	242	95	—	357
Claims and insurance accruals	38	25	108	—	171
Other current and accrued liabilities	18	132	171	(2)	319
Asset-backed securitization borrowings	—	—	147	—	147
Current maturities of long-term debt	425	1	—	—	426
Total current liabilities	795	539	626	(206)	1,754
Payable to affiliate	(47)	(23)	221	(151)	—
Long-term debt, less current portion	626	6	155	—	787
Deferred income taxes, net	16	199	24	—	239
Pension and postretirement	370	—	—	—	370
Claims and other liabilities	94	2	246	—	342
Commitments and contingencies					
Shareholders' equity	1,401	1,438	1,309	(3,674)	474
Total liabilities and shareholders' equity	<u>\$3,255</u>	<u>\$ 2,161</u>	<u>\$ 2,581</u>	<u>\$ (4,031)</u>	<u>\$ 3,966</u>

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December 31, 2007 (in millions)	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	\$ 26	\$ 15	\$ 17	\$ —	\$ 58
Intercompany advances receivable	—	(65)	65	—	—
Accounts receivable, net	3	(25)	1,101	(5)	1,074
Prepaid expenses and other	76	99	71	—	246
Total current assets	105	24	1,254	(5)	1,378
Property and equipment	1	2,967	1,116	—	4,084
Less – accumulated depreciation	(1)	(1,468)	(235)	—	(1,704)
Net property and equipment	—	1,499	881	—	2,380
Investment in subsidiaries	3,280	93	203	(3,576)	—
Receivable from affiliate	(898)	488	410	—	—
Goodwill and other assets	258	985	412	(350)	1,305
Total assets	<u>\$2,745</u>	<u>\$ 3,089</u>	<u>\$ 3,160</u>	<u>\$ (3,931)</u>	<u>\$ 5,063</u>
Intercompany advances payable	\$ 342	\$ (294)	\$ 157	\$ (205)	\$ —
Accounts payable	12	264	112	—	388
Wages, vacations and employees' benefits	29	285	112	—	426
Claims and insurance accruals	34	27	107	—	168
Other current and accrued liabilities	18	122	62	—	202
Asset-backed securitization borrowings	—	—	180	—	180
Current maturities of long-term debt	—	232	—	—	232
Total current liabilities	435	636	730	(205)	1,596
Payable to affiliate	(117)	44	223	(150)	—
Long-term debt, less current portion	554	7	261	—	822
Deferred income taxes, net	19	307	196	—	522
Pension and postretirement	180	—	—	—	180
Claims and other liabilities	84	3	244	—	331
Commitments and contingencies					
Shareholders' equity	1,590	2,092	1,506	(3,576)	1,612
Total liabilities and shareholders' equity	<u>\$2,745</u>	<u>\$ 3,089</u>	<u>\$ 3,160</u>	<u>\$ (3,931)</u>	<u>\$ 5,063</u>

Condensed Consolidating Statements of Operations

For the year ended December 31, 2008 (in millions)	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	\$ —	\$ 6,237	\$ 2,784	\$ (81)	\$ 8,940
Operating expenses:					
Salaries, wages and employees' benefits	27	3,495	1,729	—	5,251
Operating expenses and supplies	(18)	1,362	641	(1)	1,984
Purchased transportation	—	800	356	(81)	1,075
Depreciation and amortization	—	168	96	—	264
Other operating expenses	—	286	124	—	410
Gains on property disposals, net	—	(11)	(8)	—	(19)
Reorganization and settlements	—	10	15	—	25
Impairment charges	—	775	249	—	1,024
Total operating expenses	9	6,885	3,202	(82)	10,014
Operating income (loss)	(9)	(648)	(418)	1	(1,074)
Nonoperating (income) expenses:					
Interest expense	36	17	25	—	78
Interest income	(2)	—	(3)	—	(5)
Other, net	21	185	(211)	1	(4)
Nonoperating (income) expenses, net	55	202	(189)	1	69
Loss before income taxes	(64)	(850)	(229)	—	(1,143)
Income tax benefit	(23)	(112)	(34)	—	(169)
Net loss	<u>\$ (41)</u>	<u>\$ (738)</u>	<u>\$ (195)</u>	<u>\$ —</u>	<u>\$ (974)</u>

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For the year ended December 31, 2007 (in millions)

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating revenue	\$ 45	\$ 6,724	\$ 3,233	\$ (381)	\$ 9,621
Operating expenses:					
Salaries, wages and employees' benefits	35	3,797	1,909	—	5,741
Operating expenses and supplies	26	1,345	842	(348)	1,865
Purchased transportation	—	780	344	(35)	1,089
Depreciation and amortization	—	159	97	—	256
Other operating expenses	—	296	141	—	437
Gains on property disposals, net	—	(8)	2	—	(6)
Reorganization and settlements	10	7	5	—	22
Impairment charges	—	76	706	—	782
Total operating expenses	<u>71</u>	<u>6,452</u>	<u>4,046</u>	<u>(383)</u>	<u>10,186</u>
Operating income (loss)	<u>(26)</u>	<u>272</u>	<u>(813)</u>	<u>2</u>	<u>(565)</u>
Nonoperating (income) expenses:					
Interest expense	36	18	35	—	89
Interest income	(3)	—	(1)	—	(4)
Other, net	30	195	(225)	2	2
Nonoperating (income) expenses, net	<u>63</u>	<u>213</u>	<u>(191)</u>	<u>2</u>	<u>87</u>
Income (loss) before income taxes	(89)	59	(622)	—	(652)
Income tax provision (benefit)	(26)	7	5	—	(14)
Net income (loss)	<u>\$ (63)</u>	<u>\$ 52</u>	<u>\$ (627)</u>	<u>\$ —</u>	<u>\$ (638)</u>

For the year ended December 31, 2006 (in millions)

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating revenue	\$ 53	\$ 8,429	\$ 1,889	\$ (452)	\$ 9,919
Operating expenses:					
Salaries, wages and employees' benefits	38	4,848	931	(81)	5,736
Operating expenses and supplies	35	1,615	488	(319)	1,819
Purchased transportation	—	840	271	(20)	1,091
Depreciation and amortization	—	215	59	—	274
Other operating expenses	—	370	66	—	436
Gains on property disposals, net	—	(6)	(2)	—	(8)
Reorganization and settlements	—	8	18	—	26
Total operating expenses	<u>73</u>	<u>7,890</u>	<u>1,831</u>	<u>(420)</u>	<u>9,374</u>
Operating income (loss)	<u>(20)</u>	<u>539</u>	<u>58</u>	<u>(32)</u>	<u>545</u>
Nonoperating (income) expenses:					
Interest expense	34	29	25	—	88
Interest income	(1)	(1)	(1)	—	(3)
Other, net	21	151	(136)	(32)	4
Nonoperating (income) expenses, net	<u>54</u>	<u>179</u>	<u>(112)</u>	<u>(32)</u>	<u>89</u>
Income (loss) before income taxes	(74)	360	170	—	456
Income tax provision (benefit)	(6)	122	63	—	179
Net income (loss)	<u>\$ (68)</u>	<u>\$ 238</u>	<u>\$ 107</u>	<u>\$ —</u>	<u>\$ 277</u>

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Condensed Consolidating Statements of Cash Flows

For the year ended December 31, 2008
(in millions)

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating activities:					
Net cash provided by (used in) operating activities	\$ 40	\$ (59)	\$ 239	\$ —	\$ 220
Investing activities:					
Acquisition of property and equipment	—	(120)	(42)	—	(162)
Proceeds from disposal of property and equipment	—	45	82	—	127
Investment in affiliate	—	—	(46)	—	(46)
Other	—	—	(6)	—	(6)
Net cash used in investing activities	—	(75)	(12)	—	(87)
Financing activities:					
Asset-backed securitization borrowings (payments), net	—	—	(33)	—	(33)
Issuance of long-term debt	510	—	—	—	510
Repayment of long-term debt	—	(229)	(103)	—	(332)
Debt issuance costs	(11)	—	—	—	(11)
Intercompany advances / repayments	(270)	357	(87)	—	—
Net cash provided by (used in) financing activities	229	128	(223)	—	134
Net increase (decrease) in cash and cash equivalents	269	(6)	4	—	267
Cash and cash equivalents, beginning of year	26	15	17	—	58
Cash and cash equivalents, end of year	\$ 295	\$ 9	\$ 21	\$ —	\$ 325

For the year ended December 31, 2007
(in millions)

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating activities:					
Net cash provided by (used in) operating activities	\$(219)	\$ 417	\$ 195	\$ —	\$ 393
Investing activities:					
Acquisition of property and equipment	—	(251)	(143)	—	(394)
Proceeds from disposal of property and equipment	—	23	32	—	55
Other	(2)	1	(1)	—	(2)
Net cash used in investing activities	(2)	(227)	(112)	—	(341)
Financing activities:					
Asset-backed securitization borrowings (payments), net	—	—	(45)	—	(45)
Issuance of long-term debt	154	—	1	—	155
Repayment of long-term debt	(150)	—	—	—	(150)
Debt issuance costs	(1)	—	—	—	(1)
Treasury stock purchases	(35)	—	—	—	(35)
Proceeds from exercise of stock options	6	—	—	—	6
Intercompany advances / repayments	253	(196)	(57)	—	—
Net cash provided by (used in) financing activities	227	(196)	(101)	—	(70)
Net increase (decrease) in cash and cash equivalents	6	(6)	(18)	—	(18)
Cash and cash equivalents, beginning of year	20	21	35	—	76
Cash and cash equivalents, end of year	\$ 26	\$ 15	\$ 17	\$ —	\$ 58

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For the year ended December 31, 2006
(in millions)

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating activities:					
Net cash provided by (used in) operating activities	\$ (97)	\$ 154	\$ 475	\$ —	\$ 532
Investing activities:					
Acquisition of property and equipment	—	(325)	(53)	—	(378)
Proceeds from disposal of property and equipment	—	17	58	—	75
Acquisition of companies	(26)	—	—	—	(26)
Other	—	6	(6)	—	—
Net cash used in investing activities	(26)	(302)	(1)	—	(329)
Financing activities:					
Asset-backed securitization borrowings (payments), net	—	—	(150)	—	(150)
Repayment of long-term debt	(45)	—	—	—	(45)
Treasury stock purchases	(20)	—	—	—	(20)
Proceeds from exercise of stock options	6	—	—	—	6
Intercompany advances / repayments	182	151	(333)	—	—
Net cash provided by (used in) financing activities	123	151	(483)	—	(209)
Net increase (decrease) in cash and cash equivalents	—	3	(9)	—	(6)
Cash and cash equivalents, beginning of year	20	18	44	—	82
Cash and cash equivalents, end of year	\$ 20	\$ 21	\$ 35	\$ —	\$ 76

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Guarantees of the Senior Notes Due 2010

In connection with the senior notes due 2010 that Regional Transportation assumed by virtue of the Company's acquisition of USF Corporation, YRC Worldwide and its following 100% owned subsidiaries have issued guarantees in favor of the holders of the senior notes due 2010: USF Sales Corporation, USF Holland Inc., USF Reddaway Inc., USF Glen Moore Inc., YRC Logistics Services, Inc. and IMUA Handling Corporation. Each of the guarantees is full and unconditional and joint and several.

The condensed consolidating financial statements are presented in lieu of separate financial statements and other related disclosures of the subsidiary guarantors and issuer because management does not believe that such separate financial statements and related disclosures would be material to investors. (There are currently no significant restrictions on the ability of YRC Worldwide or any guarantor subsidiary to obtain funds from its subsidiaries by dividend or loan).

The following represents condensed consolidating financial information of YRC Worldwide and its subsidiaries as of December 31, 2008 and 2007, with respect to the financial position and for the years ended December 31, 2008, 2007 and 2006, for results of operations and cash flows. The primary obligor column presents the financial information of Regional Transportation. The Guarantor Subsidiaries column presents the financial information of all guarantor subsidiaries of the senior notes due 2010, including YRC Worldwide. The Non-Guarantor Subsidiaries column presents the financial information of all non-guarantor subsidiaries, including those subsidiaries that are governed by foreign laws and Yellow Roadway Receivables Funding Corporation, the special-purpose entity that is associated with our ABS agreement.

Condensed Consolidating Balance Sheets

December 31, 2008 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	\$ —	\$ 299	\$ 26	\$ —	\$ 325
Intercompany advances receivable	—	(7)	7	—	—
Accounts receivable, net	—	5	846	(14)	837
Prepaid expenses and other	(6)	110	194	—	298
Total current assets	(6)	407	1,073	(14)	1,460
Property and equipment	—	869	3,109	—	3,978
Less – accumulated depreciation	—	(212)	(1,565)	—	(1,777)
Net property and equipment	—	657	1,544	—	2,201
Investment in subsidiaries	218	3,376	8	(3,602)	—
Receivable from affiliate	392	(912)	520	—	—
Goodwill and other assets	64	273	319	(351)	305
Total assets	<u>\$ 668</u>	<u>\$ 3,801</u>	<u>\$ 3,464</u>	<u>\$ (3,967)</u>	<u>\$ 3,966</u>
Intercompany advances payable	\$ 65	\$ 181	\$ (46)	\$ (200)	\$ —
Accounts payable	5	49	288	(8)	334
Wages, vacations and employees' benefits	—	94	263	—	357
Claims and insurance accruals	—	43	128	—	171
Other current and accrued liabilities	21	38	265	(5)	319
Asset-backed securitization borrowings	—	—	147	—	147
Current maturities of long-term debt	—	425	1	—	426
Total current liabilities	91	830	1,046	(213)	1,754
Payable to affiliate	—	26	125	(151)	—
Long-term debt, less current portion	155	626	6	—	787
Deferred income taxes, net	18	125	96	—	239
Pension and postretirement	—	370	—	—	370
Claims and other liabilities	1	98	243	—	342
Commitments and contingencies					
Shareholders' equity	403	1,726	1,948	(3,603)	474
Total liabilities and shareholders' equity	<u>\$ 668</u>	<u>\$ 3,801</u>	<u>\$ 3,464</u>	<u>\$ (3,967)</u>	<u>\$ 3,966</u>

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December 31, 2007 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	\$ —	\$ 29	\$ 29	\$ —	\$ 58
Intercompany advances receivable	—	(11)	11	—	—
Accounts receivable, net	—	7	1,084	(17)	1,074
Prepaid expenses and other	(5)	153	98	—	246
Total current assets	(5)	178	1,222	(17)	1,378
Property and equipment	2	914	3,168	—	4,084
Less – accumulated depreciation	(2)	(165)	(1,537)	—	(1,704)
Net property and equipment	—	749	1,631	—	2,380
Investment in subsidiaries	218	3,279	9	(3,506)	—
Receivable from affiliate	490	(1,183)	693	—	—
Goodwill and other assets	160	373	1,122	(350)	1,305
Total assets	\$ 863	\$ 3,396	\$ 4,677	\$ (3,873)	\$ 5,063
Intercompany advances payable	\$ 65	\$ 119	\$ 16	\$ (200)	\$ —
Accounts payable	9	82	306	(9)	388
Wages, vacations and employees' benefits	3	114	309	—	426
Claims and insurance accruals	—	41	127	—	168
Other current and accrued liabilities	23	37	150	(8)	202
Asset-backed securitization borrowings	—	—	180	—	180
Current maturities of long-term debt	—	—	232	—	232
Total current liabilities	100	393	1,320	(217)	1,596
Payable to affiliate	—	(45)	195	(150)	—
Long-term debt, less current portion	260	555	7	—	822
Deferred income taxes, net	52	127	343	—	522
Pension and postretirement	—	180	—	—	180
Claims and other liabilities	—	85	246	—	331
Commitments and contingencies	—	—	—	—	—
Shareholders' equity	451	2,101	2,566	(3,506)	1,612
Total liabilities and shareholders' equity	\$ 863	\$ 3,396	\$ 4,677	\$ (3,873)	\$ 5,063

Condensed Consolidating Statements of Operations

For the year ended December 31, 2008 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	\$ —	\$ 2,040	\$ 6,956	\$ (56)	\$ 8,940
Operating expenses:					
Salaries, wages and employees' benefits	3	1,230	4,018	—	5,251
Operating expenses and supplies	(10)	607	1,389	(2)	1,984
Purchased transportation	—	85	1,046	(56)	1,075
Depreciation and amortization	7	68	189	—	264
Other operating expenses	—	107	303	—	410
Gains on property disposals, net	—	(8)	(11)	—	(19)
Reorganization and settlements	—	13	12	—	25
Impairment charges	90	109	825	—	1,024
Total operating expenses	90	2,211	7,771	(58)	10,014
Operating income (loss)	(90)	(171)	(815)	2	(1,074)
Nonoperating (income) expenses:					
Interest expense	15	36	27	—	78
Interest income	—	(2)	(3)	—	(5)
Other, net	(29)	97	(74)	2	(4)
Nonoperating (income) expenses, net	(14)	131	(50)	2	69
Loss before income taxes	(76)	(302)	(765)	—	(1,143)
Income tax benefit	(26)	(74)	(69)	—	(169)
Net loss	\$ (50)	\$ (228)	\$ (696)	\$ —	\$ (974)

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For the year ended December 31, 2007 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	\$ 22	\$ 2,362	\$ 7,612	\$ (375)	\$ 9,621
Operating expenses:					
Salaries, wages and employees' benefits	8	1,397	4,336	—	5,741
Operating expenses and supplies	5	654	1,554	(348)	1,865
Purchased transportation	—	122	996	(29)	1,089
Depreciation and amortization	8	67	181	—	256
Other operating expenses	—	121	316	—	437
Gains on property disposals, net	—	(1)	(5)	—	(6)
Reorganization and settlements	1	13	8	—	22
Impairment charges	646	—	136	—	782
Total operating expenses	668	2,373	7,522	(377)	10,186
Operating income (loss)	(646)	(11)	90	2	(565)
Nonoperating (income) expenses:					
Interest expense	16	35	38	—	89
Interest income	—	(3)	(1)	—	(4)
Other, net	(42)	127	(85)	2	2
Nonoperating (income) expenses, net	(26)	159	(48)	2	87
Income (loss) before income taxes	(620)	(170)	138	—	(652)
Income tax provision (benefit)	(17)	(54)	57	—	(14)
Net income (loss)	\$ (603)	\$ (116)	\$ 81	\$ —	\$ (638)
For the year ended December 31, 2006 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	\$ 22	\$ 2,440	\$ 7,913	\$ (456)	\$ 9,919
Operating expenses:					
Salaries, wages and employees' benefits	8	1,381	4,428	(81)	5,736
Operating expenses and supplies	6	624	1,508	(319)	1,819
Purchased transportation	—	137	978	(24)	1,091
Depreciation and amortization	8	72	194	—	274
Other operating expenses	—	115	321	—	436
Gains on property disposals, net	—	(2)	(6)	—	(8)
Reorganization and settlements	—	1	25	—	26
Total operating expenses	22	2,328	7,448	(424)	9,374
Operating income (loss)	—	112	465	(32)	545
Nonoperating (income) expenses:					
Interest expense	15	34	39	—	88
Interest income	—	(1)	(2)	—	(3)
Other, net	(24)	101	(41)	(32)	4
Nonoperating (income) expenses, net	(9)	134	(4)	(32)	89
Income (loss) before income taxes	9	(22)	469	—	456
Income tax provision	3	13	163	—	179
Net income (loss)	\$ 6	\$ (35)	\$ 306	\$ —	\$ 277

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Condensed Consolidating Statements of Cash Flows

<u>For the year ended December 31, 2008</u> (in millions)	<u>Primary Obligor</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating activities:					
Net cash (used in) provided by operating activities	\$ 12	\$ (74)	\$ 282	\$ —	\$ 220
Investing activities:					
Acquisition of property and equipment	—	(34)	(128)	—	(162)
Proceeds from disposal of property and equipment	—	69	58	—	127
Investment in affiliate	—	—	(46)	—	(46)
Other	—	—	(6)	—	(6)
Net cash provided by (used in) investing activities	—	35	(122)	—	(87)
Financing activities:					
Asset-backed securitization borrowings (payments), net	—	—	(33)	—	(33)
Issuance of long-term debt	—	510	—	—	510
Repayment of long-term debt	(103)	—	(229)	—	(332)
Debt issuance costs	—	(11)	—	—	(11)
Intercompany advances / repayments	91	(190)	99	—	—
Net cash provided by (used in) financing activities	(12)	309	(163)	—	134
Net increase (decrease) in cash and cash equivalents	—	270	(3)	—	267
Cash and cash equivalents, beginning of year	—	29	29	—	58
Cash and cash equivalents, end of year	<u>\$ —</u>	<u>\$ 299</u>	<u>\$ 26</u>	<u>\$ —</u>	<u>\$ 325</u>
For the year ended December 31, 2007 (in millions)					
Operating activities:					
Net cash (used in) provided by operating activities	\$ 36	\$ (200)	\$ 557	\$ —	\$ 393
Investing activities:					
Acquisition of property and equipment	—	(110)	(284)	—	(394)
Proceeds from disposal of property and equipment	—	5	50	—	55
Other	—	(1)	(1)	—	(2)
Net cash used in investing activities	—	(106)	(235)	—	(341)
Financing activities:					
Asset-backed securitization borrowings (payments), net	—	—	(45)	—	(45)
Issuance of long-term debt	—	154	1	—	155
Repayment of long-term debt	—	(150)	—	—	(150)
Debt issuance costs	—	(1)	—	—	(1)
Treasury stock purchases	—	(35)	—	—	(35)
Proceeds from exercise of stock options	—	6	—	—	6
Intercompany advances / repayments	(36)	338	(302)	—	—
Net cash provided by (used in) financing activities	(36)	312	(346)	—	(70)
Net increase (decrease) in cash and cash equivalents	—	6	(24)	—	(18)
Cash and cash equivalents, beginning of year	—	23	53	—	76
Cash and cash equivalents, end of year	<u>\$ —</u>	<u>\$ 29</u>	<u>\$ 29</u>	<u>\$ —</u>	<u>\$ 58</u>

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<u>For the year ended December 31, 2006</u> <u>(in millions)</u>	<u>Primary</u> <u>Obligor</u>	<u>Guarantor</u> <u>Subsidiaries</u>	<u>Non-Guarantor</u> <u>Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating activities:					
Net cash (used in) provided by operating activities	\$ (71)	\$ 93	\$ 510	\$ —	\$ 532
Investing activities:					
Acquisition of property and equipment	—	(94)	(284)	—	(378)
Proceeds from disposal of property and equipment	1	30	44	—	75
Acquisition of companies	—	(26)	—	—	(26)
Net cash provided by (used in) investing activities	<u>1</u>	<u>(90)</u>	<u>(240)</u>	<u>—</u>	<u>(329)</u>
Financing activities:					
Asset-backed securitization borrowings (payments), net	—	—	(150)	—	(150)
Repayment of long-term debt	—	(45)	—	—	(45)
Treasury stock purchases	—	(20)	—	—	(20)
Proceeds from exercise of stock options	—	6	—	—	6
Intercompany advances / repayments	<u>70</u>	<u>37</u>	<u>(107)</u>	<u>—</u>	<u>—</u>
Net cash provided by (used in) financing activities	<u>70</u>	<u>(22)</u>	<u>(257)</u>	<u>—</u>	<u>(209)</u>
Net increase (decrease) in cash and cash equivalents	—	(19)	13	—	(6)
Cash and cash equivalents, beginning of year	—	42	40	—	82
Cash and cash equivalents, end of year	<u>\$ —</u>	<u>\$ 23</u>	<u>\$ 53</u>	<u>\$ —</u>	<u>\$ 76</u>

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

YRC Worldwide Inc.:

We have audited the accompanying consolidated balance sheets of YRC Worldwide Inc. and subsidiaries (the Company) as of December 31, 2008 and 2007, and the related consolidated statements of operations, cash flows, shareholders' equity and comprehensive income (loss) for each of the years in the three-year period ended December 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 9 to the consolidated financial statements, on January 1, 2007, the Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), YRC Worldwide Inc.'s internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 2, 2009, expressed an unqualified opinion on the effectiveness of YRC Worldwide Inc.'s internal control over financial reporting.

/s/ KPMG LLP

Kansas City, Missouri

March 2, 2009

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

YRC Worldwide Inc.:

We have audited YRC Worldwide Inc.'s internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). YRC Worldwide Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on YRC Worldwide Inc.'s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, YRC Worldwide Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of YRC Worldwide Inc. and subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of operations, cash flows, shareholders' equity and comprehensive income (loss) for each of the years in the three-year period ended December 31, 2008, and our report dated March 2, 2009 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Kansas City, Missouri

March 2, 2009

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in our filings under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our management, with participation from our principal executive and principal financial officers, evaluated the effectiveness of our disclosure controls and procedures and our principal executive and principal financial officers concluded that our disclosure controls and procedures were effective as of December 31, 2008.

Management's Report on Internal Control Over Financial Reporting

We are responsible for establishing and maintaining effective internal control over our financial reporting, which is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our management assessed the effectiveness of our system of internal control over financial reporting as of December 31, 2008. In making this assessment, our management used the criteria for effective internal control over financial reporting described in "Internal Control – Integrated Framework" that the Committee of Sponsoring Organizations of the Treadway Commission issued.

Based on its assessment using those criteria, our management concluded that, as of December 31, 2008, our system of internal control over financial reporting was effective.

KPMG LLP, the registered independent public accounting firm that audited our December 31, 2008, consolidated financial statements, has issued an attestation report on our system of internal control over financial reporting. The KPMG LLP attestation report is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the fiscal quarter ended December 31, 2008, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

Not applicable.

PART III**Item 10. Directors and Executive Officers of the Registrant**

The information required by this item relating to our directors and nominees, our audit committee and compliance with Section 16(a) of the Securities Act of 1934 is included under the captions “Proposal to Elect Directors”, “Audit/Ethics Committee” and “Section 16(a) Beneficial Ownership Reporting Compliance”, respectively, in our Proxy Statement related to the 2009 Annual Meeting of Stockholders and is incorporated herein by reference.

The following are our executive officers as of March 2, 2009:

<u>Name</u>	<u>Age</u>	<u>Position(s) Held</u>
William D. Zollars	61	Chairman of the Board, President and Chief Executive Officer of YRC Worldwide (since November 1999); President of Yellow Transportation (1996 – 1999); Senior Vice President of Ryder Integrated Logistics, Inc. (1994 – 1996).
Timothy A. Wicks	43	Executive Vice President and Chief Financial Officer of YRC Worldwide (since October 2008); Senior Vice President, Strategic Growth Initiatives (2006-2008), Senior Vice President, Product Development and Management (2004-2006), Vice President, Platinum Broker Service (2003-2004), and Vice President, Consumer Solutions (2002-2003) of UnitedHealthcare.
Daniel J. Churay	46	Executive Vice President, General Counsel and Secretary of YRC Worldwide (since September 2002); Senior Counsel, Fulbright & Jaworski L.L.P. (2002); Deputy General Counsel and Assistant Secretary of Baker Hughes Incorporated (1998 – 2002).
Michael J. Smid	53	President of YRC North American Transportation (since October 2007); President of YRC National Transportation (2007); President and Chief Executive Officer of Roadway Express (2005 – 2007); President and Chief Integration Officer of YRC Worldwide Enterprise Services (2004 – 2005); Executive Vice President and Chief Administrative Officer, Yellow Transportation (2000 – 2004).
Keith E. Lovetro	53	President of YRC Regional Transportation (since October 2007); Executive Vice President – Marketing and US Management Board Member of DHL Express (November 2006 – October 2007); President and CEO (December 2002 – November 2006); Senior Vice President and Chief Operating Officer (September 2001 – December 2002) and Vice President - Marketing of FedEx Freight West (September 1998 – September 2001).
James G. Kissinger	52	Executive Vice President – Human Resources, YRC Worldwide (since January 2008); Senior Vice President – Corporate Operations, Aircell (telecommunications) (2006 – 2007); Senior Vice President – Human Resources, Sprint Nextel Corporation (telecommunications) (1984 – 2006).
Paul F. Liljegren	54	Vice President, Controller and Chief Accounting Officer of YRC Worldwide (since September 2005); Interim Chief Financial Officer of YRC Worldwide (August 2008 – October 2008); Vice President, Risk and Assurance of YRC Worldwide (2004 – 2005); Corporate Treasurer of Butler Manufacturing Company (1998 – 2004); Vice President, Finance for a division of Butler Manufacturing Company (1991 – 1998).

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We have adopted a written Code of Conduct that applies to all of our directors, officers and employees, including our chief executive officer, chief financial officer and chief accounting officer. It is available under “Board Committee Charters & Code of Conduct” on our website located at www.yrcw.com. We intend to disclose any amendments to, or waivers from, any provision of our Code of Conduct that applies to our chief executive officer, chief financial officer or chief accounting officer by posting such information on our website located at www.yrcw.com.

Item 11. Executive Compensation

The information that this item requires is included under the captions “Compensation Committee Interlocks and Insider Participation,” “Director Compensation,” “Compensation Discussion and Analysis,” “Compensation Committee Report” and “Executive Compensation” in our Proxy Statement related to the 2009 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information that this item requires is included under the captions “Security Ownership of Management,” “Security Ownership of Certain Beneficial Owners” and “Equity Compensation Plan Information” in our Proxy Statement related to the 2009 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information that this item requires is included under the captions “Structure and Functioning of the Board” and “Certain Relationships and Related Party Transactions” in our Proxy Statement related to the 2009 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information that this item requires is included under the caption “Audit/Ethics Committee Report” in our Proxy Statement related to the 2009 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) Financial Statements

The consolidated financial statements of the Company included under Item 8 – Financial Statements and Supplementary Data.

(a)(2) Financial Statement Schedules

Report of Independent Registered Public Accounting Firm on Financial Statement Schedule on page 94.

Schedule II – Valuation and Qualifying Accounts for the years ended December 31, 2008, 2007 and 2006, on page 95.

(a)(3) Exhibits

- 3.1.1 Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to Annual Report on Form 10-K for the year ended December 31, 2002, File No. 000-12255).
- 3.1.2 Certificate of Amendment to the Certificate of Incorporation of the Company changing the name of the Company to Yellow Roadway Corporation (incorporated by reference to Exhibit 4.2 to Registration Statement on Form S-8, filed on December 23, 2003, File No. 333-111499).
- 3.1.3 Certificate of Ownership and Merger, merging YRC Worldwide Inc. into Yellow Roadway Corporation, effecting a name change to YRC Worldwide Inc. (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K, filed on January 3, 2006, File No. 000-12255).
- 3.2 Bylaws of the Company, as amended through October 25, 2007 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K, filed on October 26, 2007, File No. 000-12255).
- 4.1 Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1.1 to this Annual Report on Form 10-K), as amended by Certificate of Amendment to the Certificate of Incorporation (incorporated by reference to Exhibit 3.1.2 to this Annual Report on Form 10-K), and Certificate of Ownership and Merger (incorporated by reference to Exhibit 3.1.3 to this Annual Report on Form 10-K).
- 4.2 Bylaws of the Company (incorporated by reference to Exhibit 3.2 to this Annual Report on Form 10-K).
- 4.3.1 Indenture, dated as of May 5, 1999, among YRC Regional Transportation, Inc. (formerly, USFreightways Corporation), the Guarantors named therein and NBD Bank, as trustee (incorporated by reference to Exhibit 4.11 to Registration Statement on Form S-4, filed on June 21, 2005, File No. 333-126006).
- 4.3.2 Form of 8 1/2% Guaranteed Note due April 15, 2010 issued by YRC Regional Transportation, Inc. (formerly, USFreightways Corporation) (incorporated by reference to Exhibit 4.13 to Registration Statement on Form S-4, filed on June 21, 2005, File No. 333-26006).
- 4.3.3 Supplemental Indenture, dated as of June 27, 2005, among the Company as New Guarantor, YRC Regional Transportation, Inc. (formerly, USF Corporation), the Existing Guarantor Subsidiaries under the indenture and J.P. Morgan Trust Company, National Association as Trustee, supplementing the Indenture, dated as of May 5, 1999 (as supplemented and in effect as of the date of the Supplemental Indenture), relating to the YRC Regional Transportation, Inc. (formerly USFreightways Corporation) 8 1/2% Guaranteed Notes due April 15, 2010 (incorporated by reference to Exhibit 4.6 to the Annual Report on Form 10-K for the year ended December 31, 2005, File No. 000-1225).
- 4.4 Indenture (including form of note) dated August 8, 2003 among the Company, certain subsidiary guarantors and Deutsche Bank Trust Company Americas, as trustee, relating to the Company's 5.0% Contingent Convertible Senior Notes due 2023 (incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-4, filed on August 19, 2003, File No. 333-108081).
- 4.5 Indenture (including form of note) dated November 25, 2003 among the Company, certain subsidiary guarantors and Deutsche Bank Trust Company Americas, as trustee, relating to the Company's 3.375% Contingent Convertible Senior Notes due 2023 (incorporated by reference to Exhibit 4.7 to Registration Statement on Form S-8, filed on December 23, 2003, File No. 333-111499).
- 4.6 Indenture (including form of note) dated December 31, 2004, among the Company, certain subsidiary guarantors and Deutsche Bank Trust Company Americas, as trustee, relating to the Company's 5.0% Net Share Settled Contingent Convertible Senior Notes due 2023 (incorporated by reference to Exhibit 4.7 to Amendment No. 1 to Registration Statement on Form S-4/A, filed on November 30, 2004, File No. 333-119990).

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- 4.7 Indenture (including form of note) dated December 31, 2004, among the Company, certain subsidiary guarantors and Deutsche Bank Trust Company Americas, as trustee, relating to the Company's 3.375% Net Share Settled Contingent Convertible Senior Notes due 2023 (incorporated by reference to Exhibit 4.8 to Amendment No. 1 to Registration Statement on Form S-4/A, filed on November 30, 2004, File No. 333-119990).
- (10) Material Contracts
- 10.1.1 Credit Agreement, dated as of August 17, 2007, among the Company; the Canadian Borrowers and UK Borrowers party thereto; the Lenders party thereto; Bank of America, N.A. and SunTrust Bank, as Syndication Agents; U.S. Bank National Association, Wachovia Bank, N.A. and The Bank of Tokyo-Mitsubishi UFJ, Ltd., Chicago Branch, as Documentation Agents; JP Morgan Chase Bank, National Association, Toronto Branch, as Canadian Agent; J.P. Morgan Europe Limited, as UK Agent; and JPMorgan Chase Bank, National Association, as Administrative Agent. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed on August 22, 2007, File No. 000-12255).
- 10.1.2 Amendment No. 1, dated as of April 18, 2008, to the Credit Agreement, dated as of August 17, 2007, among the Company, the Canadian Borrower, the UK Borrower, the financial institutions party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed on April 21, 2008, File No. 000-12255).
- 10.1.3 Waiver No. 1, dated as of January 15, 2009, to Credit Agreement, dated as of August 17, 2007, as amended, among the Company, the Canadian Borrower, the UK Borrower, the financial institutions party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed on January 22, 2009, File No. 000-12255).
- 10.1.4* Waiver and Amendment No. 2, dated as of February 12, 2009, and Consent, Waiver and Amendment No. 3, dated February 27, 2009, to the Credit Agreement, dated as of August 17, 2007, among the Company, the Canadian Borrower, the UK Borrower, the financial institutions party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent.
- 10.2.1 Third Amended and Restated Receivables Purchase Agreement, dated as of April 18, 2008, among Yellow Roadway Receivables Funding Corporation, as Seller; Falcon Asset Securitization Company LLC, Three Pillars Funding LLC and Amsterdam Funding Corporation, as Conduits; YRC Assurance Co. Ltd., as an uncommitted purchaser; the financial institutions party thereto as Committed Purchasers; Wachovia Bank, National Association, as Wachovia Agent and LC Issuer; SunTrust Robinson Humphrey, Inc., as Three Pillars Agent, The Royal Bank of Scotland plc (successor to ABN AMRO Bank, N.V.), as Amsterdam Agent, and JPMorgan Chase Bank, N.A., Falcon Agent and as Administrative Agent (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, filed on April 21, 2008, File No. 000-12255).
- 10.2.2 Omnibus Consent and Amendment No. 1 to Third Amended and Restated Receivables Purchase Agreement, Amendment No. 4 to Receivables Sale Agreement and Amendment No. 1 to Performance Undertaking, dated as of September 25, 2008, among Yellow Transportation, Inc., Roadway Express, Inc., USF Reddaway, Inc. and USF Holland, Inc., as Originators; Yellow Roadway Receivables Funding Corporation, as Seller; YRC Worldwide Inc., as Performance Guarantor; Falcon Asset Securitization Company LLC, Three Pillars Funding LLC and Amsterdam Funding Corporation, as Conduits; YRC Assurance Co. Ltd., as an uncommitted purchaser; the financial institutions party thereto as Committed Purchasers; Wachovia Bank, National Association, as Wachovia Agent and LC Issuer; SunTrust Robinson Humphrey, Inc., as Three Pillars Agent, The Royal Bank of Scotland plc (successor to ABN AMRO Bank, N.V.), as Amsterdam Agent, and JPMorgan Chase Bank, N.A., as Falcon Agent and as Administrative Agent (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, File No. 000-12255).
- 10.2.3 Limited Waiver and Second Amendment, dated as of January 15, 2009, to Third Amended and Restated Receivables Purchase Agreement, dated as of April 18, 2008, as amended, among Yellow Roadway Receivables Funding Corporation, as Seller; Falcon Asset Securitization Company LLC, Three Pillars Funding LLC and Amsterdam Funding Corporation, as Conduits; YRC Assurance Co. Ltd., as an uncommitted purchaser; the financial institutions party thereto as Committed Purchasers; Wachovia Bank, National Association, as Wachovia Agent and LC Issuer; SunTrust Robinson Humphrey, Inc., as Three Pillars Agent, The Royal Bank of Scotland plc (successor to ABN AMRO Bank, N.V.), as Amsterdam Agent, and JPMorgan Chase Bank, N.A., as Falcon Agent and Administrative Agent (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, filed on January 22, 2009, File No. 000-12255).

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- 10.2.4* Omnibus Amendment [Waiver and Amendment No. 3 to Third Amended and Restated Receivables Purchase Agreement and Amendment No. 4 to Receivables Sale Agreement], dated as of February 12, 2009, and Waiver and Amendment No. 4 to Third Amended and Restated Receivables Purchase Agreement, dated February 27, 2009, among Yellow Roadway Receivables Funding Corporation, as Seller; YRC Worldwide Inc., as Performance Guarantor; JPMorgan Chase Bank, N.A., SunTrust Bank, Wachovia Bank, National Association, and The Royal Bank of Scotland plc as successor to ABN AMRO Bank, N.V., as Committed Purchasers; Falcon Asset Securitization Company LLC, Three Pillars Funding LLC and Amsterdam Funding Corporation, as Conduits; YRC Assurance Co. Ltd., as Co-Agent; Wachovia Bank, National Association, as LC Issuer; SunTrust Robinson Humphrey, Inc., Wachovia Bank, National Association, The Royal Bank of Scotland plc as successor to ABN AMRO Bank, N.V. and JPMorgan Chase Bank, N.A., as Co-Agents; JP Morgan Chase Bank, N.A., as Administrative Agent; and YRC Inc., USF Reddaway, Inc. and USF Holland, Inc., as Originators.
- 10.3.1 National Master Freight Agreement, effective April 1, 2008, among the International Brotherhood of Teamsters, YRC Inc. (formerly, Yellow Transportation, Inc. and Roadway Express, Inc.), USF Holland Inc. and New Penn Motor Express, Inc. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed February 11, 2008, File No. 000-12255).
- 10.3.2* Memorandum of Understanding on the Wage Reduction – Job Security Plan, dated November 25, 2008, among the International Brotherhood of Teamsters, YRC Inc., USF Holland Inc. and New Penn Motor Express, Inc.
- 10.4* Real Estate Sales Contract, effective December 19, 2008, between NATMI Truck Terminals, LLC and YRC Worldwide Inc., as amended by Amendment No. 1, effective January 21, 2009, and Amendment No. 2, effective February 12, 2009.
- (10) Management Contracts, Compensatory Plans and Arrangements
- 10.5.1 YRC Worldwide Inc. Director Compensation Plan (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, File No. 000-12255).
- 10.5.2 Form of Director Share Unit Agreement (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed on July 25, 2005, File No. 000-12255).
- 10.6.1 Employment Agreement dated January 25, 2006, by and between the Company and William D. Zollars (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, filed on January 26, 2006, File No. 000-12255).
- 10.6.2 Amendment effective December 30, 2008 to Employment Agreement, dated as of January 25, 2006, by and between the Company and William D. Zollars (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, filed on January 6, 2009, File No. 000-12255).
- 10.7 Form of Indemnification Agreement between the Company and each of its directors and executive officers (incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K, filed on March 15, 2007, File No. 000-12255).
- 10.8 Form of Executive Severance Agreement between the Company and each of the following executive officers: William D. Zollars, Timothy A. Wicks, Michael J. Smid, Daniel J. Churay, James G. Kissinger, Keith E. Lovetro and Paul F. Liljegen (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed on January 6, 2009, File No. 000-12255).
- 10.9 YRC Worldwide Inc. Executive Severance Policy (incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K, filed on July 25, 2006, File No. 000-12255).
- 10.10 Yellow Corporation 1996 Stock Option Plan (incorporated by reference to Exhibit 10.6 to the Annual Report on Form 10-K for the year ended December 31, 2002, Reg. No. 000-12255).
- 10.11 Yellow Corporation 1997 Stock Option Plan (incorporated by reference to Exhibit 10.11 to the Annual Report on Form 10-K for the year ended December 31, 2004, Reg. No. 000-12255).
- 10.12 Yellow Corporation 1999 Stock Option Plan (incorporated by reference to Exhibit 4 to the Registration Statement on Form S-8, filed on November 9, 2000, File No. 333-49620).
- 10.13 Yellow Corporation 2002 Stock Option and Share Award Plan (incorporated by reference to Exhibit 4 to the Registration Statement on Form S-8, filed on May 15, 2002, File No. 333-88268).
- 10.14 Form of Stock Option Agreement (incorporated by reference to Exhibit 10.8 to Annual Report on Form 10-K for the year ended December 31, 2002, File No. 000-12255).
- 10.15 Yellow Roadway Corporation 2004 Long-Term Incentive and Equity Award Plan (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed on May 19, 2008, File No. 000-12255).
- 10.16 Form of Share Unit Agreement. (incorporated by reference to Exhibit 10.18 to the Annual Report on Form 10-K for the year ended December 31, 2007, File No. 000-12255).
- 10.17 Form of Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed on May 19, 2008, File No. 000-12255).
- 10.18 YRC Worldwide Inc. Long-Term Incentive Plan. (incorporated by reference to Exhibit 10.19 to the Annual Report on Form 10-K for the year ended December 31, 2007, File No. 000-12255).
- 10.19 YRC Worldwide Inc. Annual Incentive Bonus Program (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, filed on May 23, 2007, File No. 000-12255).

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- 10.20.1 YRC Worldwide Inc. Supplemental Executive Pension Plan (Effective January 1, 2005) (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed on July 25, 2006, File No. 000-12255).
- 10.20.2 Amendment to YRC Worldwide Inc. Supplemental Executive Pension Plan (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K, filed on July 8, 2008, File No. 000-12255).
- 10.21.1 YRC Worldwide Inc. Defined Contribution Supplemental Executive Retirement Plan (Effective January 1, 2005) (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, filed on July 25, 2006, File No. 000-12255).
- 10.21.2* Amendment to YRC Worldwide Inc. Defined Contribution Supplemental Executive Retirement Plan.
- 10.22.1 Yellow Corporation Pension Plan, amended and restated as of January 1, 2004 (incorporated by reference to Exhibit 10.28 to Annual Report on Form 10-K for the year ended December 31, 2003, File No. 000-12255).
- 10.22.2 Amendment No. 1 to Yellow Corporation Pension Plan, as amended and restated as of January 1, 2004 (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, File No. 000-12255).
- 10.22.3 Amendment No. 2 to Yellow Corporation Pension Plan, as amended and restated as of January 1, 2004 (incorporated by reference to Exhibit 10.26 to Annual Report on Form 10-K for the year ended December 31, 2005, File No. 000-12255).
- 10.22.4 Amendment No. 3 to Yellow Corporation Pension Plan, as amended and restated as of January 1, 2004 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, filed on July 8, 2008, File No. 000-12255).
- 10.22.5* Amendment No. 4 to Yellow Corporation Pension Plan, as amended and restated as of January 1, 2004.
- 10.23 YRC Worldwide Inc. Non-Union Employee Option Plan (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K, filed on January 6, 2009, File No. 000-12255).
- 10.24 YRC Worldwide Inc. Non-Union Employee Stock Appreciation Right Plan (incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K, filed on January 6, 2009, File No. 000-12255).
- 10.25* YRC Worldwide Inc. Union Employee Option Plan.
- 10.26* YRC Worldwide Inc. Union Employee Stock Appreciation Right Plan.
- 21.1* Subsidiaries of the Company
- 23.1* Consent of KPMG LLP, Independent Registered Public Accounting Firm
- 31.1* Certification of William D. Zollars pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2* Certification Timothy A. Wicks pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1* Certification William D. Zollars pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2* Certification Timothy A. Wicks pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Indicates documents filed herewith.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

YRC Worldwide Inc.:

Under date of March 2, 2009 we reported on the consolidated balance sheets of YRC Worldwide Inc. and subsidiaries (the Company) as of December 31, 2008 and 2007, and the related consolidated statements of operations, cash flows, shareholders' equity and comprehensive income (loss) for each of the years in the three-year period ended December 31, 2008, which are included in this annual report on Form 10-K of YRC Worldwide Inc. for the fiscal year ended December 31, 2008. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule of valuation and qualifying accounts (Schedule II). This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 9 to the consolidated financial statements, on January 1, 2007 the Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*.

/s/ KPMG LLP

Kansas City, Missouri

March 2, 2009

YRC Worldwide Inc. and Subsidiaries
 Valuation and Qualifying Accounts
 For the Years Ended December 31, 2008, 2007 and 2006,

COL. A	COL. B	COL. C		COL. D	COL. E
Description	Balance, Beginning Of Year	Additions		Deductions ^(a)	Balance, End Of Year
		-1- Charged To Costs/ Expenses	-2- Charged To Other Accounts		
(in millions)					
Year ended December 31, 2008:					
Deducted from asset account - Allowance for uncollectible accounts	\$ 34.9	\$ 36.7	\$ —	\$ (39.6)	\$ 32.0
Added to liability account - Claims and insurance accruals	\$ 478.3	\$ 298.0	\$ —	\$ (280.6)	\$ 495.7
Year ended December 31, 2007:					
Deducted from asset account - Allowance for uncollectible accounts	\$ 35.7	\$ 31.5	\$ —	\$ (32.3)	\$ 34.9
Added to liability account - Claims and insurance accruals	\$ 504.4	\$ 297.8	\$ —	\$ (323.9)	\$ 478.3
Year ended December 31, 2006:					
Deducted from asset account - Allowance for uncollectible accounts	\$ 32.0	\$ 39.2	\$ —	\$ (35.5)	\$ 35.7
Added to liability account - Claims and insurance accruals	\$ 499.9	\$ 344.8	\$ 7.5	\$ (347.8)	\$ 504.4

(a) Regarding the allowance for uncollectible accounts, amounts primarily relate to uncollectible accounts written off, net of recoveries. For the claims and insurance accruals, amounts primarily relate to payments of claims and insurance.

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Signatures

Pursuant to the requirements of Section 13 or 15(d) 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.

YRC Worldwide Inc.

BY: /s/ William D. Zollars
William D. Zollars
Chairman of the Board of Directors, President
& Chief Executive Officer

March 2, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>/s/ William D. Zollars</u> William D. Zollars	Chairman of the Board of Directors, President and Chief Executive Officer	March 2, 2009
<u>/s/ Timothy A. Wicks</u> Timothy A. Wicks	Executive Vice President & Chief Financial Officer	March 2, 2009
<u>/s/ Paul F. Liljegren</u> Paul F. Liljegren	Vice President, Controller & Chief Accounting Officer	March 2, 2009
<u>/s/ Michael T. Byrnes</u> Michael T. Byrnes	Director	March 2, 2009
<u>/s/ Cassandra C. Carr</u> Cassandra C. Carr	Director	March 2, 2009
<u>/s/ Howard M. Dean</u> Howard M. Dean	Director	March 2, 2009
<u>/s/ Dennis E. Foster</u> Dennis E. Foster	Director	March 2, 2009
<u>/s/ John C. McKelvey</u> John C. McKelvey	Director	March 2, 2009
<u>/s/ Phillip J. Meek</u> Phillip J. Meek	Director	March 2, 2009
<u>/s/ Mark A. Schulz</u> Mark A. Schulz	Director	March 2, 2009
<u>/s/ William L. Trubeck</u> William L. Trubeck	Director	March 2, 2009
<u>/s/ Carl W. Vogt</u> Carl W. Vogt	Director	March 2, 2009

WAIVER AND AMENDMENT NO. 2

Dated as of February 12, 2009

to

CREDIT AGREEMENT

Dated as of August 17, 2007

THIS WAIVER AND AMENDMENT NO. 2 ("Amendment") is made as of February 12, 2009 by and among YRC Worldwide Inc. (the "Company"), the Canadian Borrower and the UK Borrower (together with the Company, the "Borrowers"), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, National Association, as Administrative Agent (the "Administrative Agent"), under that certain Credit Agreement dated as of August 17, 2007 by and among the Borrowers from time to time party thereto, the Lenders and the Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Reference is made to that certain Waiver No. 1 to the Credit Agreement, dated as of January 15, 2009, by and among the Borrowers, certain of the Lenders and the Administrative Agent (the "Waiver"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement or the Waiver, as applicable.

WHEREAS, the Company has requested that the Lenders and the Administrative Agent agree to certain waivers in respect of and amendments to the Credit Agreement; and

WHEREAS, the Lenders party hereto and the Administrative Agent have agreed to such waivers and amendments on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrowers, the Lenders party hereto and the Administrative Agent have agreed to enter into this Amendment.

1. Waiver.

(a) The Company has requested that the Lenders waive any Default or Event of Default arising under clause (d) of Article VII of the Credit Agreement as a result of the Loan Parties' failure to comply with the negative covenants set forth in Section 6.02 of the Credit Agreement by virtue of Liens granted in respect of those certain secured intercompany notes identified on Annex F hereto (the "Lien Covenant Default").

(b) The Company has requested that the Lenders waive any Default or Event of Default which has arisen or may arise under clause (c) of Article VII of the Credit Agreement as a result of representations or warranties made or deemed made by or on behalf of any Borrower or any Subsidiary in connection with any Loan Document or in any report, certificate or other document furnished pursuant to or in connection with any Loan Document proving to have been incorrect in any material respect when made or deemed made solely as a result of the Lien Covenant Default and/or the Lien Covenant Cross Default (as defined below) (such failure, the "Additional Representation Default").

(c) The Company has requested that the Lenders waive any Default or Event of Default arising under clause (g) of Article VII of the Credit Agreement as a result of the existence of a Servicer Default (as defined in the Yellow Receivables Facility) arising solely as a result of the Lien Covenant Default and/or the Additional Representation Default (such cross default, the "Lien Covenant Cross Default").

(d) Effective as of the date of satisfaction or waiver of the conditions precedent set forth in Section 3 below, the Lenders party hereto hereby: (i) waive the "Specified Defaults" (as defined in the Waiver), the Lien Covenant Default, the Additional Representation Default and the Lien Covenant Cross Default and (ii) agree to the "Specified Prepayment Waiver" and the "Representation Waivers" (in each case, as defined in the Waiver).

(e) Pursuant to the provisions of Section 11.02 of the Credit Agreement, except as set forth herein, no failure or delay by any Agent, any Issuing Bank or any Lender in exercising any right or power under the Credit Agreement or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Banks and the Lenders under the Credit Agreement and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 11.02(b) of the Credit Agreement, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan, acceptance of a Draft or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

2. Amendments to Credit Agreement. Effective as of the date of satisfaction or waiver of the conditions precedent set forth in Section 3 below, the Credit Agreement is hereby amended as follows:

(a) The Credit Agreement is hereby amended to incorporate the blacklined changes shown on the marked copy of the Credit Agreement attached hereto as Annex A.

(b) Schedule 6.02 to the Credit Agreement is hereby deleted in its entirety and replaced with Schedule 6.02 attached hereto as Annex B.

(c) A new Schedule 6.01 is hereby added to the Credit Agreement as set forth on Annex C hereto.

(d) A new Schedule 6.07(d) is hereby added to the Credit Agreement as set forth on Annex D hereto

(e) A new Schedule 6.13 is hereby added to the Credit Agreement as set forth on Annex E hereto.

3. Conditions of Effectiveness. The effectiveness of this Amendment is subject to the conditions precedent that (a) the Administrative Agent shall have received (i) counterparts of this Amendment duly executed by the Borrowers, the Required Lenders and the Administrative Agent, (ii) the Consent and Reaffirmation attached hereto duly executed by the Subsidiary Guarantors, (iii) evidence reasonably satisfactory to it that, on or prior to the date hereof, the maturity of the Yellow Receivables

Facility has been extended to February 1, 2010 or beyond and (iv) those documents, instruments and legal opinions as are set forth in Section 4.03 of the amended Credit Agreement attached as Annex A hereto, (b) the Company shall have paid all fees and invoiced, reasonable, out-of-pocket expenses of the Administrative Agent (including, to the extent invoiced, reasonable attorneys' fees and expenses) in connection with this Amendment and the other Loan Documents and (c) the Administrative Agent shall have received for the account of each Lender which delivers its executed signature page hereto by such time as is requested by the Administrative Agent, an amendment fee equal to 0.75% of such Lender's Revolving Commitment and the amount of such Lender's outstanding Term Loans.

4. Representations and Warranties of the Borrowers. Each Borrower hereby represents and warrants as follows:

(a) This Amendment and the Credit Agreement, as amended hereby, constitute legal, valid and binding obligations of such Borrower and are enforceable against such Borrower in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) As of the date hereof after giving effect to the terms of this Amendment, (i) no Default shall have occurred and be continuing and (ii) the representations and warranties of the Borrowers set forth in the Credit Agreement, as amended hereby, are true and correct in all material respects on and as of the date hereof, 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 shall have been true and correct in all material respects on and as of such earlier date.

5. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Except as specifically amended above, the Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) Except as specified above, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

6. Perfection of Additional Collateral. The parties hereto acknowledge that perfection of the Collateral Agent's Lien in certain Collateral, including, without limitation, real property and improvements thereto, tractors, trailers and other rolling stock, is ongoing, but the Company and the Loan Parties continue to execute such documents, agreements and instruments in connection therewith in accordance with Section 5.10 of the Credit Agreement (as amended by the Amendment) and the other Loan Documents. To the extent that any release of Collateral pursuant to the Specified Sale and Leaseback Transaction and any other Asset Sale consummated between the date hereof and July 15, 2009 diminishes the value of Collateral, the Company agrees that any perfection of Liens described in the preceding sentence that occurs between the date hereof and July 15, 2009 shall be considered to have occurred substantially contemporaneously with any release of Collateral pursuant to the Specified Sale and Leaseback Transaction and any other Asset Sale consummated between the date hereof and July 15, 2009 that diminishes the value of the Collateral.

7. Release. In further consideration of the execution by the Administrative Agent and the Lenders of this Amendment, to the extent permitted by applicable law, the Company, on behalf of itself and each of its Subsidiaries, and all of the successors and assigns of each of the foregoing (collectively, the “Releasors”), hereby completely, voluntarily, knowingly, and unconditionally releases and forever discharges the Collateral Agent, the Administrative Agent, each of the Lenders, each of their advisors, professionals and employees, each affiliate of the foregoing and all of their respective permitted successors and assigns (collectively, the “Releasees”), from any and all claims, actions, suits, and other liabilities, including, without limitation, any so-called “lender liability” claims or defenses (collectively, “Claims”), whether arising in law or in equity, which any of the Releasors ever had, now has or hereinafter can, shall or may have against any of the Releasees for, upon or by reason of any matter, cause or thing whatsoever from time to time occurred on or prior to the date hereof, in any way concerning, relating to, or arising from (i) any of the Transactions, (ii) the Secured Obligations, (iii) the Collateral, (iv) the Credit Agreement or any of the other Loan Documents, (v) the financial condition, business operations, business plans, prospects or creditworthiness of the Borrowers, and (vi) the negotiation, documentation and execution of this Amendment and any documents relating hereto except for Claims determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Releasee (or any of its Related Parties). The Releasors hereby acknowledge that they have been advised by legal counsel of the meaning and consequences of this release.

8. Consent to Amendment to Subsidiary Guarantee Agreement. Each Lender a party hereto hereby consents to the Administrative Agent executing the Amended and Restated Subsidiary Guarantee Agreement dated as of even date herewith.

9. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

10. 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.

11. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

YRC WORLDWIDE INC., as the Company

By: /s/ Timothy A. Wicks
Name: Timothy A. Wicks
Title: Executive Vice President and Chief Financial Officer

REIMER EXPRESS LINES LTD./REIMER EXPRESS LTEE,
as a Canadian Borrower

By: /s/ Kenneth P. Bowman
Name: Kenneth P. Bowman
Title: Vice President - Finance

YRC LOGISTICS LIMITED, as a UK Borrower

By: /s/ Darren Williams
Name: Darren Williams
Title: Director

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as
Administrative Agent, as a US Tranche Lender and as US
Tranche Swingline Lender

By: /s/ Robert P. Kellas
Name: Robert P. Kellas
Title: Executive Director

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
TORONTO BRANCH, as Canadian Agent, as a Canadian
Tranche Lender and as Canadian Tranche Swingline Lender

By: /s/ Drew McDonald
Name: Drew McDonald
Title: Executive Director

Signature Page to Waiver and Amendment No. 2
YRC Worldwide Inc. et al
Credit Agreement dated as of August 17, 2007

J.P. MORGAN EUROPE LIMITED, as UK Agent

By: /s/ Ching Loh
Name: Ching Loh
Title: Associate

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
LONDON BRANCH, as a UK Tranche Lender and as
UK Tranche Swingline Lender

By: /s Robert P. Kellas
Name: Robert P. Kellas
Title: Executive Director

BANK OF AMERICA, N.A., as a Syndication Agent and as a
US Tranche Lender

By: /s/ F. A. Zagar
Name: F. A. Zagar
Title: Senior Vice President

BANK OF AMERICA, N.A. (CANADA BRANCH), as a
Canadian Tranche Lender

By: /s/ Medina Sales de Andrade
Name: Medina Sales de Andrade
Title: Vice President

BANK OF AMERICA, N.A., as Successor by Merger to
LASALLE BANK NATIONAL ASSOCIATION, as a US
Tranche Lender

By: /s/ F. A. Zagar
Name: F. A. Zagar
Title: Senior Vice President

Signature Page to Waiver and Amendment No. 2
YRC Worldwide Inc. et al
Credit Agreement dated as of August 17, 2007

SUNTRUST BANK, as a Syndication Agent and as a US
Tranche Lender

By: /s/ Kip Hurd
Name: Kip Hurd
Title: First Vice President

US BANK NATIONAL ASSOCIATION, as a Documentation
Agent, as a US Tranche Lender and as a Canadian Tranche
Lender

By: /s/ David Kopolow
Name: David Kopolow
Title: SVP

WACHOVIA BANK, NATIONAL ASSOCIATION, as a
Documentation Agent, as a US Tranche Lender and as a UK
Tranche Lender

By: /s/ Andrew Payne
Name: Andrew Payne
Title: Director

THE BANK OF TOKYO-MITSUBISHI UFJ TRUST
COMPANY, as a Documentation Agent and as a US Tranche
Lender

By: /s/ David Noda
Name: David Noda
Title: VP and Manager

LASALLE BANK NATIONAL ASSOCIATION, as a US
Tranche Lender

By: _____
Name:
Title:

THE ROYAL BANK OF SCOTLAND plc, as a US Tranche
Lender and as a UK Tranche Lender

By: /s/ Angela Realby
Name: Angela Realby
Title: Managing Director

BMO CAPITAL MARKETS FINANCING, INC.,
as a US Tranche Lender

By: /s/ Jason M. Clary
Name: Jason M. Clary
Title: Vice President

BANK OF MONTREAL, as a Canadian Tranche Lender

By: /s/ Lawrence A. Mizera
Name: Lawrence A. Mizera
Title: Managing Director

SUMITOMO MITSUI BANKING CORPORATION, as a US
Tranche Lender

By: /s/ Leo E. Pagarigan
Name: Leo E. Pagarigan
Title: General Manager

UMB BANK, n.a., as a US Tranche Lender

By: /s/ David A. Proffitt
Name: David A. Proffitt
Title: Senior Vice President

Signature Page to Waiver and Amendment No. 2
YRC Worldwide Inc. et al
Credit Agreement dated as of August 17, 2007

TAIWAN BUSINESS BANK, as a US Tranche Lender

By: _____

Name:

Title:

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD., NEW YORK
BRANCH, as a US Tranche Lender

By: /s/ Tsang-Poi Hsu

Name: Tsang-Poi Hsu

Title: VP and Deputy General Manager

TAIPEI FUBON COMMERCIAL BANK, NEW YORK AGENCY, as a US
Tranche Lender

By: /s/ Michael Tan

Name: Michael Tan

Title: VP and General Manager

HUA NAN COMMERCIAL BANK, LTD., LOS ANGELES BRANCH, as a US
Tranche Lender

By: /s/ Oliver C. H. Hsu

Name: Oliver C. H. Hsu

Title: VP and General Manager

HUA NAN COMMERCIAL BANK, LTD., NEW YORK AGENCY, as a US
Tranche Lender

By: /s/ Henry Hsieh

Name: Henry Hsieh

Title: Assistant Vice President

Signature Page to Waiver and Amendment No. 2

YRC Worldwide Inc. et al

Credit Agreement dated as of August 17, 2007

BANK OF COMMUNICATIONS CO., LTD., NEW YORK
BRANCH, as a US Tranche Lender

By: /s/ Shelley He
Name: Shelley He
Title: Deputy General Manager

CHANG HWA COMMERCIAL BANK, LTD., NEW YORK
BRANCH, as a US Tranche Lender

By: _____
Name:
Title:

FIRST COMMERCIAL BANK, LOS ANGELES BRANCH,
as a US Tranche Lender

By: _____
Name:
Title:

Signature Page to Waiver and Amendment No. 2
YRC Worldwide Inc. et al
Credit Agreement dated as of August 17, 2007

CONSENT AND REAFFIRMATION

Each of the undersigned hereby acknowledges receipt of a copy of the foregoing Waiver and Amendment No. 2 to the Credit Agreement dated as of August 17, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") by and among YRC Worldwide Inc. (the "Company"), the Canadian Borrower and the UK Borrower from time to time party thereto (together with the Company, the "Borrowers"), the financial institutions from time to time party thereto (the "Lenders") and JPMorgan Chase Bank, National Association, as Administrative Agent (the "Administrative Agent"), which Waiver and Amendment No. 2 is dated as of February 12, 2009 (the "Amendment"). Capitalized terms used in this Consent and Reaffirmation and not defined herein shall have the meanings given to them in the Credit Agreement. Without in any way establishing a course of dealing by the Administrative Agent or any Lender, each of the undersigned consents to the Amendment and reaffirms the terms and conditions of the Subsidiary Guarantee Agreement, the Security Agreement and any other Loan Document executed by it and acknowledges and agrees that such Subsidiary Guarantee Agreement, the Security Agreement and each and every such Loan Document executed by the undersigned in connection with the Credit Agreement remains in full force and effect and is hereby reaffirmed, ratified and confirmed. All references to the Credit Agreement contained in the above referenced documents shall be a reference to the Credit Agreement as so modified by the Amendment and as the same may from time to time hereafter be amended, modified or restated.

Dated: February 12, 2009

[Signature Pages Follows]

EXPRESS LANE SERVICE, INC.

By: /s/ Phil J. Gaines
Name: Phil J. Gaines
Title: Senior Vice President and Chief Financial Officer

GLOBE.COM LINES, INC.

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

IMUA HANDLING CORPORATION

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

NEW PENN MOTOR EXPRESS, INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President - Finance

ROADWAY EXPRESS INTERNATIONAL, INC.

By: /s/ Kenneth P. Bowman
Name: Kenneth P. Bowman
Title: Vice President - Finance and Administration

ROADWAY LLC

By: /s/ Kenneth P. Bowman
Name: Kenneth P. Bowman
Title: Vice President - Finance

ROADWAY NEXT DAY CORPORATION

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President - Finance

ROADWAY REVERSE LOGISTICS, INC.

By: /s/ Kenneth P. Bowman
Name: Kenneth P. Bowman
Title: Vice President - Finance

USF BESTWAY INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF CANADA INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF DUGAN INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF GLEN MOORE INC.

By: /s/ Kenneth P. Bowman
Name: Kenneth P. Bowman
Title: Vice President - Finance

USF HOLLAND INC.

By: /s/ Daniel L. Olivier
Name: Daniel L. Olivier
Title: Vice President - Finance

USF LOGISTICS (MEXICO) INC.

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

USF LOGISTICS SERVICES (PUERTO RICO) INC.

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

USF MEXICO INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF REDSTAR LLC

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF REDDAWAY INC.

By: /s/ Thomas S. Palmer
Name: Thomas S. Palmer
Title: Vice President - Finance and Chief Financial Officer

USF SALES CORPORATION

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF TECHNOLOGY SERVICES INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USFREIGHTWAYS CORPORATION

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

YRC ASSOCIATION SOLUTIONS, INC.

By: /s/ Phil J. Gaines
Name: Phil J. Gaines
Title: Senior Vice President and Chief Financial Officer

YRC ENTERPRISE SOLUTIONS GROUP INC.

By: /s/ Terry Gerrond
Name: Terry Gerrond
Title: Vice President - Tax

YRC INC.

By: /s/ Phil J. Gaines
Name: Phil J. Gaines
Title: Senior Vice President and Chief Financial Officer

YRC INTERNATIONAL INVESTMENTS, INC.

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

YRC LOGISTICS GLOBAL, LLC

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

YRC LOGISTICS SERVICES, INC.

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

YRC LOGISTICS, INC.

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

YRC MORTGAGES, LLC

By: /s/ Christina E. Wise
Name: Christina E. Wise
Title: President

YRC NORTH AMERICAN TRANSPORTATION, INC.

By: /s/ Phil J. Gaines
Name: Phil J. Gaines
Title: Senior Vice President and Chief Financial Officer

YRC REGIONAL TRANSPORTATION, INC.

By: /s/ Paul F. Liljegen
Name: Paul F. Liljegen
Title: Vice President - Finance

YRC WORLDWIDE TECHNOLOGIES, INC.

By: /s/ Christina E. Wise
Name: Christina E. Wise
Title: Treasurer



CREDIT AGREEMENT

dated as of August 17, 2007

among

YRC WORLDWIDE INC.,

The CANADIAN BORROWERS and UK BORROWERS Parties Hereto,

The Lenders Party Hereto,

BANK OF AMERICA, N.A.
SUNTRUST BANK,
as Syndication Agents,

US BANK NATIONAL ASSOCIATION
WACHOVIA BANK, NATIONAL ASSOCIATION
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., CHICAGO BRANCH,
as Documentation Agents,

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, TORONTO BRANCH,
as Canadian Agent,

J.P. MORGAN EUROPE LIMITED,
as UK Agent,

and

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
as Administrative Agent

J.P. MORGAN SECURITIES INC.,
as Sole Bookrunner and Sole Lead Arranger

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Schedule 1.01B	— Mandatory Cost Formulae
Schedule 2.01	— Lenders and Commitments
Schedule 2.06	— Existing Letters of Credit
Schedule 2.19	— Payment Instructions
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<u>Schedule 6.01</u>	<u>— Existing Indebtedness</u>
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<u>Schedule 6.13</u>	<u>— Existing Investments</u>

EXHIBITS:

Exhibit A	— Form of Assignment and Assumption
Exhibit B-1	— Form of Borrowing Subsidiary Agreement <u>[Intentionally Omitted]</u>
Exhibit B-2	— Form of Borrowing Subsidiary Termination
Exhibit C	— Form of Issuing Bank Agreement
Exhibit D	— Form of <u>Amended and Restated</u> Subsidiary Guarantee Agreement
Exhibit E	— List of Closing Documents

CREDIT AGREEMENT dated as of August 17, 2007 among YRC WORLDWIDE INC., a Delaware corporation (the "Company"), the CANADIAN BORROWERS (as defined below), the UK BORROWERS (as defined below), the LENDERS party hereto, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, TORONTO BRANCH, as Canadian Agent, J.P. MORGAN EUROPE LIMITED, as UK Agent, and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as Administrative Agent.

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acceptance" means a Draft issued by a Canadian Borrower and accepted by a Canadian Tranche Lender pursuant to this Agreement.

"Acceptance Proceeds" means the cash proceeds derived from the sale of a specified Acceptance before deduction of the Stamping Fee.

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Company or any of its Subsidiaries (a) acquires any going business or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage or voting power) of the outstanding ownership interests of a partnership or limited liability company.

"Adjusted LIBO Rate" means, with respect to any Eurocurrency Borrowing for any Interest Period (including, for the avoidance of doubt, any Interest Period in effect on the Amendment No. 2 Effective Date), an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the greater of (i) the LIBO Rate for such Interest Period and (ii) 3.50%, multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" means JPMorgan Chase Bank, National Association, in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agents” means, collectively, the Administrative Agent, the Canadian Agent and the UK Agent.

“Aggregate Available Commitments” means the sum of (a) the Canadian Tranche Available Commitment, plus (b) UK Tranche Available Commitment, plus (c) US Tranche Available Revolving Commitment.

“Agreement” means this Credit Agreement, as the same may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% ~~and~~, (c) the Federal Funds Effective Rate in effect on such day plus ^{1/2} of 1% ~~and~~ (d) the Adjusted LIBO Rate for a one month Interest Period in effect on such day (or if such day is not a Business Day, the immediately preceding Business Day), plus 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Base CD Rate ~~or~~, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Base CD Rate ~~or~~, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

“Alternative Currency” means any currency other than US Dollars that is freely available, freely transferable and freely convertible into US Dollars and in which dealings in deposits are carried on in the London interbank market, provided that at the time of the issuance, amendment, renewal or extension of any Letter of Credit denominated in a currency other than US Dollars, Euro, Pounds Sterling and Canadian Dollars, such other currency is reasonably acceptable to the Administrative Agent and the Issuing Bank in respect of such Letter of Credit.

“Alternative Currency LC Exposure” means, at any time, the sum of (a) the US Dollar Equivalent of the aggregate undrawn and unexpired amount of all outstanding Alternative Currency Letters of Credit at such time plus (b) the US Dollar Equivalent of the aggregate principal amount of all LC Disbursements in respect of Alternative Currency Letters of Credit that have not yet been reimbursed at such time.

“Alternative Currency Letter of Credit” means a Letter of Credit denominated in an Alternative Currency.

“Amendment No. 1” means Amendment No. 1 to this Agreement, dated as of April 18, 2008, by and among the Borrowers, the Lenders party thereto and the Administrative Agent.

“Amendment No. 1 Effective Date” means April 18, 2008.

“Amendment No. 2” means Waiver and Amendment No. 2 to this Agreement, dated as of February 12, 2009, by and among the Borrowers, the Lenders party thereto and the Administrative Agent.

“Amendment No. 2 Effective Date” means February 12, 2009.

“Amendment No. 2 Projections” means the projections dated as of February 10, 2009 provided by the Company to the Lenders on or prior to the Amendment No. 2 Effective Date.

“Applicable Agent” means (a) with respect to a Loan or Borrowing denominated in US Dollars, and with respect to any payment hereunder that does not relate to a particular Loan or Borrowing, the Administrative Agent, (b) with respect to a Loan or Borrowing denominated in Canadian Dollars, the Canadian Agent, and (c) with respect to a Loan or Borrowing denominated in Pounds Sterling or Euro, the UK Agent.

“Applicable Prepayment Percentage” means:

(a) with respect to any Asset Sale described in clause (a) of the definition of “Prepayment Event” the Net Cash Proceeds of which, together with the aggregate amount of Net Cash Proceeds from all such Asset Sales occurring on or after January 1, 2009 (i) is less than or equal to \$300,000,000, 50%, (ii) is greater than \$300,000,000 but less than or equal to \$500,000,000, 75% and (iii) is greater than \$500,000,000, 100%;

(b) with respect to any Asset Sale described in clause (b) of the definition of “Prepayment Event”, 75%;

(c) with respect to any event described in clause (c) of the definition of “Prepayment Event”, 50%; and

(d) with respect to any event described in clause (d) of the definition of “Prepayment Event”, 100%.

“Applicable Rate” means, for any day on and after the Amendment No. 2 Effective Date, with respect to any Eurocurrency Revolving Loan, Eurocurrency Term Loan, ABR Loan or with respect to the ~~facility commitment~~ fees payable hereunder, or with respect to any Letter of Credit participation fee under Section 2.13(b), as the case may be, the applicable rate per annum set forth below under the caption “Eurocurrency Spread for Eurocurrency Revolving Loans”, “Eurocurrency Spread for Eurocurrency Term Loans”, “Stamping Fee Rate”, “~~Facility Commitment~~ Fee Rate”, “~~ABR Spread for Revolving Loans~~” or “~~ABR Spread for Term Loans~~”, as the case may be, based upon the ratings by Moody’s, S&P and Fitch, respectively, applicable on such date to the Index Debt:

<u>Index Debt Ratings:</u>	<u>Eurocurrency Spread for Eurocurrency Revolving Loans</u>	<u>Eurocurrency Spread for Eurocurrency Term Loans</u>	<u>Stamping Fee Rate</u>	<u>Facility Commitment Fee Rate</u>	<u>ABR Spread for Revolving Loans</u>	<u>ABR Spread for Term Loans</u>
Category 1 Baa2 by Moody’s, BBB by S&P or BBB by Fitch or better	0.60%	0.75%	0.60%	0.15%		0%
Category 2 Baa3 by Moody’s, BBB by S&P or BBB by Fitch	0.80%	1.00%	0.70%	0.20%		0%
Category 3 Ba1 by Moody’s, BB+ by S&P or BB+ by Fitch	1.00%	1.25%	1.00%	0.25%		0%
Category 4 Ba2 by Moody’s, BB by S&P or BB by Fitch	1.20%	1.50%	1.20%	0.30%		0.25%
Category 5 Ba3 by Moody’s, BB by S&P or BB by Fitch or lower	1.606.50%	2.006.50%	1.606.50%	0.401.00%	5.50%	0.755.50%

For purposes of the foregoing, (i) if Moody's, S&P or Fitch shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this paragraph), then such rating agency shall be deemed to have established a rating in Category 5; (ii) if two ratings fall within the same Category and the other rating falls within a different Category than the Category of the two same ratings, the Applicable Rate shall be determined by reference to the Category of the two same ratings; (iii) if each of the ratings fall within different Categories, the Applicable Rate shall be determined based on the Category of the middle rating; and (iv) if the ratings established or deemed to have been established by Moody's, S&P or Fitch for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody's, S&P or Fitch), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Company to the Administrative Agent and the Lenders pursuant to the terms of Section 5.01 or otherwise. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's, S&P or Fitch shall change, or if any such rating agency shall cease to be in the business of rating corporate debt obligations, the Company and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

"Approved Fund" has the meaning assigned to such term in Section 11.04.

"Assessment Rate" means, for any day, the annual assessment rate in effect on such day that is payable by a member of the Bank Insurance Fund classified as "well-capitalized" and within supervisory subgroup "B" (or a comparable successor risk classification) within the meaning of 12 C.F.R. Part 327 (or any successor provision) to the Federal Deposit Insurance Corporation for insurance by such Corporation of time deposits made in US Dollars at the offices of such member in the United States; provided that if, as a result of any change in any law, rule or regulation, it is no longer possible to determine the Assessment Rate as aforesaid, then the Assessment Rate shall be such annual rate as shall be determined by the Administrative Agent to be representative of the cost of such insurance to the Lenders.

"Asset Sale" means any sale, transfer or other disposition by the Company or any of its Subsidiaries to any Person (including by way of redemption by such Person) of any asset (including, without limitation, any capital stock or other securities of, or equity interests in, another Person) other than (a) sales of inventory for fair value in the ordinary course of business, (b) sales ~~or other dispositions of obsolete, uneconomic or worn-out assets (including trucks, tractors, tires, trailers or terminals and related equipment and real property and related fixtures)~~ in the ordinary course of business, (c) sales by the Company or any Subsidiary of Receivables or any interest therein under Permitted Receivables Facilities, ~~(d) sales or other dispositions of assets by the Company or a Subsidiary to the Company or a~~

~~Wholly Owned Subsidiary, and (e)(i) the Company or a Domestic Subsidiary to a Domestic Loan Party or (ii) any Foreign Subsidiary to the Company or any of its Subsidiaries, and (d) nonexclusive licenses of patents, copyrights, trademarks, trade secrets and other intellectual property to an Affiliate of the Company.~~

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 11.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Attributable Debt” means, as of any date of determination thereof, the net present value (discounted according to GAAP at the cost of debt implied in the lease) of the obligations of the lessee for rental payments during the then remaining term of any applicable lease in connection with a Sale and Leaseback Transaction.

“Attributable Receivables Indebtedness” at any time means the principal amount of Indebtedness which (i) if a Permitted Receivables Facility is structured as a secured lending agreement, constitutes the principal amount of such Indebtedness or (ii) if a Permitted Receivables Facility is structured as a purchase agreement, would be outstanding at such time under the Permitted Receivables Facility if the same were structured as a secured lending agreement rather than a purchase agreement.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Revolving Commitments.

“Banking Services” means each and any of the following bank services provided to the Company or any Subsidiary by any Lender or any of its Affiliates: (a) commercial credit cards, (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

“Banking Services Agreement” means any agreement entered into by the Company or any Subsidiary in connection with Banking Services.

“Banking Services Obligations” means any and all obligations of the Company or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

“Base CD Rate” means the sum of (a) the Three-Month Secondary CD Rate multiplied by the Statutory Reserve Rate plus (b) the Assessment Rate.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“BofA Lease” means that certain Master Equipment Lease Agreement, dated as of August 6, 2001, by and among Banc of America Leasing & Capital, LLC, any other lessors or creditors thereunder from time to time party thereto and certain of the Loan Parties, including all exhibits, schedules, annexes and assignments in respect thereof, as the same may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

“Borrower” means the Company, any Canadian Borrower or any UK Borrower, and “Borrowers” means all of the foregoing.

“Borrowing” means Loans (including one or more Swingline Loans) of the same Class, Type and currency, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect, or Acceptances issued on the same date and having the same maturity date.

“Borrowing Minimum” means (a) in the case of a Borrowing (other than ABR Revolving Loans and Swingline Loans) denominated in US Dollars, \$1,000,000, (b) in the case of an ABR Revolving Loan, \$1,000,000, (c) in the case of a Borrowing (other than Swingline Loans) denominated in Canadian Dollars, C\$1,000,000, (d) in the case of a Borrowing (other than Swingline Loans) denominated in Pounds Sterling, £500,000, (e) in the case of a Borrowing (other than Swingline Loans) denominated in Euro, €1,000,000, (f) in the case of a US Tranche Swingline Loan, \$250,000, (g) in the case of a Canadian Tranche Swingline Loan, C\$100,000, (h) in the case of a UK Tranche Swingline Loan denominated in Pounds Sterling, £100,000, and (i) in the case of a UK Tranche Swingline Loan denominated in Euro, €100,000.

“Borrowing Multiple” means (a) in the case of a Borrowing (other than Swingline Loans) denominated in US Dollars, \$1,000,000, (b) in the case of a Borrowing (other than Swingline Loans) denominated in Canadian Dollars, C\$500,000, (c) in the case of a Borrowing (other than Swingline Loans) denominated in Pounds Sterling, £500,000, (d) in the case of a Borrowing (other than Swingline Loans) denominated in Euro, €500,000, (e) in the case of a US Tranche Swingline Loan, \$50,000, (f) in the case of a Canadian Tranche Swingline Loan, C\$100,000, (g) in the case of a UK Tranche Swingline Loan denominated in Pounds Sterling, £100,000, and (h) in the case of a UK Tranche Swingline Loan denominated in Euro, €100,000.

“Borrowing Request” means a request by a Borrower for a Revolving Borrowing, a Term Loan Borrowing or a Borrowing of Acceptances in accordance with Section 2.03.

“Borrowing Subsidiary Agreement Termination” means a Borrowing Subsidiary Agreement Termination substantially in the form of ~~Exhibit B-1~~. “Borrowing Subsidiary Termination” means a Borrowing Subsidiary Termination substantially in the form of Exhibit B-2.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided, that (a) when used in connection with a Eurocurrency Loan denominated in US Dollars, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in US Dollars in the London interbank market, (b) when used in connection with a Loan denominated in Pounds Sterling, “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in Pounds Sterling in the London interbank market, (c) when used in connection with a Loan denominated in Canadian Dollars or an Acceptance, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in Canadian Dollars in Toronto and (d) when used in connection with a Loan denominated in Euro, the term “Business Day” shall also exclude (i) any day on which the TARGET payment system is not open for the settlement of payments in Euro and (ii) any day on which banks in London are authorized or required by law to remain closed.

“Calculation Period” means, in the case of any Permitted Acquisition, the Test Period most recently ended prior to the date of any such Permitted Acquisition for which financial statements are available.

“CAM” means the mechanism for the allocation and exchange of interests in Loans, participations in Letters of Credit and other extensions of credit under the several Tranches and collections thereunder established under Article IX.

“CAM Exchange” means the exchange of the Lender’s interests provided for in Article IX.

“CAM Exchange Date” means the first date on which there shall occur (a) any event referred to in clause (h) or (i) of Article VII in respect of the Company or, (b) an acceleration of Loans pursuant to Article VII or (c) an out of court restructuring of the credit facility(ies) under this Agreement which does not result in the Agents, the Lenders and the Issuing Banks receiving cash in full and final payment of the Obligations owing to them hereunder.

“CAM Percentage” means, as to each Lender, a fraction, expressed as a decimal, of which (a) the numerator shall be the aggregate US Dollar Equivalent (determined on the basis of Exchange Rates prevailing on the CAM Exchange Date) of the sum, without duplication, of (i) the Obligations owed to such Lender (whether or not at the time due and payable), (ii) the LC Exposure of such Lender and (iii) the Swingline Exposure of such Lender, in each case immediately prior to the occurrence of the CAM Exchange Date, and (b) the denominator shall be the aggregate US Dollar Equivalent (as so determined) of the sum, without duplication, of (A) the Obligations owed to all the Lenders (whether or not at the time due and payable), (B) the aggregate LC Exposures of all the Lenders and (C) the aggregate Swingline Exposures of all the Lenders, in each case immediately prior to the occurrence of the CAM Exchange Date; provided that, for purposes of clause (a) above, the Obligations owed to the Swingline Lender will be deemed not to include any Swingline Loans except to the extent provided in clause (a)(iii) above.

“Canadian Agent” means JPMorgan Chase Bank, National Association, Toronto Branch, in its capacity as Canadian administrative agent for the Canadian Tranche Lenders hereunder.

“Canadian Base Rate” means, on any day, the annual rate of interest equal to the greater of:

(a) the annual rate of interest determined by the Canadian Agent as the annual rate of interest announced from time to time by the Canadian Agent as its prime rate in effect at its principal office in Toronto on such day for determining interest rates on Canadian Dollar denominated commercial loans in Canada; and

(b) the annual rate of interest equal to the sum of (A) the CDOR BA Rate (using a maturity of one month) in effect on such day and (B) 1% per annum.

“Canadian Base Rate”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Canadian Base Rate.

“Canadian Borrower” means (i) Reimer Express Lines Ltd./Reimer Express Ltee, a corporation organized under the laws of Canada and (ii) any other Canadian Subsidiary that has been designated as such pursuant to Section 2.21 and, in each case, that has not ceased to be a Canadian Borrower as provided in such Section.

“Canadian Dollars” or “C\$” means the lawful money of Canada.

“Canadian Subsidiary” means any Subsidiary that is incorporated or otherwise organized under the laws of Canada or any province thereof.

“Canadian Tranche” means the Canadian Tranche Commitments, the Canadian Tranche Revolving Loans, the Acceptances, the Canadian Tranche LC Exposure and the Canadian Tranche Swingline Loans.

“Canadian Tranche Available Commitment” means, at any time, the aggregate Canadian Tranche Commitment then in effect minus the Canadian Tranche Exposure of all the Canadian Tranche Lenders at such time.

“Canadian Tranche Commitment” means, with respect to each Canadian Tranche Lender, the commitment of such Canadian Tranche Lender to make Canadian Tranche Revolving Loans, to accept Drafts and to acquire participations in Letters of Credit issued under the Canadian Tranche and Canadian Tranche Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Canadian Tranche Lender’s Canadian Tranche Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to ~~Section 2.09~~, ~~(b) increased from time to time pursuant to Section 2.10~~ and ~~(c) Sections 2.09 and 2.12~~ and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.04. The initial amount of each Canadian Tranche Lender’s Canadian Tranche Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which Canadian Tranche Lender shall have assumed its Canadian Tranche Commitment, as applicable. The aggregate amount of the Canadian Tranche Commitments on the date hereof is \$25,000,000.

“Canadian Tranche Exposure” means, with respect to any Canadian Tranche Lender at any time, the US Dollar Equivalent of the sum at such time, without duplication, of (a) such Lender’s Canadian Tranche Percentage of the sum of the principal amounts of the outstanding Canadian Tranche Revolving Loans and the face amounts of the outstanding Acceptances, plus (b) the aggregate amount of such Lender’s Canadian Tranche LC Exposure and Canadian Tranche Swingline Exposure at such time.

“Canadian Tranche LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit issued under the Canadian Tranche denominated in US Dollars at such time, (b) the US Dollar Equivalent of the aggregate undrawn amount of all outstanding Letters of Credit issued under the Canadian Tranche denominated in an Alternative Currency at such time and (c) the aggregate amount of all LC Disbursements in respect of Letters of Credit issued under the Canadian Tranche that have not yet been reimbursed by or on behalf of the applicable Borrower at such time. The Canadian Tranche LC Exposure of any Canadian Tranche Lender at any time shall be its Canadian Tranche Percentage of the total Canadian Tranche LC Exposure at such time.

“Canadian Tranche Lender” means a Lender with a Canadian Tranche Commitment.

“Canadian Tranche Percentage” means, with respect to any Canadian Tranche Lender, the percentage of the total Canadian Tranche Commitments represented by such Lender’s Canadian Tranche Commitment. If the Canadian Tranche Commitments have terminated or expired, the Canadian Tranche Percentages shall be determined based upon the Canadian Tranche Commitments most recently in effect, giving effect to any assignments.

“Canadian Tranche Revolving Borrowing” means a Borrowing comprised of Canadian Tranche Revolving Loans or Acceptances.

“Canadian Tranche Revolving Loan” means a Loan made by a Canadian Tranche Lender pursuant to Section 2.01(b). Each Canadian Tranche Revolving Loan made to the Company shall be denominated in US Dollars and shall be a Eurocurrency Loan or an ABR Loan, and each Canadian Tranche Revolving Loan made to a Canadian Borrower shall be denominated in Canadian Dollars and shall be a Canadian Base Rate Loan.

“Canadian Tranche Swingline Exposure” means, at any time, the aggregate principal amount of all Canadian Tranche Swingline Loans outstanding at such time. The Canadian Tranche Swingline Exposure of any Canadian Tranche Lender at any time shall be its Canadian Tranche Percentage of the total Canadian Tranche Swingline Exposure at such time.

“Canadian Tranche Swingline Lender” means JPMorgan Chase Bank, National Association, Toronto Branch, in its capacity as lender of Canadian Tranche Swingline Loans hereunder.

“Canadian Tranche Swingline Loan” means a Loan made by the Canadian Tranche Swingline Lender to a Canadian Borrower pursuant to Section 2.05.

“Capital Expenditures” means, without duplication, any expenditures for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a consolidated balance sheet of the Company and its Subsidiaries prepared in accordance with GAAP.

“Capitalized Lease Obligations” means, with respect to any Person, all rental obligations of such Person which, under GAAP, are or will be required to be capitalized on the books of such Person, in each case taken at the amount thereof accounted for as indebtedness in accordance with such principles.

“Cash Settlement Amount” means, as of any date of determination, with respect to any Indebtedness, the amount in respect thereof which is required to be repaid, settled, repurchased or otherwise satisfied in cash as of such date.

“CDOR BA Rate” means (i) with respect to any Acceptance accepted by a Schedule I Bank, the yearly rate of interest determined by the Canadian Agent to be equivalent to the average of the yields applicable to banker’s acceptances denominated in Canadian Dollars for Schedule I Banks for any specified maturity quoted on the Reuters Screen CDOR page under “Canadian Interbank Bid BA Rates” on the day of determination (or on the preceding day, if such day is not a Business Day) and (ii) with respect to any Acceptance accepted by a Canadian Tranche Lender other than a Schedule I Bank, subject to section 2.04(j), the lesser of (A) such yearly rate of interest determined as set forth under clause (i) plus 0.10% per annum and (B) the arithmetic average (as determined by the Canadian Agent) of the percentage discount rates (expressed as a decimal and rounded upward, if necessary, to the nearest 1/100 of 1%) quoted to the Canadian Agent by such non-Schedule I Bank as the percentage discount rate at which such bank would, in accordance with its normal practices, at approximately 10:00 a.m., Toronto time, on such day, be prepared to purchase bankers’ acceptances accepted by such bank having a face amount and term comparable to the face amount and term of such Acceptance. For the purposes of such pricing, the Canadian Agent shall notify the Canadian Tranche Lenders of the CDOR BA Rate applicable to them as soon as is reasonably practicable.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof), of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company; ~~or~~ (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (i) nominated by the board of directors of the Company nor (ii) appointed by directors so nominated; or (c) the Company ceases to own, directly or indirectly, and Control 100% (other than directors’ qualifying shares) of the ordinary voting and economic power of any Loan Party (except in connection with transactions otherwise permitted under this Agreement).

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or the Issuing Bank (or, for purposes of Section 2.16(b), by any lending office of such Lender or by such Lender’s or the Issuing Bank’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

“Class”, when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are US Tranche Revolving Loans, US Tranche Swingline Loans, US Tranche Term Loans, Canadian Tranche Revolving Loans, Canadian Tranche Swingline Loans, UK Tranche Revolving Loans, or UK Tranche Swingline Loans or whether such Borrowing is a Borrowing of Acceptances, and (b) any Commitment, refers to whether such Commitment is a US Tranche Commitment, a Canadian Tranche Commitment or a UK Tranche Commitment.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” means any and all property owned, leased or operated by a Person covered by the Collateral Documents and any and all other property of any Loan Party, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of or for the benefit of the Administrative Agent, on behalf of itself and the Holders of Secured Obligations, to secure the Secured Obligations; it being understood and agreed that Collateral does not include the Excluded Property.

“Collateral Documents” means, collectively, the Security Agreement, the Mortgages, the Vehicle Title Custodian Agreement, the Escrow Account Agreement and all other agreements, instruments and documents executed in connection with this Agreement that are intended to create or evidence Liens to secure the Secured Obligations, including, without limitation, all other security agreements, pledge agreements, mortgages, deeds of trust, collateral trust agreements, intercreditor agreements or collateral sharing agreements, loan agreements, notes, guarantees, subordination agreements, pledges, powers of attorney, consents, assignments, contracts, fee letters, notices, leases, financing statements and all other written matter whether heretofore, now, or hereafter executed by the Company or any of its Subsidiaries and delivered to the Administrative Agent, in each case as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Commitment” means a US Tranche Commitment, a Canadian Tranche Commitment or a UK Tranche Commitment.

“Company” has the meaning assigned to such term in the heading of this Agreement.

“Company Financial Advisor” has the meaning assigned to such term in Section 5.11.

“Computation Date” means (i) the date of each Borrowing, (ii) the date of each request for the issuance or adjustment of the face amount of any Letter of Credit, (iii) on the last Business Day of each calendar quarter and (iv) solely during the continuation of an Event of Default, on any other Business Day elected by the Administrative Agent in its sole discretion.

“Consolidated EBIT” means, for any period, Consolidated Net Income for such period before deducting therefrom (a) consolidated interest expense of the Company and its Subsidiaries for such period (to the extent that such consolidated interest expense was deducted in arriving at Consolidated Net Income for such period) and (b) provision for taxes based on income that were included in arriving at Consolidated Net Income for such period, and without giving effect in any event (i) to any extraordinary gains or any extraordinary losses, defined (for the avoidance of doubt with effect from and after the Effective Date) to include any non-recurring, non-cash impairment charge or asset write-off of the Company and its Subsidiaries pursuant to Financial Accounting Standards Board Statement No. 142 “Goodwill and Other Intangible Assets” or Financial Accounting Standards Board Statement No. 144 “Accounting for the Impairment or Disposal of Long Lived Assets” and the amortization of intangibles arising pursuant to Financial Accounting Standards Board Statement No. 141 or No. 141 (revised 2007) “Business Combinations” (provided that Consolidated EBIT shall be reduced by

“Consolidated EBITDA” shall mean Consolidated Net Income plus, to the extent deducted from revenues in determining Consolidated Net Income, (a) Consolidated Interest Expense, (b) expense for taxes paid or accrued, (c) depreciation (including that applied to the Company’s equity method investments), (d) amortization (including that applied to the Company’s equity method investments), (e) extraordinary, non-cash expenses or losses incurred other than in the ordinary course of business, (f) non-recurring (including non-recurring and unusual) non-cash expenses or losses (including non-cash impairment charges) incurred other than in the ordinary course of business, (g) non-cash expenses related to stock based compensation or stock appreciation rights, (h) fees and expenses (including legal, accounting and debt issuance costs) in each case, incurred in connection with (A) that certain Waiver No. 1 dated as of January 15, 2009 to this Agreement and Amendment No. 2, (B) that certain Waiver No. 1 dated as of January 15, 2009 to the Yellow Receivables Facility and any amendment thereto entered into concurrently with Amendment No. 2, (C) the Specified Sale and Leaseback Transaction, minus, to the extent included in Consolidated Net Income, (i) interest income, (j) income tax credits and refunds (to the extent not netted from tax expense), (k) any cash payments made during any such period in respect of items excluded by this clause (i) in any prior period, (ii) to any gains or losses from sales of assets other than from sales of inventory in the ordinary course of business, (iii) to any writeoff of amortized or deferred financing, legal and accounting costs in connection with the refinancing of the YRCMI Credit Agreement and (iv) to non-recurring restructuring and reorganization charges not to exceed \$20,000,000 in any 12 month period.

“Consolidated EBITDA” means, for any period, Consolidated EBIT for such period, adjusted by adding thereto the amount of all depreciation that was deducted in arriving at Consolidated Net Income for such period; it being understood that in determining the Total Leverage Ratio only, Consolidated EBITDA for any period shall be calculated on a Pro Forma Basis to give effect to any Significant Acquisitions or Significant Asset Dispositions during such period described in clauses (e), (f) or (g) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were incurred, (l) any income or gains resulting from the early retirement, redemption, defeasance, repayment or similar actions in respect of Indebtedness and (m) extraordinary, unusual or non-recurring income or gains realized other than in the ordinary course of business, all calculated for the Company and its Subsidiaries in accordance with GAAP on a consolidated basis.

For the purposes of calculating Consolidated EBITDA for any period of four consecutive fiscal quarters (each, a “Reference Period”), (a) if at any time during such Reference Period the Company or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period, and (b) if during such Reference Period the Company or any Subsidiary shall have

made a Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect (reasonably satisfactory to the Administrative Agent) thereto as if such Material Acquisition occurred on the first day of such Reference Period. As used in this definition, "Material Acquisition" means any acquisition of property or series of related acquisitions of property that (a) constitutes (i) assets comprising all or substantially all or any significant portion of a business or operating unit of a business, or (ii) all or substantially all of the common stock or other Equity Interests of a Person, and (b) involves the payment of consideration by the Company and its Subsidiaries in excess of \$10,000,000; and "Material Disposition" means (i) the Permitted Disposition and (ii) any other disposition of property or series of related dispositions of property that (i) constitutes (A) assets comprising all or substantially all or any significant portion of a business or operating unit of a business or (B) all or substantially all of the common stock or other Equity Interests of a Person and (ii) yields gross proceeds to the Company or any of its Subsidiaries in excess of \$10,000,000.

"Consolidated Indebtedness" means, at any time without duplication, the aggregate stated balance sheet amount of all Indebtedness (or, (a) if greater, the aggregate face amount of any Indebtedness issued at a discount, (b) with respect to the ~~Roadway~~USF Bonds or Senior Notes, the aggregate face amount of the ~~Roadway Bonds~~, (c) with respect to the ~~USF Bonds~~, the aggregate face amount of the ~~USF Bonds~~, and (d) ~~USF Bonds or Senior Notes, as applicable, and~~ (c) with respect to any Indebtedness (x) of any Person acquired pursuant to a Permitted Acquisition and not incurred in contemplation of such Permitted Acquisition and (y) with an aggregate face amount that is less than the aggregate stated balance sheet amount of such Indebtedness, the aggregate face amount of such Indebtedness) of the Company and its Subsidiaries at such time (but including, without limitation, all Loans, Capitalized Lease Obligations and guaranties of Indebtedness that would otherwise be included under this definition, but excluding any contingent obligations in respect of letters of credit). For the avoidance of doubt, Consolidated Indebtedness (a) includes (i) all Attributable Receivables Indebtedness and (ii) the maximum amount available to be drawn or paid under all letters of credit, bankers' acceptances, bank guaranties and similar obligations issued for the account of any Person and all unpaid drawings in respect of such letters of credit, bankers' acceptances and similar obligations, and (b) excludes all Indebtedness (other than any Indebtedness set forth in the preceding clause (a)) not reflected on the consolidated balance sheet of the Company and its Subsidiaries.

"Consolidated Interest Coverage Ratio" means, as of the end of any Test Period, the ratio of Consolidated EBITDA to Consolidated Interest Expense for such Test Period.

"Consolidated Interest Expense" means, for any period, the sum of the total consolidated interest expense of the Company and its Subsidiaries for such period (calculated without regard to any limitations on the payment thereof) plus, without duplication, (a) that portion of Capitalized Lease Obligations of the Company and its Subsidiaries representing the interest factor for such period, (b) the interest component of any lease payment under Attributable Debt transactions paid by the Company and its Subsidiaries for such period ~~and (c) all commissions, discounts and other fees and charges owed by the Company or any of its Subsidiaries with respect to letters of credit and bankers' acceptances and~~ (d) the interest component of all Attributable Receivable Indebtedness of the Company and its Subsidiaries for such period; provided that the amortization of deferred financing, legal and accounting costs with respect to this Agreement (including the Existing Credit Agreement), the YRCMI Credit Agreement and any Senior Notes in each case shall be excluded from Consolidated Interest Expense to the extent same would otherwise have been included therein.

"Consolidated Net Income" means, ~~for~~with reference to any period, the net income (or loss) of the Company and its Subsidiaries ~~for such period, determined~~calculated in accordance with GAAP on a consolidated basis (after ~~any~~without duplication) for such period (without deduction for minority interests); provided that (a) in determining Consolidated Net Income, the net income of any

other Person which is not a Subsidiary of the Company or is accounted for by the Company by the equity method of accounting shall be included only to the extent of the payment of cash dividends or cash distributions by such other Person to the Company or a Subsidiary thereof during such period, (b) the net income of any Subsidiary of the Company (other than the Company) shall be excluded to the extent that the declaration or payment of cash dividends or similar cash distributions by that Subsidiary of that net income is not at the date of determination permitted by operation of its charter or any agreement, instrument or law applicable to such Subsidiary and (c) the net income (or loss) of any other Person acquired by the Company or a Subsidiary of the Company in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded.

~~“Consolidated Net Worth” means, at any date, the consolidated net worth of the Company and its Subsidiaries at such date, provided that, for purposes of calculating the foregoing, all of the 3.375% Contingent Convertible Senior Notes and all of the 5% Contingent Convertible Senior Notes shall be deemed to be Indebtedness, and not Equity Interests, until the applicable part of any of such Senior Notes is converted into common stock of the Company.~~

“Contingent Obligation” means, as to any Person, any obligation of such Person as a result of such Person being a general partner of any other Person, unless the underlying obligation is expressly made non-recourse as to such general partner, and any obligation of such Person guaranteeing any Indebtedness, Capitalized Lease Obligations, or dividends (“primary obligations”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such Person may be liable pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

“Contract Period” has the meaning given to such term in Section 2.04(a).

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Conversion” means a conversion of a Canadian Base Rate Loan or an Acceptance pursuant to Section 2.04(l).

“Current Rolling Stock Collateral” means any Collateral consisting of trucks and other vehicles and rolling stock owned by the Company or any Domestic Subsidiary.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender, as determined by the Administrative Agent, that has (a) failed to fund any portion of its Loans or participations in Letters of Credit or Swingline Loans within three (3) Business Days of the date required to be funded by it hereunder, (b) notified the Borrower, the Administrative Agent, any Issuing Bank, the Swingline Lender or any Lender in writing that it does not intend to comply with its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or under other agreements in which it commits to extend credit, (c) failed, within three (3) Business Days after request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three (3) Business Days of the date when due, unless the subject of a good faith dispute, or (e) (i) become or is insolvent or has a parent company that has become or is insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

“Designated Foreign Currency.” means Canadian Dollars, Pounds Sterling or Euro.

“Discount” has the meaning given to such term in Section 2.04(e)(i).

“Domestic Loan Party.” means the Company and the Subsidiary Guarantors.

“Domestic Subsidiary.” means a Subsidiary incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

“Draft” means a blank non-interest bearing bill of exchange within the meaning of the *Bills of Exchange Act* (Canada) or a blank depository bill within the meaning of the *Depository Bills and Notes Act* (Canada), as applicable, drawn by a Canadian Borrower and addressed to a Canadian Tranche Lender, made payable to such Lender, bearer or a clearing house bearing such distinguishing letters and numbers and being in such form as each Canadian Tranche Lender may require.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 11.02).

“EMU Legislation” means the legislative measures of the European Union for the introduction of, changeover to or operation of the Euro in one or more member states.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any

Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest; provided, however, that (i) all of the 3.375% Contingent Convertible Senior Notes and all of the 5% Contingent Convertible Senior Notes shall be deemed Indebtedness, and not Equity Interests, until the applicable part of any of such notes is converted into common stock of the Company and (ii) any other instruments evidencing Indebtedness convertible into or exchangeable for common stock of the Company will be deemed Indebtedness and not Equity Interests, unless any such instruments would be accounted for in accordance with GAAP as shareholders’ equity.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Company or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Company or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of the Company or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by the Company or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Company or any ERISA Affiliate of any notice, concerning the imposition upon the Company or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is insolvent or in reorganization, within the meaning of Title IV of ERISA.

“Escrow Account” means that certain account with account number ending in the four digits “0199” maintained with the “Escrow Agent” under (and as defined in) the Escrow Account Agreement and subject to the terms and conditions of the Escrow Account Agreement.

“Escrow Account Agreement” means that certain account agreement in respect of the Escrow Account, dated as of February 12, 2009, by and among the Company, the Administrative Agent and JPMorgan Chase Bank, National Association, as Escrow Agent thereunder, as the same may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

“Escrow Liquidity Deficit Amount” has the meaning set forth in the definition of “Escrow Release Conditions”.

“Escrow Release Conditions” means the delivery by the Company to the Administrative Agent of a certificate of a Financial Officer certifying that, as of the date of such certificate, (a) no Default has occurred or is continuing and (b) the Company, its Domestic Subsidiaries (other than any Receivables Entity), and YRC Assurances Co. Ltd., collectively, have less than \$100,000,000 in unencumbered cash and cash equivalents on hand and providing a demonstration of such deficit (the amount of such deficit, the “Escrow Liquidity Deficit Amount”) reasonably satisfactory to the Administrative Agent.

“Euro” or “€” means the currency constituted by the Treaty on the European Union and as referred to in the EMU Legislation.

“Eurocurrency”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the LIBO Rate with respect to the applicable currency of such Loan or Borrowing.

“Event of Default” has the meaning assigned to such term in Article VII.

“Excess Cash Flow” means, for any fiscal year of the Company (commencing with the fiscal year ending December 31, 2009), the excess, if any, of (a) the sum, without duplication, of (i) Consolidated Net Income for such fiscal year, (ii) the amount of all non-cash charges (including depreciation and amortization and stock compensation) deducted in arriving at such Consolidated Net Income, (iii) decreases in Working Capital for such fiscal year, and (iv) the aggregate net amount of non cash loss on the disposition of property by the Company and its Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent deducted in arriving at such Consolidated Net Income over (b) the sum, without duplication, of (i) the amount of all non-cash credits included in arriving at such Consolidated Net Income, (ii) the aggregate amount actually paid by the Company and its Subsidiaries in cash during such fiscal year on account of Capital Expenditures (excluding the principal amount of Indebtedness incurred in connection with such expenditures and any such expenditures financed with the proceeds of asset dispositions that have not yet been used to pay down the Loans), (iii) the aggregate amount of all mandatory prepayments of Revolving Loans and Swingline Loans during such fiscal year to the extent accompanying permanent reductions of the Revolving Commitments and all mandatory prepayments of the Term Loans during such fiscal year, (iv) the aggregate amount of all regularly scheduled principal payments of Long-Term Debt (including the Term Loans) of the Company and its Subsidiaries made during such fiscal year (other than in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder), (v) increases in Working Capital for such fiscal year, (vi) the aggregate net amount of non-cash gain on the disposition of property by the Company and its Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), (vii) fees and expenses (including legal, accounting and debt issuance costs) in each case, incurred in connection with (A) that certain Waiver No. 1 dated as of January 15, 2009 to this Agreement and Amendment No. 2, (B) that certain Waiver No. 1 dated as of January 15, 2009 to the Yellow Receivables Facility and any amendment thereto entered into concurrently with Amendment No. 2, (C) the Specified Sale and Leaseback Transaction, to the extent included in arriving at such Consolidated Net Income.

“Exchange Rate” means on any day, for purposes of determining the US Dollar Equivalent of any other currency, the rate at which such other currency may be exchanged into US Dollars at the time of determination on such day on the Reuters WRLD Page for such currency. In the event that such rate does not appear on any Reuters WRLD Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrowers, or, in the absence of such an agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in

the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about such time as the Administrative Agent shall elect after determining that such rates shall be the basis for determining the Exchange Rate, on such date for the purchase of US Dollars for delivery two Business Days later; provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method it deems appropriate to determine such rate, and such determination shall be presumed correct absent manifest error.

“Exchange Rate Date” means, if on such date any outstanding Revolving Credit Exposure is (or any Revolving Credit Exposure that has been requested at such time would be) denominated in a currency other than US Dollars, each of:

(a) the last Business Day of each calendar ~~month~~week,

(b) if an Event of Default has occurred and is continuing, the CAM Exchange Date and any other Business Day designated as an Exchange Rate Date by the Administrative Agent in its sole discretion, and

(c) each date (with such date to be reasonably determined by the Administrative Agent) that is on or about the date of (i) a Borrowing Request or an Interest Election Request with respect to any Revolving Borrowing or (ii) each request for the issuance, amendment, renewal or extension of any Letter of Credit or Swingline Loan.

“Excluded Property” means (a) Permitted Receivables Facility Assets, (b) (i) any property to the extent any grant of a security interest therein (A) is prohibited by applicable law or governmental authority or (B) is prohibited by or constitutes a breach or default under or results in the termination of, or requires any consent not obtained under any applicable shareholder or similar agreement or (ii) any lease, license, contract, property right or agreement to which any Grantor is a party or any of its rights or interests thereunder if, and only for so long as, the grant of a security interest shall constitute or result in a breach, termination or default under any such lease, license, contract, property right or agreement, other than in the case of each of clause (i) and (ii), to the extent that any such term would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-408 of the UCC of any relevant jurisdiction, provided, however, that any portion of any such property, lease, license, contract, property right or agreement shall cease to constitute Excluded Property at the time and to the extent that the grant of a security interest therein does not result in any of the consequences specified above, (c) any motor vehicle (other than tractors, trailers and other rolling stock and equipment) consisting of a personal employee or light vehicle having an individual fair market value not in excess of \$40,000 and the perfection of a security interest in which is excluded from the UCC in the relevant jurisdiction; provided that this clause (c) shall only exclude such vehicles having an aggregate fair market value of not more than \$1,000,000, (d) interests in real property securing Indebtedness of Yellow Transportation, Inc. in respect of existing industrial development bonds, (e) deposit accounts for the sole purpose of funding payroll obligations, tax obligations or holding funds owned by Persons other than the Grantors, (f) intercompany promissory notes made by YRRFC to the Receivables Sellers in connection with the Permitted Receivables Facility and (g) intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under Federal law.

“Excluded Taxes” means, with respect to any Lender or Issuing Bank, (a) income or franchise or similar taxes imposed on (or measured by) its net income by the United States of America (or any political subdivision thereof), or by the jurisdiction under which such recipient is organized or incorporated or in which its principal office or any lending office from which it makes Loans hereunder is

located, (b) any branch profit taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) above, (c) in the case of a US Tranche Lender (other than a Lender that becomes a US Tranche Lender by operation of the CAM), any withholding tax that is imposed by the United States of America (or any political subdivision thereof) on payments by the Company from an office within such jurisdiction to the extent such tax is in effect and would apply as of the date such US Tranche Lender becomes a party to this Agreement or relates to payments received by a new lending office designated by such US Tranche Lender and is in effect and would apply at the time such lending office is designated, (d) in the case of a Canadian Tranche Lender (other than a Lender that becomes a Canadian Tranche Lender by operation of the CAM), any withholding tax that is imposed (i) by Canada (or any political subdivision thereof) on payments by a Canadian Borrower from an office within such jurisdiction or (ii) by the United States of America (or any political subdivision thereof) on payments by the Company from an office within such jurisdiction, in either case to the extent such tax is in effect and would apply as of the date such Canadian Tranche Lender becomes a party to this Agreement or relates to payments received by a new lending office designated by such Canadian Tranche Lender and is in effect and would apply at the time such lending office is designated, (e) in the case of a UK Tranche Lender (other than a Lender that becomes a UK Tranche Lender by operation of the CAM), any withholding tax that is imposed (i) by the United Kingdom (or any political subdivision thereof) on payments by a UK Borrower from an office within such jurisdiction or (ii) by the United States of America (or any political subdivision thereof) on payments by the Company from an office within such jurisdiction, in either case to the extent such tax is in effect and would apply as of the date such UK Tranche Lender becomes a party to this Agreement or relates to payments received by a new lending office designated by such UK Tranche Lender and is in effect and would apply at the time such lending office is designated, or (f) any withholding tax that is attributable to such Lender's failure to comply with Section 2.18(e), except, in the case of clause (c), (d) or (e) above, to the extent that such withholding tax shall have resulted from the making of any payment by a Borrower to a location other than the office designated by the Applicable Agent or such Lender for the receipt of payments of the applicable type from the applicable Borrower.

"Existing Credit Agreement" means that certain Amended and Restated Credit Agreement, dated as of May 19, 2005, by and among the Company, certain Canadian borrowers, certain UK borrowers, the lenders party thereto from time to time and JPMorgan Chase Bank, National Association, as administrative agent thereunder.

"Existing Letters of Credit" has the meaning given to such term in Section 2.06(k).

~~"Existing Disclosed Acquisitions" means solely those specific in-process Acquisitions the details of which have been disclosed to the Administrative Agent prior to the Amendment No. 1 Effective Date.~~

"Exposure" means, with respect to any Lender, such Lender's US Tranche Total Exposure, Canadian Tranche Exposure and UK Tranche Exposure.

"Facility Office" has the meaning assigned to such term in Section 2.18(f).

~~"Fall Away Event" means the receipt by the Company, on any day following the Amendment No. 1 Effective Date, of a corporate credit rating of BBB or better from S&P and a Corporate Family Rating of Ba1 or better from Moody's (in each case, with a stable or better outlook).~~

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next

succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Company.

“First Tier Foreign Subsidiary” means each Foreign Subsidiary with respect to which any one or more of the Company and its Domestic Subsidiaries directly owns or controls more than 50% of such Foreign Subsidiary’s issued and outstanding Equity Interests other than a First Tier Foreign Insurance Subsidiary.

“First Tier Foreign Insurance Subsidiary” means a First Tier Foreign Subsidiary of the Company formed for the purpose of providing insurance primarily to the Company and its Subsidiaries.

“Fitch” means Fitch, Inc.

“5% Contingent Convertible Senior Note Indenture” means the Indenture, dated as of August 8, 2003 among the Company and Deutsche Bank Trust Company Americas, as trustee thereunder, as in effect on the Effective Date and as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

“5% Contingent Convertible Senior Notes” means the Company’s 5% Contingent Convertible Senior Notes due 2023 issued pursuant to the 5% Contingent Convertible Senior Note Indenture.

“Foreign Lender” means, as to any Borrower, any Lender that is organized under the laws of a jurisdiction other than that in which such Borrower is located. For purposes of this definition, (i) the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction and (ii) Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Authority” means the government of the United States of America or any other nation, any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including, without limitation, the European Union.

“Grantor” means each Domestic Loan Party or any other Subsidiary which is a party to a Collateral Document.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or

advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Holders of Secured Obligations” means the holders of the Secured Obligations from time to time and shall include (a) each Lender and each Issuing Bank in respect of its Loans and LC Exposure respectively, (b) the Administrative Agent, the Issuing Banks and the Lenders in respect of all other present and future obligations and liabilities of the Company and each Subsidiary of every type and description arising under or in connection with this Agreement or any other Loan Document, (c) each Lender and Affiliate of such Lender in respect of Swap Agreements and Banking Services Agreements entered into with such Person by the Company or any Subsidiary, (d) each indemnified party under Section 11.03 in respect of the obligations and liabilities of the Borrowers to such Person hereunder and under the other Loan Documents, and (e) their respective successors and (in the case of a Lender, permitted) transferees and assigns.

“Indebtedness” means, as to any Person, without duplication, (i) all indebtedness (including principal, interest, fees and charges) of such Person for borrowed money or for the deferred purchase price (deferred in excess of 90 days) of property or services, (ii) the maximum amount available to be drawn or paid under all letters of credit, bankers’ acceptances, bank guaranties and similar obligations issued for the account of such Person and all unpaid drawings in respect of such letters of credit, bankers’ acceptances and similar obligations, (iii) all Indebtedness of the types described in clause (i), (ii), (iv), (v), (vi), (vii) or (viii) of this definition secured by any Lien on any property owned by such Person, whether or not such Indebtedness has been assumed by such Person (provided that, if the Person has not assumed or otherwise become liable in respect of such Indebtedness, such Indebtedness shall be deemed to be in an amount equal to the fair market value of the property to which such Lien relates as determined in good faith by such Person), (iv) the aggregate amount of all Capitalized Lease Obligations of such Person, (v) all obligations of such Person to pay a specified purchase price for goods or services, whether or not delivered or accepted, which constitute take-or-pay obligations, (vi) all Contingent Obligations of such Person, (vii) all obligations under any Swap Agreement or under any similar type of agreement, except that if any agreement relating to such obligation provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount thereof, (viii) all Attributable Debt of such Person and (ix) all Attributable Receivables Indebtedness of such Person. Notwithstanding the foregoing, Indebtedness shall not include trade payables and accrued expenses incurred by any Person in accordance with customary practices and in the ordinary course of business of such Person.

“Indemnified Taxes” means Taxes other than Excluded Taxes and Other Taxes.

~~“Index Debt” means, for purposes of determining the applicable Moody’s, S&P or Fitch rating, the senior, unsecured, long-term indebtedness for borrowed money of the Company that is not~~

guaranteed by any other Person or subject to any other credit enhancement; provided that for the purposes of this definition, ratings issued by S&P may be based on the Company's corporate credit rating, ratings issued by Moody's may be based on the Company's Corporate Family Rating, and ratings issued by Fitch may be based on the Company's senior unsecured rating.

"Information Memorandum" means the Confidential Information Memorandum dated July 17, 2007 relating to the Company and the Transactions.

"Initial Real Property" means any individual parcel of fee owned real property of the Company or any Domestic Subsidiary, the value (as determined by reference to a valuation methodology employed by the Company the details of which have been disclosed and described in writing to the Administrative Agent prior to the Amendment No. 1 Effective Date) of which parcel equals or exceeds \$2,500,000.

"Initial Subsidiary Guarantor" means each Person listed on Schedule 1.01A.

"Interest Election Request" means a request by the applicable Borrower to convert or continue a Revolving Borrowing or a Term Loan Borrowing in accordance with Section 2.08.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan) or any Canadian Base Rate Loan, the last day of each March, June, September and December, (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid.

"Interest Period" means with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending, as applicable, on the numerically corresponding day in the calendar month that is ~~seven or fourteen days (provided that such seven or fourteen day Interest Periods shall only be available to the Company in connection with managing the timing of a mandatory prepayment required by Section 2.12(e) in order to avoid break funding payments pursuant to Section 2.17) or~~ one, two, three or six months thereafter, as the applicable Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurocurrency Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurocurrency Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Investment" has the meaning assigned to such term in Section 6.13.

"Issuing Bank" means (i) JPMorgan Chase Bank, National Association and (ii) each other Lender acceptable to the Administrative Agent and the Company (it being understood that each of Bank of America, N.A., SunTrust Bank, Wachovia Bank, National Association, and Harris N.A. and their Affiliates is acceptable to the Administrative Agent) that has entered into an Issuing Bank Agreement, in each case in its capacity as an issuer of Letters of Credit hereunder, and their respective successors in such capacity as provided in Section 2.06(i); provided that no Person shall at any time become an Issuing

Bank if after giving effect thereto there would at such time be more than six Issuing Banks. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. Each reference to the "Issuing Bank" herein with respect to a particular Letter of Credit shall mean the Issuing Bank that issued, or is being requested to issue, such Letter of Credit. In all other cases, a reference to the "Issuing Bank" means any Issuing Bank or each Issuing Bank, as the context may require.

"Issuing Bank Agreement" means an agreement in the form of Exhibit C, or in any other form reasonably satisfactory to the Administrative Agent, pursuant to which a Lender agrees to act as an Issuing Bank.

~~"JHJ Acquisition" means the Company's increase in its ownership interests of JHJ International Transportation Co. Ltd.~~

"Jiayu Acquisition" means the acquisition by YRC Logistics Asia Limited of 100% of the equity interests of Shanghai Jiayu Logistics Co., Ltd., pursuant to the terms of that certain Equity Interest Sale and Purchase Agreement dated as of December 20, 2007, by and among YRC Logistics Asia Limited, Guoliang Zhai and Fengjun Qian.

"LC Disbursement" means a payment made by the Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit denominated in US Dollars at such time, (b) the US Dollar Equivalent of the aggregate undrawn amount of all outstanding Letters of Credit denominated in an Alternative Currency at such time and (c) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Company at such time. The LC Exposure of any Lender at any time shall be the sum of its US Tranche LC Exposure, its Canadian Tranche LC Exposure and its UK Tranche LC Exposure at such time.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto ~~pursuant to Section 2.10 or~~ pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lenders.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement, and subject to the requirements of Section 2.06(k), the Existing Letters of Credit.

"LIBO Rate" means, with respect to any Eurocurrency Borrowing for any Interest Period, (a) if denominated in any currency other than Euro, the rate per annum determined by the Applicable Agent at approximately 11:00 a.m., London time, on the Quotation Day for such Interest Period by reference to the British Bankers' Association Interest Settlement Rates for deposits in the currency of such Borrowing (as reflected on the applicable Reuters screen page), for a period equal to such Interest Period; or (b) if denominated in Euro, the rate per annum determined by the Administrative Agent at approximately 11:00 a.m., Brussels time, two Business Days prior to the commencement of such Interest Period, by reference to the Banking Federation of the European Union for deposits in Euro (as reflected on the applicable ~~TeleRate~~ Reuters screen), for a period equal to such Interest Period; provided that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the "LIBO Rate" shall be the average (rounded upward, if necessary, to the next 1/100 of 1%) of the respective interest rates per annum at which deposits in the currency of such Borrowing are offered for

such Interest Period to major banks in the London interbank market by JPMorgan Chase Bank, National Association at approximately (i) 11:00 a.m., London time, on the Quotation Day for such Interest Period if such Borrowing is denominated in any currency other than Euro, or (ii) 11:00 a.m., Brussels time, on the Quotation Day for such Interest Period if such Borrowing is denominated in Euro.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

“Liquidity” means, as of any Business Day, the daily average of the Company’s Liquidity Amount as of the end of business (US Central time), for the immediately preceding five (5) Business Days.

“Liquidity Amount” means, as of any date of determination, the sum of (a) Permitted Investments held by the Company, its Domestic Subsidiaries (other than any Receivables Entity) and YRC Assurances Co. Ltd. as of such date, plus (b) amounts on deposit in the Escrow Account as of such date, plus (c) so long as no Default exists, the Aggregate Available Commitments as of such date minus (without duplication) the Revolver Reserve Amount as of such date and plus (d) an amount equal to the excess of (i) the Net Receivables Balance minus any Required Reserve over (ii) the Aggregate Credit Exposure under (and as such terms are defined in) the Yellow Receivables Facility (or similar terms in any replacement Permitted Receivables Facility Documents in respect thereof), all as of such date.

“Liquidity Notification Date” means the date of any violation of the provisions of Section 6.07(c), whether or not the Company does in fact notify the Administrative Agent of such violation as required by the terms hereof.

“Loan Documents” means (a) this Agreement, ~~each Borrowing Subsidiary Agreement~~, each Borrowing Subsidiary Termination, the Subsidiary Guarantee Agreement, any promissory notes delivered pursuant to this Agreement, any Letter of Credit applications and the Collateral Documents, and (b) all other agreements, instruments, documents and certificates executed and delivered to, or in favor of or for the benefit of, the Administrative Agent or any Lenders and designated as a “Loan Document”.

“Loan Parties” means the Borrowers and the Subsidiary Guarantors.

“Loans” means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

“Local Time” means (a) with respect to a Loan, Borrowing or Letter of Credit denominated in US Dollars, New York City time, (b) with respect to a Loan or Borrowing denominated in Canadian Dollars, Toronto time and (c) with respect to a Loan or Borrowing denominated in Pounds Sterling or Euro, London time.

“Long-Term Debt” means any Indebtedness that, in accordance with GAAP, constitutes (or, when incurred, constituted) a long-term liability.

“Mandatory Cost” is described in Schedule 1.01B.

“Material Adverse Effect” means (a) a material adverse effect on (i) the business, assets, operations or condition, financial or otherwise, of the Company and the Subsidiaries taken as a whole, (ii)

the ability of the Borrowers to perform any of their respective obligations under this Agreement or (iii) the rights of or benefits available to the Lenders under this Agreement and the other Loan Documents or (b) a material impairment of a material portion of the Collateral or of any Lien on any material portion of the Collateral in favor of or for the benefit of the Administrative Agent or the priority of such Liens.

~~“Material Domestic Subsidiary” means, at any time, (a) any Domestic Subsidiary of the Company that, together with the total assets of such Domestic Subsidiary’s consolidated Subsidiaries, has assets as of the last day of the Company’s most recently ended fiscal quarter greater than or equal to 5% of the total assets of the Company and its Subsidiaries on a consolidated basis on such date, computed in accordance with GAAP and (b) any other Domestic Subsidiary that would be a “Material Domestic Subsidiary” based on clause (a) above upon the consummation of a Significant Acquisition on a Pro-Forma Basis for the Calculation Period; provided that if, at any time, all of the Company’s Domestic Subsidiaries that are not Material Domestic Subsidiaries (the “Non-Material Domestic Subsidiaries”), taken as a whole, would constitute a Subsidiary that, together with the total assets of such Non-Material Domestic Subsidiaries’ consolidated Subsidiaries, has assets as of the last day of the Company’s most recently ended fiscal quarter greater than or equal to 10% of the total assets of the Company and its Subsidiaries on a consolidated basis on such date, computed in accordance with GAAP (a “10% Domestic Subsidiary”), then the Company shall designate one or more additional Domestic Subsidiaries as Material Domestic Subsidiaries to the effect that, after such designation, all of the remaining Non-Material Domestic Subsidiaries, taken as a whole, would not constitute a 10% Domestic Subsidiary at such time. Notwithstanding the foregoing, YRCMI at all times shall be deemed to be a Material Domestic Subsidiary.~~

~~“Material Foreign Subsidiary” means a Foreign Subsidiary that owns assets with an aggregate book value greater than \$10,000,000.~~

“Material Indebtedness” means Indebtedness (other than the Loans, Acceptances and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of any Borrower or any Subsidiary in an aggregate principal amount exceeding ~~\$40,000,000~~ 20,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of any Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

~~“Maturity Date” means August 17, 2012.~~

“Maturity Date” means August 17, 2012, or, if (a) the Cash Settlement Amount of the aggregate outstanding principal amount of the USF Bonds is equal to or greater than \$50,000,000 on or after March 1, 2010 or (b) the Cash Settlement Amount of the aggregate outstanding principal amount of the 5% Contingent Convertible Senior Notes is equal to or greater than \$50,000,000 on or after June 25, 2010, then, in either case, such earlier date as may be set forth in a written notice delivered by the Required Lenders to the Administrative Agent, the Lenders and the Company.

“Money Market Rate” means, for any day, the LIBO Rate applicable to a Eurocurrency Borrowing with an Interest Period of one month plus the Applicable Rate.

“Moody’s” means Moody’s Investors Service, Inc.

“Mortgage” means each mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of or for the benefit of the Administrative Agent and the Holders of Secured Obligations, on real property of a Loan Party, including any amendment, restatement, modification or supplement thereto.

“Mortgage Instruments” means such title reports, title insurance, opinions of counsel, surveys, appraisals and environmental reports with respect to the applicable real property (provided that ~~any~~ such surveys, appraisals and/or environmental reports delivered by the Company which are dated within twelve (12) months (or such longer period as the Administrative Agent may agree in its sole discretion) of the Amendment No. 12 Effective Date shall be deemed to satisfy the delivery requirement in respect of any such real property) as are requested by, and in form and substance reasonably acceptable to, the Administrative Agent from time to time.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA with respect to which the Company or any of its ERISA Affiliates may have any liability, contingent or otherwise.

“Net Acceptance Proceeds” means the cash proceeds realized on the issuance and sale of an Acceptance pursuant to this Agreement after deduction of the Stamping Fee.

“Net Cash Proceeds” means, with respect to any event, (a) the cash proceeds received in respect of such event including any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid to third parties (other than Affiliates) in connection with such event; and (ii) the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event ~~and~~ (iii) ~~the amount of all taxes paid (or reasonably estimated to be payable) and the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by a Financial Officer).~~

~~“Non-Material Domestic Subsidiary” has the meaning given to such term in the definition of Material Domestic Subsidiary.~~

~~“Non-Current Collateral” shall mean any Collateral (a) consisting of property of any Foreign Subsidiary of the Company, (b) consisting of foreign-registered Intellectual Property (as defined in the Security Agreement) owned by the Company or any Subsidiary, (c) consisting of any individual parcel of real property, leased or owned, of the Company or any of its Subsidiaries located in any jurisdiction other than the United States of America, (d) consisting of any individual parcel of leased real property of the Company or any Domestic Subsidiary, (e) consisting of fixtures in respect of any of the real property described in the preceding clauses (a), (c) or (d), (f) consisting of trucks and other vehicles and rolling stock, leased or owned, of the Company or any of its Subsidiaries registered or titled in any jurisdiction other than the United States of America and (g) consisting of any deposit account or securities account or investment account maintained by the Company or any Domestic Subsidiary which contains in the aggregate for all such accounts funds not in excess of \$10,000,000 at any time.~~

~~“Non-Real Estate Asset Sale” means any Asset Sale in respect of assets of the Company or any of its Subsidiaries other than a Real Estate Asset Sale.~~

“Obligations” means the due and punctual payment of (a) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency,

receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans made to any Borrower, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (b) each payment required to be made by any Borrower under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, (c) each payment required to be made by any Borrower under this Agreement in respect of any Acceptance, when and as due, whether at maturity, by acceleration or otherwise, including Stamping Fees, and (d) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Borrowers under this Agreement and the other Loan Documents.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Participant” has the meaning set forth in Section 11.04(c).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

~~“Permitted Acquisition” means any Acquisition (other than an Acquisition of the Equity Interests of a Person which has not been approved as to its terms (prior to the closing of such Acquisition) by the Board of Directors or other governing body of the Person whose Equity Interests are to be acquired); provided that (a) for any such Acquisition (other than the Jiayu Acquisition) consummated prior to June 30, 2009, (i) (A) such Acquisition is an Existing Disclosed Acquisition and (B) the aggregate purchase price for all Existing Disclosed Acquisitions shall not exceed \$30,000,000 or (ii) the Total Leverage Ratio shall not exceed 3.00 to 1.00 after giving effect (including pro forma effect reasonably acceptable to the Administrative Agent) thereto and (b) for any such Acquisition (other than the Jiayu Acquisition) consummated on or after June 30, 2009 until the occurrence of the Fall-Away Event, the Total Leverage Ratio shall not exceed 3.00 to 1.00 after giving effect (including pro forma effect reasonably acceptable to the Administrative Agent) thereto.~~

“Permitted Acquisition” means the Jiayu Acquisition.

“Permitted Disposition” means any Asset Sale described on Schedule 6.07(d).

“Permitted Encumbrances” means:

- (a) Liens for unpaid utilities and Liens imposed by law for taxes, in either case, that are not yet due or are being contested in compliance with Section 5.04;
- (b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;
- (c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security or employment laws or regulations;

(d) Liens securing the performance of bids, tenders, trade contracts, government contracts, leases, statutory obligations, surety and appeal bonds, performance and return of money bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(f) easements, zoning restrictions, rights-of-way, use restrictions, minor defects or irregularities in title, reservations (including reservations in any original grant from any government of any water or mineral rights or interests therein) and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Company or any Subsidiary; ~~and~~

(g) Liens in favor of payor banks having a right of setoff, revocation, refund or chargeback with respect of money or instruments of the Company or any Subsidiary on deposit with or in possession of such bank; and

(h) Liens in favor of the "Escrow Agent" under (and as defined in) the Escrow Account Agreement solely in respect of indemnities, fees, expenses and other amounts owing to the Escrow Agent under the Escrow Account Agreement.

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) cash;

(b) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America) or any member state of the European Union, in each case maturing within one year from the date of acquisition thereof;

(c) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(d) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any commercial bank (which has outstanding debt securities rated as referred to in paragraph (c) above) that has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(e) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (b) above and entered into with a financial institution satisfying the criteria of clause (d) above;

(f) investments in “money market funds” within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (e) above; and

(g) other short-term investments entered into in accordance with normal investment policies and practices of any Foreign Subsidiary consistent with past practices for cash management and constituting investments in governmental obligations and investment funds analogous to and having a credit risk not greater than investments of the type described in clauses (a) through (f) above.

“Permitted Lease Waiver Amount” has the meaning set forth in clause (q) of Article VII.

“Permitted Receivables Facility” means the receivables facility or facilities created under the Permitted Receivables Facility Documents, providing for the sale or pledge by the Company and/or one or more other Receivables Sellers of Permitted Receivables Facility Assets (thereby providing financing to the Company and the Receivables Sellers) to the Receivables Entity (either directly or through another Receivables Seller), which in turn shall sell or pledge interests in the respective Permitted Receivables Facility Assets to third-party investors pursuant to the Permitted Receivables Facility Documents (with the Receivables Entity permitted to issue investor certificates, purchased interest certificates or other similar documentation evidencing interests in the Permitted Receivables Facility Assets) in return for the cash used by the Receivables Entity to purchase the Permitted Receivables Facility Assets from the Company and/or the respective Receivables Sellers, in each case as more fully set forth in the Permitted Receivables Facility Documents.

“Permitted Receivables Facility Assets” means (i) Receivables (whether now existing or arising in the future) of the Company and its Subsidiaries which are transferred or pledged to the Receivables Entity pursuant to the Permitted Receivables Facility and any related Permitted Receivables Related Assets which are also so transferred or pledged to the Receivables Entity and all proceeds thereof and (ii) loans to the Company and its Subsidiaries secured by Receivables (whether now existing or arising in the future) and any Permitted Receivables Related Assets of the Company and its Subsidiaries which are made pursuant to the Permitted Receivables Facility.

“Permitted Receivables Facility Documents” means each of the documents and agreements entered into in connection with the Permitted Receivables Facility, including all documents and agreements relating to the issuance, funding and/or purchase of certificates and purchased interests, all of which documents and agreements shall be in form and substance reasonably satisfactory to the Administrative Agent, in each case as such documents and agreements may be amended, modified, supplemented, refinanced or replaced from time to time so long as (i) any such amendments, modifications, supplements, refinancings or replacements do not impose any conditions or requirements on the Company or any of its Subsidiaries that are more restrictive in any material respect than those in existence immediately prior to any such amendment, modification, supplement, refinancing or replacement, (ii) any such amendments, modifications, supplements, refinancings or replacements are not adverse in any way to the interests of the Lenders and (iii) any such amendments, modifications, supplements, refinancings or replacements are otherwise in form and substance reasonably satisfactory to the Administrative Agent. It is understood and agreed that the documentation for the Yellow Receivables Facility delivered to the Administrative Agent prior to the Effective Date are satisfactory in form and substance to the Administrative Agent.

“Permitted Receivables Related Assets” means any other assets that are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving receivables similar to Receivables and any collections or proceeds of any of the foregoing.

“Permitted 2010 Maturing Notes Repayment Sources” means:

(a) the Net Cash Proceeds of the issuance of any common stock or other Equity Interests of the Company or any Subsidiary;

(b) the Net Cash Proceeds of the incurrence of any Indebtedness permitted hereby; and

(c) no more than an aggregate amount of \$50,000,000 of cash on hand with the Company and its Subsidiaries; provided that (i) such cash cannot be proceeds of any Borrowing, Loan, Acceptance or Letter of Credit hereunder, (ii) such cash cannot be applied to the 2010 Maturing Notes unless and until the Cash Settlement Amount in respect of the applicable 2010 Maturing Notes is equal to or less than \$50,000,000 and (iii) to the extent any such cash is used to make a payment of any amount in respect of the USF Bonds or the 5% Contingent Convertible Senior Notes in accordance with the terms of this clause (c), the aggregate amount available for further cash payments under this clause (c) in respect of any of the 2010 Maturing Notes shall be decreased by an amount equal to the aggregate amount of any such cash payments.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Company or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Pounds Sterling” or “£” means the lawful currency of the United Kingdom.

“Prepayment Event” means (without duplication):

(a) any Real Estate Asset Sale (including the Specified Sale and Leaseback Transaction solely to the extent that the amount of Net Cash Proceeds of such Specified Sale and Leaseback Transaction exceed, and solely with respect to the Net Cash Proceeds in excess of, the sum of (i) \$150,000,000 and (ii) the amount of such Net Cash Proceeds used by the Company to pay any fees under or in connection with the Credit Agreement or other Loan Documents or the Yellow Receivables Facility in an aggregate amount not to exceed \$10,000,000, as contemplated by that certain Waiver No. 1 dated as of January 15, 2009 to this Agreement); or

(b) ~~“Prepayment Event” means any Asset Sale with any Non-Real Estate Asset Sale~~ the Net Cash Proceeds of which, ~~when added together with~~ the aggregate amount of Net Cash Proceeds received from all Non-Real Estate Asset Sales occurring in the same fiscal year of the Company, exceed ~~\$5,000,000-25,000,000; or~~

(c) the issuance of any common stock or other Equity Interests by the Company or any Subsidiary (other than (i) common stock or other Equity Interests issued to the employees, directors or officers and other members of management of the Company or any Subsidiary in connection with equity incentive plans, (ii) common stock or other Equity Interests issued in connection with repaying or refinancing the 2010 Maturing Notes solely to the extent that the Net Cash Proceeds of any such issuance is applied to refinance the 2010 Maturing Notes and to pay any fees or expenses directly related to such refinancing or (iii) common stock or other Equity Interests issued to the Company or any Wholly-Owned Subsidiary); or

(d) the incurrence by the Company or any Subsidiary of any Indebtedness, other than Indebtedness permitted under Section 6.01 as in effect on the Amendment No. 2 Effective Date and without giving effect to any amendments or modifications thereto after the Amendment No. 2 Effective Date.

“**Prime Rate**” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, National Association as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“**Pro Forma Basis**” means, in connection with any calculation of compliance with any financial covenant or financial term, the calculation thereof after giving effect on a pro forma basis to (x) the incurrence of any Indebtedness (other than revolving Indebtedness, except to the extent same is incurred to refinance other outstanding Indebtedness or to finance a Permitted Acquisition) after the first day of the relevant Calculation Period as if such Indebtedness had been incurred (and the proceeds thereof applied) on the first day of the relevant Calculation Period, (y) the permanent repayment of any Indebtedness (other than revolving Indebtedness except to the extent accompanied by a corresponding permanent commitment reduction) after the first day of the relevant Calculation Period as if such Indebtedness had been retired or redeemed on the first day of the relevant Calculation Period and/or (z) the Significant Acquisition or Significant Asset Disposition, if any, then being consummated as well as any other Significant Acquisition or Significant Asset Disposition consummated after the first day of the relevant Calculation Period and on or prior to the date of the respective Significant Acquisition or Significant Asset Disposition then being effected, as the case may be, with the following rules to apply in connection therewith:

(i) all Indebtedness (x) (other than revolving Indebtedness, except to the extent same is incurred to refinance other outstanding Indebtedness or to finance a Permitted Acquisition) incurred or issued after the first day of the relevant Calculation Period (whether incurred to finance a Permitted Acquisition, to refinance Indebtedness or otherwise) shall be deemed to have been incurred or issued (and the proceeds thereof applied) on the first day of the respective Calculation Period and remain outstanding through the date of determination and (y) (other than revolving Indebtedness except to the extent accompanied by a corresponding permanent commitment reduction) permanently retired or redeemed after the first day of the relevant Calculation Period shall be deemed to have been retired or redeemed on the first day of the respective Calculation Period and remain retired through the date of determination;

(ii) all Indebtedness assumed to be outstanding pursuant to preceding clause (i) shall be deemed to have borne interest at (x) the rate applicable thereto, in the case of fixed rate indebtedness, or (y) at the rate which would have been applicable thereto on the last day of the respective Calculation Period, in the case of floating rate Indebtedness (although interest expense with respect to any Indebtedness for periods while same was actually outstanding during the respective period shall be calculated using the actual rates applicable thereto while same was actually outstanding); and

(iii) in making any determination of Consolidated EBITDA, pro forma effect shall be given to (x) any Significant Asset Disposition, consummated during the periods described above, with such Consolidated EBITDA to be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets or Equity Interests which are the subject of such Significant

Asset Disposition for such period or increased by an amount equal to the Consolidated EBITDA (if negative) applicable thereto for such period; provided that if any Significant Asset Disposition is of Equity Interests in a Subsidiary of the Company which remains a Subsidiary after giving effect to such Significant Asset Disposition, Consolidated EBITDA shall be adjusted to give pro forma effect thereto (as if such disposition occurred on the first day of the respective period) in accordance with the rules set forth in the definition of Consolidated Net Income contained herein and (y) any Significant Acquisition consummated during the periods described above, with such Consolidated EBITDA to be determined as if such Significant Acquisition was consummated on the first day of the relevant Calculation Period, and, in each case, taking into account factually supportable and identifiable cost savings and expenses directly attributable to such Significant Acquisition or Significant Asset Disposition which would otherwise be accounted for as an adjustment pursuant to Article 11 of Regulation S-X under the Securities Act, as if such cost savings or expenses were realized on the first day of the respective period.

“Quotation Day” means, with respect to any Eurocurrency Borrowing and any Interest Period, the day on which it is market practice in the relevant interbank market for prime banks to give quotations for deposits in the currency of such Borrowing for delivery on the first day of such Interest Period. If such quotations would normally be given by prime banks on more than one day, the Quotation Day will be the last of such days.

“Ratable Indenture Liens” means Liens granted in respect of and as required by debentures, notes or other evidences of Indebtedness (including, without limitation, the ~~Roadway Bonds and the~~ USF Bonds) issued pursuant to the ~~Roadway~~USF Bond Indenture and/or the USF Bond Indenture, as applicable.

“RBS Lease” means that certain Master Lease Agreement, dated as of January 17, 2008, by and among RBS Asset Finance, any other lessors or creditors thereunder from time to time party thereto and certain of the Loan Parties, including all exhibits, schedules, annexes and assignments in respect thereof, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Real Estate Asset Sale” means any Asset Sale in respect of real property assets of the Company or any of its Subsidiaries.

“Receivables” means all accounts receivable (including, without limitation, all rights to payment created by or arising from sales of goods, leases of goods or the rendition of services rendered no matter how evidenced whether or not earned by performance).

“Receivables Entity” means a Wholly-Owned Subsidiary of the Company which engages in no activities other than in connection with the financing of accounts receivable of the Receivables Sellers and which is designated (as provided below) as the “Receivables Entity” (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Subsidiary of the Company (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness)) pursuant to Standard Securitization Undertakings, (ii) is recourse to or obligates the Company or any other Subsidiary of the Company in any way (other than pursuant to Standard Securitization Undertakings) or (iii) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, (b) with which neither the Company nor any of its Subsidiaries has any contract, agreement, arrangement or understanding (other than pursuant to the Permitted Receivables Facility Documents (including with respect to fees payable in the ordinary course of business in connection with the servicing of accounts receivable and

related assets)) on terms less favorable to the Company or such Subsidiary than those that might be obtained at the time from persons that are not Affiliates of the Company, and (c) to which neither the Company nor any other Subsidiary of the Company has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results. Any such designation shall be evidenced to the Administrative Agent by filing with the Administrative Agent an officer's certificate of a Financial Officer of the Company certifying that, to the best of such officer's knowledge and belief after consultation with counsel, such designation complied with the foregoing conditions.

"Receivables Sellers" means the Company and those Subsidiary Guarantors that are from time to time party to the Permitted Receivables Facility Documents.

"Register" has the meaning set forth in Section 11.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, trustees, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Revolving Credit Exposures, outstanding principal amount of Term Loans and unused Commitments representing at least 51% of the sum of the total Revolving Credit Exposures, aggregate principal amount of Term Loans and unused Commitments at such time.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Company or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Company or any option, warrant or other right to acquire any such Equity Interests in the Company.

"Revolver Reserve Amount" has the meaning assigned to such term in Section 2.12(h)(i)(B).

"Revolving Borrowing" means a Borrowing comprised of US Tranche Revolving Loans, UK Tranche Revolving Loans, Canadian Tranche Revolving Loans or Acceptances.

"Revolving Commitment" means the US Tranche Revolving Commitment, the Canadian Tranche Commitment and the UK Tranche Commitment.

"Revolving Credit Exposure" means a US Tranche Revolving Exposure, a Canadian Tranche Exposure or a UK Tranche Exposure.

"Revolving Loan" means a US Tranche Revolving Loan, a Canadian Tranche Revolving Loan or a UK Tranche Revolving Loan.

~~"Roadway Bond Indenture" means the Indenture, dated as of November 30, 2001 among the Company, Roadway Corporation and SunTrust Bank, as trustee thereunder, as in effect on the Effective Date and as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.~~

~~“Roadway Bonds” means Roadway LLC’s (as successor to Roadway Corporation) 8^{1/4}% Senior Notes due 2008 issued pursuant to the Roadway Bond Indenture.~~

“Rollover” means an issue of Acceptances on the maturity of an outstanding issue of Acceptances having an aggregate face amount which is less than or equal to the aggregate face amount of the maturing issue of Acceptances.

“Sale and Leaseback Transaction” means any arrangement, directly or indirectly, whereby a seller or transferor shall sell or otherwise transfer any real or personal property and then or thereafter lease, or repurchase under an extended purchase contract, conditional sales or other title retention agreement, the same or similar property.

“S&P” means Standard & Poor’s.

“Schedule I Bank” means any Canadian Tranche Lender named on Schedule I to the Bank Act (Canada).

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Secured Obligations” means all Obligations, together with all Swap Obligations and Banking Services Obligations owing to one or more Lenders or their respective Affiliates.

“Security Agreement” means that certain Pledge and Security Agreement (including any and all supplements thereto) between the Domestic Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent and the other Holders of Secured Obligations, and any other pledge or security agreement entered into, after the date of this Agreement by any other Loan Party (as required by this Agreement or any other Loan Document), or any other Person, as the same may be amended, restated or otherwise modified from time to time.

“Senior Notes” means the 5% Contingent Convertible Senior Notes, ~~the Roadway Bonds~~, the 3.375% Contingent Convertible Senior Notes and the USF Bonds, as applicable.

~~“Significant Acquisition” means any Permitted Acquisition the aggregate consideration (taking the amount of cash and cash equivalents, the aggregate amount expected to be paid on or after the date of the respective Permitted Acquisition pursuant to any earn-out, non-compete, consulting or deferred compensation or purchase price adjustment or similar arrangements, the fair market value (as determined in good faith by the Company) of all other non-cash consideration and the aggregate amount of assumed Indebtedness) for which exceeds \$100,000,000.~~

~~“Significant Asset Disposition” means any Asset Sale the aggregate consideration (taking the amount of cash and cash equivalents, the aggregate amount expected to be paid on or after the date of the respective Asset Sale pursuant to any earn-out, non-compete, consulting or deferred compensation or purchase price adjustment or similar arrangements, the fair market value (as determined in good faith by the Company) of all other non-cash consideration and the aggregate amount of assumed Indebtedness) for which exceeds \$100,000,000.~~

“Specified Sale and Leaseback Transaction” means the sale and simultaneous lease back of approximately thirty-two operating warehouse facilities owned by the Company and located throughout the United States pursuant to the terms of that certain Real Estate Sales Contract dated December 19, 2008 by NATMI Truck Terminals, LLC and the Company, as in effect on the Amendment

No. 2 Effective Date and without giving effect to any amendment, waiver or other modification thereto which is in any manner adverse to any Lender (including, without limitation, in respect of the purchase price thereunder, the number of parcels of real estate subject thereto and the interest rate in respect of the obligations thereunder).

“Stamping Fee” means the stamping fee payable at the time of each Acceptance, calculated and payable in the manner provided for in Section 2.04(f).

“Standard Securitization Undertakings” means representations, warranties, covenants and indemnities entered into by the Company or any Subsidiary thereof in connection with the Permitted Receivables Facility which are reasonably customary in an accounts receivable transaction.

“Statutory Reserve Rate” means, with respect to any currency, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) established by any central bank, monetary authority, the Board, the Financial Services Authority, the European Central Bank or other Governmental Authority for any category of deposits or liabilities customarily used to fund loans in such currency, expressed in the case of each such requirement as a decimal. Such reserve percentages shall, in the case of Dollar denominated Loans, include those imposed pursuant to Regulation D of the Board. Eurocurrency Loans shall be deemed to be subject to such reserve, liquid asset or similar requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under any applicable law, rule or regulation, including Regulation D of the Board. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, unlimited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, unlimited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Company; provided, that Persons that would be required in accordance with GAAP to be consolidated with the Company, but which are not otherwise controlled by the Company shall be “Subsidiaries” hereunder solely for the purpose of making calculations under Section 6.07 hereof, but shall not be “Subsidiaries” hereunder for purposes of any representation, warranty or other covenant hereunder.

“Subsidiary Guarantee Agreement” means the Amended and Restated Subsidiary Guarantee Agreement, dated ~~of even date herewith~~ as of the Amendment No. 2 Effective Date, substantially in the form of Exhibit D, made by the Subsidiary Guarantors in favor of the Administrative Agent for the benefit of the Lenders.

“Subsidiary Guarantors” means each Person that is required to become party to a Subsidiary Guarantee Agreement as a Subsidiary Guarantor pursuant to the terms of Section 5.09, and the permitted successors and assigns of each such Person (except to the extent such successor or assign is relieved from its obligations under the Subsidiary Guarantee Agreement pursuant to the provisions of this

Agreement); provided that any Person released from the Subsidiary Guarantee Agreement pursuant to the provisions of Section 5.09 shall no longer be a “Subsidiary Guarantor” unless and until such Person re-executes the Subsidiary Guarantee Agreement pursuant to the provisions of Section 5.09.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Swap Agreement.

“Swap Obligations” means any and all obligations of the Company or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements permitted hereunder entered into with a counterparty that was a Lender or an Affiliate of a Lender at the time such Swap Agreement was entered into, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any such Swap Agreement transaction.

“Swingline Exposure” means, at any time, the sum of (a) the US Tranche Swingline Exposure, (b) the UK Tranche Swingline Exposure and (c) the Canadian Tranche Swingline Exposure at such time. The Swingline Exposure of any Lender shall be the sum of (a) the US Tranche Swingline Exposure, (b) the UK Tranche Swingline Exposure and (c) the Canadian Tranche Swingline Exposure of such Lender at such time.

“Swingline Lender” means the US Tranche Swingline Lender, the Canadian Tranche Swingline Lender or the UK Tranche Swingline Lender.

“Swingline Loan” means a US Tranche Swingline Loan, a Canadian Tranche Swingline Loan or a UK Tranche Swingline Loan.

“TARGET” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Term Loan” means a US Tranche Term Loan and “Term Loans” means the US Tranche Term Loans.

“Term Loan Borrowing” means a US Tranche Term Loan Borrowing.

“Test Period” means each period of four consecutive fiscal quarters of the Company then last ended (in each case taken as one accounting period).

“13-Week Cash Flow Projections” has the meaning assigned to such term in Section 5.01(f).

“3.375% Contingent Convertible Senior Notes” means the Company’s 3.375% Contingent Convertible Senior Notes due 2023 issued pursuant to the 3.375% Senior Note Indenture.

“3.375% Senior Note Indenture” means the Indenture, dated as of November 25, 2003 among the Company and Deutsche Bank Trust Company Americas, as trustee thereunder, as in effect on the Effective Date and as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

“Three-Month Secondary CD Rate” means, for any day, the secondary market rate for three-month certificates of deposit reported as being in effect on such day (or, if such day is not a Business Day, the next preceding Business Day) by the Board through the public information telephone line of the Federal Reserve Bank of New York (which rate will, under the current practices of the Board, be published in Federal Reserve Statistical Release H.15(519) during the week following such day) or, if such rate is not so reported on such day or such next preceding Business Day, the average of the secondary market quotations for three-month certificates of deposit of major money center banks in New York City received at approximately 10:00 a.m., New York City time, on such day (or, if such day is not a Business Day, on the next preceding Business Day) by the Administrative Agent from three negotiable certificate of deposit dealers of recognized standing selected by it.

“Total Leverage Ratio” means, as of the end of any Test Period, the ratio of Consolidated Indebtedness at such time to Consolidated EBITDA for the Test Period then most recently ended.

“Tranche” means the US Tranche, the Canadian Tranche or the UK Tranche.

“Tranche Percentage” means, with respect to any Lender, such Lender’s US Tranche Percentage, Canadian Tranche Percentage or UK Tranche Percentage, as applicable.

“Transactions” means the execution, delivery and performance by the Borrowers of this Agreement ~~and each Borrowing Subsidiary Agreement~~, the borrowing of Loans and the use of the proceeds thereof, the issuance of Drafts and the use of proceeds of Acceptances, the issuance of Letters of Credit hereunder and the execution, delivery and performance by the Loan Parties of the other Loan Documents.

“Trigger Event” means either (a) ~~the Total Leverage Ratio exceeding 3.50 to 1.00 as at the end of any Test Period on or after the Amendment No. 1 Effective Date and prior to the Fall Away Event or (b) the receipt by the Company of a corporate credit rating of BB- or worse from S&P and a Corporate Family Rating of Ba3 or worse from Moody’s on any day on or after the Amendment No. 1 Effective Date and prior to the Fall Away Event.~~

“2010 Maturing Notes” means, collectively, ~~the USF Bonds and the 5% Contingent Convertible Senior Notes.~~

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the Alternate Base Rate, the Canadian Base Rate or the CDOR BA Rate. A Borrowing of Acceptances shall be considered to be a “Type” of Borrowing.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York or any other jurisdiction the laws of which are required to be applied in connection with the issue of perfection of security interests.

“UK Agent” means J.P. Morgan Europe Limited, in its capacity as UK administrative agent for the UK Tranche Lenders hereunder.

“UK Borrower” means (i) YRC Logistics Limited, a company organized under the laws of England and Wales and (ii) any other UK Subsidiary that has been designated as such pursuant to Section 2.21 and that, in each case, has not ceased to be a UK Borrower as provided in such Section.

“UK Subsidiary” means any Subsidiary that is incorporated or otherwise organized under the laws of England and Wales.

“UK Swingline Rate” means, for any day, such rate as the UK Tranche Swingline Lender shall determine adequately reflects the overnight cost of funds to the UK Tranche Swingline Lender to make or maintain a UK Tranche Swingline Loan to the UK Borrowers on such day.

“UK Tranche” means the UK Tranche Commitments, the UK Tranche Revolving Loans, the UK Tranche LC Exposure and the UK Tranche Swingline Loans.

“UK Tranche Available Commitment” means, at any time, the aggregate UK Tranche Commitment then in effect minus the UK Tranche Exposure of all the UK Tranche Lenders at such time.

“UK Tranche Commitment” means, with respect to each UK Tranche Lender, the commitment of such UK Tranche Lender to make UK Tranche Revolving Loans and to acquire participations in Letters of Credit issued under the UK Tranche and UK Tranche Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such UK Tranche Lender’s UK Tranche Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to ~~Section 2.09, (b) increased from time to time pursuant to Section 2.10 and~~ (e) Sections 2.09 and 2.12 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.04. The initial amount of each UK Tranche Lender’s UK Tranche Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which UK Tranche Lender shall have assumed its UK Tranche Commitment, as applicable. The aggregate amount of the UK Tranche Commitments on the date hereof is \$10,000,000.

“UK Tranche Exposure” means, with respect to any UK Tranche Lender at any time, the US Dollar Equivalent of the sum at such time, without duplication, of (a) such Lender’s UK Tranche Percentage of the sum of the principal amounts of the outstanding UK Tranche Revolving Loans, plus (b) the aggregate amount of such Lender’s UK Tranche LC Exposure and UK Tranche Swingline Exposure at such time.

“UK Tranche LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit issued under the UK Tranche denominated in US Dollars at such time, (b) the US Dollar Equivalent of the aggregate undrawn amount of all outstanding Letters of Credit issued under the UK Tranche denominated in an Alternative Currency at such time and (c) the aggregate amount of all LC Disbursements in respect of Letters of Credit issued under the UK Tranche that have not yet been reimbursed by or on behalf of the applicable Borrower at such time. The UK Tranche LC Exposure of any UK Tranche Lender at any time shall be its UK Tranche Percentage of the total UK Tranche LC Exposure at such time.

“UK Tranche Lender” means a Lender with a UK Tranche Commitment.

“UK Tranche Percentage” means, with respect to any UK Tranche Lender, the percentage of the total UK Tranche Commitments represented by such Lender’s UK Tranche Commitment. If the UK Tranche Commitments have terminated or expired, the UK Tranche Percentages shall be determined based upon the UK Tranche Commitments most recently in effect, giving effect to any assignments.

“UK Tranche Revolving Borrowing” means a Borrowing comprised of UK Tranche Revolving Loans.

“UK Tranche Revolving Loan” means a Loan made by a UK Tranche Lender pursuant to Section 2.01(c). Each UK Tranche Revolving Loan made to the Company shall be denominated in US Dollars and shall be a Eurocurrency Loan, and each UK Tranche Revolving Loan made to a UK Borrower shall be denominated in Pounds Sterling or Euro and shall be a Eurocurrency Loan.

“UK Tranche Swingline Exposure” means, at any time, the aggregate principal amount of all UK Tranche Swingline Loans outstanding at such time. The UK Tranche Swingline Exposure of any UK Tranche Lender at any time shall be its UK Tranche Percentage of the total UK Tranche Swingline Exposure at such time.

“UK Tranche Swingline Lender” means JPMorgan Chase Bank, National Association, London Branch, in its capacity as lender of UK Tranche Swingline Loans hereunder.

“UK Tranche Swingline Loan” means a Loan made by the UK Tranche Swingline Lender to a UK Borrower pursuant to Section 2.05.

“US Dollar Equivalent” means, on any date of determination, (a) with respect to any amount in US Dollars, such amount, and (b) with respect to any amount in a Designated Foreign Currency or an Alternative Currency, the equivalent in US Dollars of such amount, determined by the Administrative Agent pursuant to Section 1.05 using the Exchange Rate with respect to such Designated Foreign Currency at the time in effect under the provisions of such Section.

“US Dollars” or “\$” means the lawful money of the United States of America.

“US Swingline Rate” means (a) with respect to any US Tranche Swingline Loan that is repaid within one Business Day of the date such US Tranche Swingline Loan was made, the Alternate Base Rate, and (b) with respect to all other US Tranche Swingline Loans, the Money Market Rate.

“US Tranche” means the US Tranche Commitments, the US Tranche Revolving Loans, the US Tranche Term Loans, the US Tranche LC Exposure and the US Tranche Swingline Loans.

“US Tranche Available Revolving Commitment” means, at any time, the aggregate US Tranche Revolving Commitment then in effect minus the US Tranche Revolving Exposure of all the US Tranche Lenders at such time.

“US Tranche Borrowing” means a US Tranche Revolving Borrowing or a US Tranche Term Loan Borrowing.

“US Tranche Commitment” means, with respect to each US Tranche Lender, the sum of such Lender’s US Tranche Revolving Commitment and US Tranche Term Loan Commitment.

“US Tranche LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit issued under the US Tranche denominated in US Dollars at such time, (b) the US Dollar Equivalent of the aggregate undrawn amount of all outstanding Letters of Credit issued under the US Tranche denominated in an Alternative Currency at such time and (c) the aggregate amount of all LC Disbursements in respect of Letters of Credit issued under the US Tranche that have not yet been reimbursed by or on behalf of the applicable Borrower at such time. The US Tranche LC Exposure of any US Tranche Lender at any time shall be its US Tranche Percentage of the total US Tranche LC Exposure at such time.

“US Tranche Lender” means a Lender with a US Tranche Commitment.

“US Tranche Percentage” means, with respect to any US Tranche Lender, (a) with respect to US Tranche Revolving Loans, US Tranche LC Exposure or US Tranche Swingline Loans, the percentage of the total US Tranche Revolving Commitments represented by such Lender’s US Tranche Revolving Commitment and (b) with respect to the US Tranche Term Loans, a percentage equal to a fraction the numerator of which is such US Tranche Lender’s outstanding principal amount of the US Tranche Term Loans and the denominator of which is the aggregate outstanding amount of the US Tranche Term Loans of all US Tranche Lenders. If the US Tranche Revolving Commitments have terminated or expired, the US Tranche Percentages shall be determined based upon the US Tranche Revolving Commitments most recently in effect, giving effect to any assignments.

“US Tranche Revolving Borrowing” means a Borrowing comprised of US Tranche Revolving Loans.

“US Tranche Revolving Commitment” means, with respect to each US Tranche Lender, the commitment of such US Tranche Lender to make US Tranche Revolving Loans and to acquire participations in Letters of Credit issued under the US Tranche and US Tranche Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such US Tranche Lender’s US Tranche Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to ~~Section 2.09, (b) increased from time to time pursuant to Section 2.10 and (c) Sections 2.09 and 2.12 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 11.04.~~ The initial amount of each US Tranche Lender’s US Tranche Revolving Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such US Tranche Lender shall have assumed its US Tranche Revolving Commitment. The aggregate amount of the US Tranche Revolving Commitments on the date hereof is \$915,000,000.

“US Tranche Revolving Exposure” means, with respect to any US Tranche Lender at any time, the sum at such time, without duplication, of (a) such Lender’s US Tranche Percentage of the sum of the principal amounts of the outstanding US Tranche Revolving Loans, plus (b) the aggregate amount of such Lender’s US Tranche LC Exposure and US Tranche Swingline Exposure at such time.

“US Tranche Revolving Loan” means a Loan made by a US Tranche Lender pursuant to Section 2.01(a). Each US Tranche Revolving Loan shall be a Eurocurrency Loan or an ABR Loan.

“US Tranche Swingline Exposure” means, at any time, the aggregate principal amount of all US Tranche Swingline Loans outstanding at such time. The US Tranche Swingline Exposure of any US Tranche Lender at any time shall be its US Tranche Percentage of the total US Tranche Swingline Exposure at such time.

“US Tranche Swingline Lender” means JPMorgan Chase Bank, National Association, in its capacity as lender of US Tranche Swingline Loans hereunder.

“US Tranche Swingline Loan” means a Loan made by the US Tranche Swingline Lender to the Company pursuant to Section 2.05.

“US Tranche Term Loan” means a Loan made by a US Tranche Lender pursuant to Section 2.01(d).

“US Tranche Term Loan Borrowing” means a Borrowing comprised of US Tranche Term Loans.

“US Tranche Term Loan Commitment” means (a) as to any US Tranche Lender, the aggregate commitment of such US Tranche Term Lender to make US Tranche Term Loans as set forth on Schedule 2.01 or in the most recent Assignment and Assumption executed by such US Tranche Lender and (b) as to all US Tranche Lenders, the aggregate commitment of all US Tranche Lenders to make US Tranche Term Loans, which aggregate commitment shall be \$150,000,000 on the Effective Date. After advancing the US Tranche Term Loan, each reference to a US Tranche Lender’s US Tranche Term Loan Commitment shall refer to that US Tranche Lender’s US Tranche Percentage of the US Tranche Term Loans.

“US Tranche Total Exposure” means, with respect to any US Tranche Lender at any time, the sum at such time, without duplication, of (a) (i) such Lender’s US Tranche Percentage of the sum of the principal amounts of the outstanding US Tranche Revolving Loans, plus (ii) the aggregate amount of such Lender’s US Tranche LC Exposure and US Tranche Swingline Exposure at such time and (b) an amount equal to the aggregate principal amount of such Lender’s US Tranche Term Loans outstanding at such time.

“USF” means YRC Regional Transportation, Inc., a Delaware corporation.

“USF Bond Indenture” means the Indenture, dated as of May 5, 1999 among USF, the guarantors named therein, and The Bank of New York (successor-in-interest to JPMorgan Chase Bank, National Association, successor by merger to Bank One, NA, as successor-in-interest to NBD Bank), as trustee thereunder, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof.

“USF Bonds” means USF’s 6 1/2% Guaranteed Notes due May 1, 2009 and 8 1/2 % Guaranteed Notes due April 15, 2010 issued pursuant to the USF Bond Indenture.

“Vehicle Title Custodian” has the meaning assigned to such term in Section 11.03(b).

“Vehicle Title Custodian Agreement” means that certain Custodial Administration Agreement, dated as of January 15, 2009, by and among the Company, the Subsidiary Guarantors, VINtek, Inc. and JPMorgan Chase Bank, National Association, as the same may be amended, amended and restated, restated, supplemented, replaced or otherwise modified from time to time.

“Wholly-Owned Subsidiary” means, as to any Person, (a) any corporation 100% of whose Equity Interests (other than directors’ qualifying shares) is owned by such Person and/or one or more Wholly-Owned Subsidiaries of such Person, (b) any partnership, association, joint venture or other entity in which such Person and/or one or more Wholly-Owned Subsidiaries of such Person has a 100% Equity Interest (other than directors’ qualifying shares) and (c) any corporation, partnership, association, business trust or limited liability entity (i) that is formed under the laws of a jurisdiction other than the United States of America, any State thereof, or the District of Columbia and (ii) with respect to which such Person and/or one or more Wholly-Owned Subsidiaries of such Person owns all of the economic benefit of a 100% equity interest, whether through an agent or otherwise; provided, that, if such Person is prohibited by law from owning 100% of such economic benefit, such Person owns all of such economic benefit that it may lawfully own and in any event not less than 98% of the total economic benefit of ownership of such entity.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Working Capital” means, at any date, the excess of current assets of the Company and its Subsidiaries on such date over current liabilities of the Company and its Subsidiaries on such date, all determined on a consolidated basis in accordance with GAAP.

“Yellow Receivables Facility” means that certain receivables facility and trust evidenced by the ~~Second~~^{Third} Amended and Restated Receivables Purchase Agreement, dated as of ~~May 24, 2005~~, April 18, 2008, among YRRFC, Falcon Asset Securitization Company LLC, Variable Funding Capital Company LLC, Three Pillars Funding LLC, Amsterdam Funding Corporation, the financial institutions party thereto as “Committed Purchasers”, Wachovia Bank, National Association, as co-agent, SunTrust Capital Markets, Inc., as co-agent, ABN AMRO Bank, N.V., as co-agent and JPMorgan Chase Bank, N.A. (successor by merger to Bank One, NA (Main Office Chicago)), as co-agent and as administrative agent, and the Amended and Restated Receivables Sale Agreement dated as of May 24, 2005, among Yellow Transportation, Inc., Roadway Express, Inc., USF Reddaway Inc., USF Holland Inc. and YRRFC, in each case, as amended, refinanced, renewed or replaced.

“YRCMI” means YRC Mortgages, LLC, a Delaware limited liability company.

“YRCMI Credit Agreement” means that certain Amended and Restated Credit Agreement dated as of September 10, 2004, among the Company, YRCMI, as lender, and Yellow Transportation, Inc., as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

“YRRFC” means Yellow Roadway Receivables Funding Corporation, a Delaware corporation.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “US Tranche Revolving Loan”) or by Type (e.g., a “Eurocurrency Loan”) or by Class and Type (e.g., a “Eurocurrency US Tranche Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g., a “US Tranche Revolving Borrowing”) or by Type (e.g., a “Eurocurrency Borrowing”) or by Class and Type (e.g., a “Eurocurrency US Tranche Revolving Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

SECTION 1.05. Foreign Currency Calculations. (a) For purposes of determining the Canadian Tranche Exposure, the UK Tranche Exposure or any related amount, the Administrative Agent shall determine the Exchange Rate as of the applicable Exchange Rate Date with respect to Canadian Dollars, Euro, Pounds Sterling and each Alternative Currency in which any requested or outstanding Letter of Credit is denominated and shall apply such Exchange Rates to determine such amount (in each case after giving effect to any Borrowings to be made or repaid and any Letters of Credit to be issued, amended, renewed, extended or terminated, to the extent practicable on or prior to the applicable date for such calculation). The amount of any LC Disbursement made by an Issuing Bank in an Alternative Currency and not reimbursed by the Company shall be determined as set forth in paragraph (e) or (m) of Section 2.06, as applicable.

(b) For purposes of any determination under Section 6.01 or 6.02 or under paragraph (f), (g) or (k) of Article VII, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than US Dollars shall be translated into US Dollars at the currency exchange rates in effect on the date of such determination; provided that no Default or Event of Default shall arise as a result of any limitation set forth in US Dollars in Section 6.01 or 6.02 being exceeded solely as a result of changes in currency exchange rates from those rates applicable at the time or times Indebtedness or Liens were initially consummated in reliance on the exceptions under such Sections.

ARTICLE II

The Credits

SECTION 2.01. Commitments. (a) Subject to the terms and conditions set forth herein, each US Tranche Lender agrees to make US Tranche Revolving Loans to the Company from time to time during the Availability Period in US Dollars in an aggregate principal amount at any time outstanding that will not result in (i) such Lender's US Tranche Revolving Exposure exceeding its US Tranche Revolving Commitment or (ii) the aggregate amount of the Lenders' US Tranche Revolving Exposures exceeding the aggregate amount of the US Tranche Revolving Commitments.

(b) Subject to the terms and conditions set forth herein, each Canadian Tranche Lender agrees to make Canadian Tranche Revolving Loans to the Canadian Borrowers in Canadian Dollars and/or to the Company in US Dollars and to accept Drafts issued by the Canadian Borrowers in Canadian Dollars from time to time during the Availability Period in an aggregate principal amount of Loans and face amount of Acceptances at any time outstanding that will not result in (i) such Lender's Canadian Tranche Exposure exceeding its Canadian Tranche Commitment or (ii) the aggregate amount of the Lenders' Canadian Tranche Exposures exceeding the aggregate amount of the Canadian Tranche Commitments.

(c) Subject to the terms and conditions set forth herein, each UK Tranche Lender agrees to make UK Tranche Revolving Loans to the UK Borrowers in Pounds Sterling or Euro and/or to the Company in US Dollars from time to time during the Availability Period in an aggregate principal amount of Loans at any time outstanding that will not result in (i) such Lender's UK Tranche Exposure exceeding its UK Tranche Commitment or (ii) the aggregate amount of the Lenders' UK Tranche Exposures exceeding the aggregate amount of the UK Tranche Commitments.

(d) Subject to the terms and conditions set forth herein, each US Tranche Lender agrees to make a US Tranche Term Loan in US Dollars to the Company on the Effective Date, in an amount equal to such US Tranche Lender's US Tranche Term Loan Commitment and by making immediately available funds available to the Administrative Agent's designated account, not later than the time specified by the Administrative Agent.

(e) Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans. Amounts prepaid or repaid in respect of Term Loans may not be reborrowed.

(f) Notwithstanding anything to the contrary set forth in this Section 2.01, there shall be no obligation of any Lender to make any Loans in respect of the Revolver Reserve Amount unless the condition specified in Section 4.02(d) shall have been satisfied or waived as of the date of the making of such Loans.

SECTION 2.02. Loans and Borrowings. (a) Each US Tranche Revolving Loan shall be made as part of a Borrowing consisting of US Tranche Revolving Loans made by the US Tranche Lenders ratably in accordance with their respective US Tranche Revolving Commitments. Each Canadian Tranche Revolving Loan shall be made as part of a Borrowing consisting of Canadian Tranche Revolving Loans made by the Canadian Tranche Lenders ratably in accordance with their respective Canadian Tranche Commitments. Each Acceptance shall be issued in accordance with Section 2.04. Each UK Tranche Revolving Loan shall be made as part of a Borrowing consisting of UK Tranche Revolving Loans made by the UK Tranche Lenders ratably in accordance with their respective UK Tranche Commitments. Each US Tranche Term Loan shall be made as part of a Borrowing consisting of US Tranche Term Loans made by the US Tranche Lenders ratably in accordance with their respective US Tranche Term Loan Commitments. The failure of any Lender to make any Loan required to be made by it or to accept any Acceptance required to be accepted by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several, and no Lender shall be responsible for any other Lender's failure to make Loans as required hereunder.

(b) Subject to Section 2.15,

(i) each US Tranche Revolving Borrowing shall be comprised entirely of Eurocurrency Loans or ABR Loans, in each case as the Company may request in accordance herewith;

(ii) each Canadian Tranche Revolving Borrowing shall be comprised entirely of Acceptances or Canadian Base Rate Loans, in each case as a Canadian Borrower may request in accordance herewith, or entirely of Eurocurrency Loans or ABR Loans, in each case as the Company may request in accordance herewith;

(iii) each UK Tranche Revolving Borrowing shall be comprised entirely of Eurocurrency Loans, in each case as the Company or a UK Borrower may request in accordance herewith;

(iv) each US Tranche Term Loan Borrowing shall be comprised entirely of Eurocurrency Loans or ABR Loans, in each case as the Company may request in accordance herewith;

(v) each US Tranche Swingline Loan shall bear interest by reference to the US Swingline Rate;

(vi) each Canadian Tranche Swingline Loan shall be a Canadian Base Rate Loan; and

(vii) each UK Tranche Swingline Loan shall bear interest by reference to the UK Swingline Rate.

Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.15, 2.16, 2.17 and 2.18 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) Each Borrowing (other than Acceptances) shall be in an aggregate amount that is at least equal to the Borrowing Minimum and an integral multiple of the Borrowing Multiple; provided that an ABR Revolving Borrowing may be made in an aggregate amount that is equal to the aggregate available US Tranche Revolving Commitments, Canadian Tranche Commitments or UK Tranche Commitments, as applicable, or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) and a Canadian Base Rate Revolving Borrowing may be made in an aggregate amount that is equal to the aggregate available Canadian Tranche Commitments. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of ten US Tranche Eurocurrency Borrowings outstanding, a total of five Canadian Tranche Eurocurrency Revolving Borrowings outstanding or a total of five UK Tranche Eurocurrency Revolving Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date or, in the case of an Acceptance, if the maturity date thereof would occur after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Applicable Agent (and the Administrative Agent, if the Applicable Agent is not the Administrative Agent) of such request by telephone:

(a) in the case of a Eurocurrency Borrowing, not later than 1:00 p.m., Local Time, three Business Days before the date of the proposed Borrowing,

(b) in the case of an ABR Borrowing, not later than 1:00 p.m., New York City time, one Business Day before the date of the proposed Borrowing,

(c) in the case of a Canadian Base Rate Revolving Borrowing, not later than 1:00 p.m., Local Time, one Business Day before the date of the proposed Borrowing, and

(d) in the case of a Borrowing of Acceptances, not later than 1:00 p.m., Toronto time, two Business Days before the date of the proposed Borrowing.

Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed by 2:00 p.m. (Local Time) on the same Business Day by hand delivery or telecopy to the Applicable Agent of a written Borrowing Request in a form approved by the Applicable Agent and signed by the applicable Borrower, or by the Company on behalf of the applicable Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the Borrower requesting such Borrowing (or on whose behalf the Company is requesting such Borrowing);
- (ii) whether the requested Borrowing is to be a US Tranche Borrowing, a UK Tranche Revolving Borrowing or a Canadian Tranche Revolving Borrowing;
- (iii) the currency (in the case of a Borrowing other than a US Tranche Term Loan Borrowing which is only available in US Dollars) and aggregate principal amount (in the case of Loans) or face amount (in the case of Acceptances) of the requested Borrowing;
- (iv) the date of the requested Borrowing, which shall be a Business Day;
- (v) the Type of the requested Borrowing;
- (vi) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";
- (vii) in the case of a Borrowing of Acceptances, the term applicable thereto, which shall be a period contemplated by Section 2.04(a); and
- (viii) the location and number of the relevant Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be (i) in the case of a Borrowing under the US Tranche, an ABR Borrowing, (ii) in the case of a Borrowing under the UK Tranche, a Eurocurrency Borrowing, and (iii) in the case of a Borrowing under the Canadian Tranche denominated in (x) Canadian Dollars, a Canadian Base Rate Borrowing, and (y) US Dollars, an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the relevant Borrower shall be deemed to have selected an Interest Period of one month's duration. If no term is specified with respect to any requested Borrowing of Acceptances, then the relevant Borrower shall be deemed to have selected a term of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Applicable Agent shall advise each Lender that will make a Loan or accept a Draft as part of the requested Borrowing of the details thereof and of the amount of the Loan to be made or the face amount of the Draft to be accepted by such Lender as part of the requested Borrowing.

SECTION 2.04. Canadian Bankers' Acceptances.

(a) Notice and Term. Any Canadian Borrower may give the Canadian Agent instructions (which must be received by the Canadian Agent before 12:00 noon (Toronto time) on the second Business Day before the proposed date of a requested Borrowing to be effective) that it wishes to have Drafts accepted under this Agreement on any proposed Business Day and stating the aggregate face

amount and the term applicable to such Drafts. The term of such Drafts must be a period of one, two, three or six months (the “Contract Period”), and be subject to marketability, maturing on or before the end of the Availability Period.

(b) Face Amount of Drafts. The aggregate face amount of an issue of Drafts to be accepted on any particular date of a requested Borrowing must be C\$5,000,000 or a whole number multiple of C\$1,000,000 in excess thereof. The face amount of each Acceptance shall be a whole number multiple of C\$100,000. The Canadian Agent will round allocations among the Canadian Tranche Lenders to ensure that each Acceptance issued has a face amount which is a whole number multiple of C\$100,000, and such rounded allocation shall constitute the Canadian Tranche Lenders’ respective Canadian Tranche Percentages of an issue of Acceptances for the purposes of this Agreement.

(c) Power of Attorney. In order to facilitate issues of Acceptances pursuant to this Agreement, each Canadian Borrower authorizes each Canadian Tranche Lender, and for this purpose appoints each Canadian Tranche Lender its lawful attorney, to complete, sign and endorse Drafts issued in accordance with Sections 2.04(a) and (b) on its behalf in handwritten or by facsimile or mechanical signature or otherwise and, once so completed, signed and endorsed, and following acceptance of them as an Acceptance under this Agreement, then purchase, discount or negotiate such Acceptances in accordance with the provisions of this Section 2.04. Drafts so completed, signed, endorsed and negotiated on behalf of any Canadian Borrower by any Canadian Tranche Lender shall bind such Canadian Borrower as fully and effectively as if so performed by an authorized officer of such Canadian Borrower. No Canadian Tranche Lender shall be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except the gross negligence or willful misconduct of such Canadian Tranche Lender or its officers, employees, agents or representatives. Alternatively, each Canadian Borrower agrees that, at the request of the Canadian Agent, each Canadian Borrower shall deliver to the Canadian Agent a “depository note” which complies with the requirements of the *Depository Bills and Notes Act* (Canada), and consents to the deposit of any such depository note in the book-based debt clearance system maintained by the Canadian Depository for Securities.

(d) Restrictions. The Canadian Agent shall have the discretion to restrict the term and maturity date of an issue of Acceptances and the number of issues of Acceptances outstanding at any one time. Unless the Canadian Agent notifies each Canadian Borrower to the contrary, the maximum number of issuances of Acceptances outstanding at any time is limited to five in total for all Canadian Borrowers.

(e) Discount and Sale of Acceptances.

(i) Except as otherwise provided in Section 2.04(j), each Canadian Tranche Lender shall purchase for its own account Acceptances accepted by such Canadian Tranche Lender on the date of such Borrowing at the purchase price equal to the face amount of such Acceptances less an amount equal to the amount (the “Discount”) that yields to such Canadian Tranche Lender (excluding the Stamping Fee) an interest rate per annum equal to the CDOR BA Rate applicable to such Acceptance for the applicable term of such Acceptances.

(ii) Except as otherwise provided in Sections 2.04(l) and (m), each Canadian Tranche Lender shall pay the Net Acceptance Proceeds of its Canadian Tranche Percentage of each issue of Acceptances to the Canadian Agent on the date of such Borrowing in exchange for delivery of such Acceptances. Such Net Acceptance Proceeds, when received by the Canadian Agent, will be advanced by bank transfer to the credit of the applicable Canadian Borrower’s account.

(iii) Each Canadian Tranche Lender may at any time and from time to time purchase, hold, sell, rediscount or otherwise dispose of any Acceptance, and no such dealing shall prejudice or impair any Canadian Borrower's obligations under Section 2.04(g).

(f) Stamping Fee. A stamping fee is payable by the applicable Canadian Borrower to each accepting Canadian Tranche Lender on the issuance of each Acceptance and shall be calculated upon the face amount of each such Acceptance for the duration of its term on the basis of the actual number of days to elapse from the date of its acceptance up to the maturity date of the Acceptance, calculated at the Applicable Rate. Each accepting Canadian Tranche Lender shall be entitled to deduct from the Acceptance Proceeds to be remitted to the Canadian Agent pursuant to Subsection 2.04(e)(ii) the stamping fee payable to it as determined in accordance with this Section 2.04(f).

(g) Payment of Acceptances. Subject to Section 2.04 (l) and (m), each Canadian Borrower shall pay to each Canadian Tranche Lender the full face amount of each Acceptance accepted by such Canadian Tranche Lender for its account on the maturity date of such Acceptance. If an Acceptance matures and such Canadian Borrower has not made such payment, nor effected a Conversion or Rollover pursuant to Section 2.04(l) or (m), respectively, such Canadian Borrower shall be deemed to have provided for payment of the full face amount of the Acceptance by Conversion of such Acceptance into a Canadian Base Rate Loan in a principal amount equal to the full face amount of the Acceptance on its maturity date.

(h) Waivers. No Canadian Borrower shall claim from any Canadian Tranche Lender any days of grace for the payment at maturity of any Drafts presented and accepted by such Canadian Tranche Lender pursuant to this Agreement. In addition, each Canadian Borrower waives demand, presentment for payment, protest, notice of protest, dishonor, notice of dishonor and any other notice or defense to payment (including the doctrine of merger) which might otherwise exist if for any reason an Acceptance is held by any Canadian Tranche Lender in its own right at the maturity thereof.

(i) Notice of Maturing Acceptances. The applicable Canadian Borrower shall give the Canadian Agent, before 12:00 noon (Toronto time) on the second Business Day before the maturity of any Acceptances, a notice of repayment or Borrowing Request requesting a Conversion or Rollover in respect of such Acceptances in order to permit each Canadian Tranche Lender to organize its internal funding requirements to fund the payment of the face amount of such Acceptances to the respective holders thereof upon or following maturity.

(j) B/A Equivalent Advances. If a Canadian Tranche Lender is not a Canadian chartered bank or is not permitted by applicable law to, or does not by virtue of policy or customary practice, accept Drafts for the purpose of subsequent sale as a bankers' acceptance (a "Non-Acceptance Lender"), each time a Canadian Borrower gives a Borrowing Request for an issue of Acceptances, such Non-Acceptance Lender shall, in lieu of accepting and purchasing Acceptances pursuant to Section 2.04(e), make an advance in Canadian Dollars to such Canadian Borrower (a "B/A Equivalent Advance") in the amount equal to the Acceptance Proceeds which would be derived from a hypothetical sale of Drafts accepted by it ("Notional Acceptances") in the aggregate face amount of its Canadian Tranche Percentage of such requested issue of Acceptances at a discount rate that yields to such Non-Acceptance Lender (excluding the Stamping Fee) an interest rate per annum equal to the CDOR BA Rate for Acceptances accepted by a Canadian Tranche Lender that is not a Schedule I Bank. Any B/A Equivalent Advance shall be repayable on the maturity of such issue of Acceptances. A Non-Acceptance Lender shall be entitled to deduct from the amount of its B/A Equivalent Advance to be paid to the Canadian Agent pursuant to Subsection 2.04(e)(ii) an amount equal to the Stamping Fee determined in accordance with Section 2.04(f) that would have been payable to it with respect to the Notional Acceptances corresponding to the B/A Equivalent Advance. For the purposes of this Agreement each reference to an issue of Acceptances or Acceptances issued by a Non-Acceptance Lender shall be deemed to include, where relevant, B/A Equivalent Advances, with the necessary changes being made to fit the context.

(k) Calculation of Net Acceptance Proceeds. The Net Acceptance Proceeds for any Acceptances purchased by a Canadian Tranche Lender may be determined in accordance with the following formula:

$$\text{Net Acceptance Proceeds} = \text{Face amount of Acceptances} \times \left[\frac{1}{1 + (\text{CDOR BA Rate} \times n/365)} - (\text{AR} \times n/365) \right]$$

where n is the number of days to elapse in the term of the Acceptances, CDOR BA Rate is the applicable rate for such Acceptance and is expressed as a decimal and AR is the Applicable Rate with respect to the Stamping Fee.

(l) Conversions. Any Canadian Borrower may request the Canadian Tranche Lenders to convert (a) at any time, a Canadian Base Rate Borrowing or a portion thereof into an issue of Acceptances or (b) on its maturity date, an issue of Acceptances or a portion thereof into a Canadian Base Rate Borrowing, upon delivering a Borrowing Request to the Canadian Agent requesting a Conversion specifying both the amount of the Borrowing to be converted and the amount and Type of the requested resulting Borrowing. The relevant provisions of this Agreement applicable to a borrowing and availability of the Type of Borrowing which will result from the Conversion (as well as any portion of the Borrowing which is not being converted) must be satisfied to effect any such requested Borrowing (including the applicable notice provisions contained in Section 2.03). Subject to the foregoing provisions of this Section 2.04(l), the Borrowing (or portion thereof) requested to be converted shall be converted in accordance with the Borrowing Request and any Net Acceptance Proceeds derived from the Conversion shall be retained by each Canadian Tranche Lender for its own account.

(m) Rollovers. At or before 12:00 noon (Toronto time) two Business Days prior to the maturity of an issue of Acceptances, unless the applicable Canadian Borrower has delivered to the Canadian Agent a Borrowing Request requesting a Conversion in accordance with Section 2.04(l) or a notice of repayment, such Canadian Borrower shall deliver a Borrowing Request to the Canadian Agent requesting a Rollover and selecting the term applicable to the resulting issue of Acceptances. The relevant provisions of this Agreement applicable to a Borrowing of Acceptances must be satisfied to effect any such Rollover. Subject to the foregoing provisions of this Section 2.04(m), the Borrowing (or portion thereof) requested to be rolled over shall be rolled over in accordance with the Borrowing Request and the Net Acceptance Proceeds derived from the Rollover shall be retained by each Canadian Tranche Lender for its own account. The provisions of Section 2.04(g) shall apply if any Canadian Borrower fails to deliver any such requests or notice.

(n) Payments on a Conversion or Rollover. If any Canadian Borrower requests the Canadian Tranche Lenders to convert a Canadian Base Rate Loan or a portion thereof to an issue of Acceptances pursuant to Section 2.04(l), or to Rollover an issue of Acceptances or a portion thereof pursuant to Section 2.04(m), then such Canadian Borrower shall pay to the Canadian Tranche Lenders the difference between (a) the face amount of the resulting Acceptances minus (b) the Net Acceptance Proceeds of the resulting Acceptances determined in accordance with Section 2.04(k) upon the acceptance and purchase of the resulting Acceptances in accordance with this Section 2.04.

SECTION 2.05. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the US Tranche Swingline Lender agrees to make US Tranche Swingline Loans in US Dollars to the Company from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding US Tranche Swingline Loans exceeding \$75,000,000 or (ii) the total US Tranche Revolving Exposures exceeding the total US Tranche Revolving Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Subject to the terms and conditions set forth herein, the Canadian Tranche Swingline Lender agrees to make Canadian Tranche Swingline Loans in Canadian Dollars to the Canadian Borrowers from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the US Dollar Equivalent of the aggregate principal amount of outstanding Canadian Tranche Swingline Loans exceeding \$5,000,000 or (ii) the total Canadian Tranche Exposures exceeding the total Canadian Tranche Commitments; provided that the Canadian Tranche Swingline Lender shall not be required to make a Canadian Tranche Swingline Loan to refinance an outstanding Canadian Tranche Swingline Loan. Subject to the terms and conditions set forth herein, the UK Tranche Swingline Lender agrees to make UK Tranche Swingline Loans in Pounds Sterling or Euro to the UK Borrowers from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the US Dollar Equivalent of the aggregate principal amount of outstanding UK Tranche Swingline Loans exceeding \$1,000,000 or (ii) the total UK Tranche Exposures exceeding the total UK Tranche Commitments; provided that the UK Tranche Swingline Lender shall not be required to make a UK Tranche Swingline Loan to refinance an outstanding UK Tranche Swingline Loan. ~~Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Swingline Loans~~ For the avoidance of doubt, from and after the Amendment No. 2 Effective Date, no Swingline Loans shall be made under this Agreement.

(b) To request a Swingline Loan, the applicable Borrower shall notify the Applicable Agent of such request by telephone (confirmed by telecopy), not later than 1:00 p.m., Local Time (except, in the case of a Canadian Tranche Swingline Loan, not later than 12:00 noon, Toronto time) on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan and the Tranche under which the requested Swingline Loan will be borrowed. The Applicable Agent will promptly advise the applicable Swingline Lender of any such notice received from a Borrower. The applicable Swingline Lender shall make each Swingline Loan available to the applicable Borrower by means of a credit to the general deposit account of such Borrower with such Swingline Lender or by wire transfer to an account specified by such Borrower in the applicable borrowing request (or, in the case of a US Tranche Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the applicable Issuing Bank) by 3:00 p.m., Local Time, on the requested date of such Swingline Loan.

(c) A Swingline Lender may by written notice given to the Applicable Agent not later than 1:00 p.m., Local Time, on any Business Day require the applicable Lenders under a Tranche to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding under such Tranche. Such notice shall specify the aggregate amount of Swingline Loans in which such Lenders will participate. Promptly upon receipt of such notice, the Applicable Agent will give notice thereof to each applicable Lender, specifying in such notice such Lender's Tranche Percentage of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Applicable Agent, for the account of the applicable Swingline Lender, such Lender's Tranche Percentage of such Swingline Loan or Loans. Each Lender acknowledges and agrees

that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Applicable Agent shall promptly pay to the applicable Swingline Lender the amounts so received by it from the Lenders. The Applicable Agent shall notify the applicable Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Applicable Agent and not to such Swingline Lender. Any amounts received by a Swingline Lender from the applicable Borrower (or other party on behalf of the applicable Borrower) in respect of a Swingline Loan after receipt by such Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Applicable Agent; any such amounts received by such Agent shall be promptly remitted by such Agent to the Lenders that shall have made their payments pursuant to this paragraph and to such Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to such Swingline Lender or to such Applicable Agent, as applicable, if and to the extent such payment is required to be refunded to the applicable Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the applicable Borrower of any default in the payment thereof.

SECTION 2.06. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Company may request the issuance, for its own account and for the benefit of the Company or any Subsidiary of the Company, of Letters of Credit denominated in US Dollars or in any Alternative Currency, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Company to, or entered into by the Company with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Notwithstanding anything to the contrary set forth in this Section 2.06, there shall be no obligation of any Issuing Bank to make issue any Letter of Credit in respect of the Revolver Reserve Amount unless the condition specified in Section 4.02(d) shall have been satisfied or waived as of the date of the issuing of such Letter of Credit.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Company shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the Tranche under which such Letter of Credit is to be issued or maintained, the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the currency in which such Letter of Credit is to be denominated (which shall be US Dollars or an Alternative Currency), the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the Company also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Company shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the US Dollar Equivalent of the

LC Exposure shall not exceed \$700,000,000 (ii) the US Tranche Revolving Exposure shall not exceed the total US Tranche Revolving Commitments, (iii) the Canadian Tranche Exposure shall not exceed the total Canadian Tranche Commitments, and (iv) the UK Tranche Exposure shall not exceed the total UK Tranche Commitments.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders under the applicable Tranche, the Issuing Bank hereby grants to each such Lender, and each such Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Tranche Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank, such Lender's Tranche Percentage of (i) each LC Disbursement made by the Issuing Bank in US Dollars and (ii) the US Dollar Equivalent, using the Exchange Rates in effect on the date such payment is required, of each LC Disbursement made by such Issuing Bank in an Alternative Currency, and in each case, not reimbursed by the Company on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Company for any reason (or, if such reimbursement payment was refunded in an Alternative Currency, the US Dollar Equivalent thereof using the Exchange Rates on the date of such refund). Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Company shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 12:00 noon, New York City time, on the date that such LC Disbursement is made, if the Company shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Company prior to such time on such date, then not later than 12:00 noon, New York City time, on (i) the Business Day that the Company receives such notice, if such notice is received prior to 10:00 a.m., New York City time, on the day of receipt, or (ii) the Business Day immediately following the day that the Company receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, in the case of an LC Disbursement made in US Dollars, the Company may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with an ABR US Tranche Revolving Borrowing or US Tranche Swingline Loan in an equivalent amount and, to the extent so financed, the Company's obligation to make such payment shall be discharged and replaced by the resulting ABR US Tranche Revolving Borrowing or US Tranche Swingline Loan. If the Company fails to make such payment when due, then (i) if such payment relates to an Alternative Currency Letter of Credit, automatically and with no further action required, the Company's obligation to reimburse the applicable LC Disbursement shall be permanently converted into an obligation to reimburse the US Dollar Equivalent, calculated using the Exchange Rates on the date when such payment was due, of such LC Disbursement and (ii) in the case of each LC Disbursement, the Administrative Agent shall notify each Lender under the applicable Tranche of the applicable LC Disbursement, the payment then due from the Company in respect thereof and such Lender's Tranche

Percentage thereof. Promptly following receipt of such notice, each such Lender shall pay to the Administrative Agent its Tranche Percentage of the payment then due from the Company, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the applicable Issuing Bank in US Dollars the amounts so received by it from such Lenders. Promptly following receipt by the Administrative Agent of any payment from the Company pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR US Tranche Revolving Loans or a US Tranche Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Company of its obligation to reimburse such LC Disbursement. If the Company's reimbursement of, or obligation to reimburse, any amounts in any Alternative Currency would subject the Administrative Agent, the applicable Issuing Bank or any Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in US Dollars, the Company shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the relevant Issuing Bank or Lender or (y) reimburse each LC Disbursement made in such Alternative Currency in US Dollars, in an amount equal to the US Dollar Equivalent, calculated using the applicable Exchange Rate on the date such LC Disbursement is made, of such LC Disbursement.

(f) Obligations Absolute. The Company's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Company's obligations hereunder. Neither the Agents, the Lenders nor the Issuing Banks, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Company to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Company to the extent permitted by applicable law) suffered by the Company that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the Company by telephone (confirmed by telecopy) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Company of its obligation to reimburse the Issuing Bank and the applicable Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Company shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Company reimburses such LC Disbursement, (i) if such LC Disbursement is made in US Dollars, and at all times following the conversion to US Dollars of an LC Disbursement made in an Alternative Currency pursuant to paragraph (e) above, at the rate per annum then applicable to ABR US Tranche Revolving Loans, and (ii) if such LC Disbursement is made in an Alternative Currency, at all times prior to its conversion to US Dollars pursuant to paragraph (e) above, at a rate equal to the rate reasonably determined by the applicable Issuing Bank to be the cost to such Issuing Bank of funding such LC Disbursement plus the Applicable Rate applicable to Eurocurrency Revolving Loans at such time; provided that, if the Company fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.14(d) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of an Issuing Bank. Any Issuing Bank may be replaced at any time by written agreement among the Company, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Company shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.13(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Company receives notice from the Administrative Agent or the Required Lenders demanding the deposit of cash collateral pursuant to this paragraph, the Company shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders, an amount in US Dollars in cash equal to 102% of the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that (i) the portions of such amount attributable to undrawn Alternative Currency Letters of Credit or LC Disbursements in an Alternative Currency that the Company is not late in reimbursing shall be deposited in the applicable Alternative Currencies in the actual amounts of such undrawn Letters of Credit and LC Disbursements and (ii) the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and

payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Company described in clause (h) or (i) of Article VII. For the purposes of this paragraph, the Alternative Currency LC Exposure shall be calculated using the Exchange Rates on the date notice demanding cash collateralization is delivered to the Company. The Company also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.12(b). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Company under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Company's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse any Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Company for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of the Required Lenders), be applied to satisfy other Secured Obligations. If the Company is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Company within three Business Days after all Events of Default have been cured or waived.

(k) Existing Letters of Credit. Certain letters of credit issued for the account of the Company and outstanding on the Effective Date are identified on Schedule 2.06 (the "Existing Letters of Credit"). As of the Effective Date, (i) the Existing Letters of Credit shall be deemed to be Letters of Credit issued pursuant to and in compliance with this Section 2.06 as Letters of Credit under the US Tranche, (ii) the undrawn amount of the Existing Letters of Credit and the unreimbursed amount of LC Disbursements with respect to the Existing Letters of Credit shall be included in the calculation of LC Exposure and US Tranche LC Exposure, and (iii) the provisions of this Section 2.06 and Section 2.13(b) shall apply to the Existing Letters of Credit, and the Company and the Lenders hereby expressly acknowledge their respective obligations hereunder with respect to the Existing Letters of Credit.

(l) Issuing Bank Agreements. Unless otherwise requested by the Administrative Agent, each Issuing Bank shall report in writing to the Administrative Agent (i) on the first Business Day of each week, the daily activity (set forth by day) in respect of Letters of Credit during the immediately preceding week, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) on or prior to each Business Day on which such Issuing Bank expects to issue, amend, renew or extend any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the aggregate face amount of the Letters of Credit to be issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension occurred (and whether the amount thereof changed), it being understood that such Issuing Bank shall not permit any issuance, renewal, extension or amendment resulting in an increase in the amount of any Letter of Credit to occur without first obtaining written confirmation from the Administrative Agent that it is then permitted under this Agreement, (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date of such LC Disbursement and the amount of such LC Disbursement, (iv) on any Business Day on which the Company fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount and currency of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request.

(m) Conversion. In the event that the Loans become immediately due and payable on any date pursuant to Article VII, all amounts (i) that the Company is at the time or thereafter becomes required to reimburse or otherwise pay to the Administrative Agent in respect of LC Disbursements made

under any Alternative Currency Letter of Credit (other than amounts in respect of which such Borrower has deposited cash collateral pursuant to paragraph (j) above, if such cash collateral was deposited in the applicable Alternative Currency to the extent so deposited or applied), (ii) that the Lenders are at the time or thereafter become required to pay to the Administrative Agent and the Administrative Agent is at the time or thereafter becomes required to distribute to the applicable Issuing Bank pursuant to paragraph (e) of this Section in respect of unreimbursed LC Disbursements made under any Alternative Currency Letter of Credit and (iii) of each Lender's participation in any Alternative Currency Letter of Credit under which an LC Disbursement has been made shall, automatically and with no further action required, be converted into the US Dollar Equivalent, calculated using the Exchange Rates on such date (or in the case of any LC Disbursement made after such date, on the date such LC Disbursement is made), of such amounts. On and after such conversion, all amounts accruing and owed to the Administrative Agent, the applicable Issuing Bank or any Lender in respect of the obligations described in this paragraph shall accrue and be payable in US Dollars at the rates otherwise applicable hereunder.

SECTION 2.07. Funding of Borrowings. (a) Each Lender shall make each Loan or payment of Net Acceptance Proceeds to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds in the applicable currency by 11:00 a.m., Local Time, to the account of the Applicable Agent most recently designated for such purpose for Loans or Acceptances of such Class and currency by notice to the applicable Lenders; provided that Swingline Loans shall be made as provided in Section 2.05. The Applicable Agent will make such Loans or Net Acceptance Proceeds available to the relevant Borrower by promptly crediting the amounts so received, in like funds, to an account of such Borrower maintained by the Applicable Agent in New York City, in the case of Loans denominated in US Dollars, in Toronto, in the case of Loans or Acceptances denominated in Canadian Dollars, and in London, in the case of Loans denominated in Pounds Sterling or Euro, or in any case, by wire transfer to an account specified by such Borrower in the applicable Borrowing Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(b) Unless the Applicable Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Applicable Agent such Lender's share of such Borrowing, the Applicable Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the relevant Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Applicable Agent, then the applicable Lender and such Borrower severally agree to pay to the Applicable Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Applicable Agent, at (i) in the case of such Lender, the rate reasonably determined by the Applicable Agent to be the cost to it of funding such amount or (ii) in the case of such Borrower, the interest rate applicable to the subject Loan or, in the case of an Acceptance, the interest rate applicable to Canadian Base Rate Loans. If such Lender pays such amount to the Applicable Agent, then such amount shall constitute such Lender's Loan or Acceptance included in such Borrowing.

SECTION 2.08. Interest Elections. (a) Each Revolving Borrowing and each Term Loan Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the relevant Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section. A Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued, or to Acceptance Borrowings, which are subject to Section 2.04.

(b) To make an election pursuant to this Section, a Borrower, or the Company on its behalf, shall notify the Applicable Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Applicable Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the relevant Borrower, or the Company on its behalf. Notwithstanding any contrary provision herein, this Section shall not be construed to permit any Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under the Class of Commitments pursuant to which such Borrowing was made.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) the Type of the resulting Borrowing; and

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Applicable Agent shall advise each Lender holding a Loan to which such request relates of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the relevant Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period, such Borrowing shall (i) in the case of a Eurocurrency Borrowing denominated in US Dollars by the Company under the US Tranche or the Canadian Tranche, be converted to an ABR Borrowing and (ii) in the case of any other Eurocurrency Borrowing, be continued as a Eurocurrency Borrowing with an Interest Period of one month's duration. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Company, then, so long as an Event of Default is continuing (i) no outstanding Borrowing borrowed by the Company may be converted to or continued at the end of the then current Interest Period as a Eurocurrency Borrowing and (ii) unless repaid, each Eurocurrency Borrowing shall (A) in the case of

such a Borrowing by the Company under the US Tranche or the Canadian Tranche, be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (B) in the case of any other Eurocurrency Borrowing, be continued as a Eurocurrency Borrowing with an Interest Period of one month's duration.

SECTION 2.09. Termination and Reduction of Commitments. (a) Unless previously terminated, (i) the US Tranche Term Loan Commitments shall terminate at 3:00 p.m., New York City time, on the Effective Date and (ii) the Revolving Commitments shall terminate on the Maturity Date. The Revolving Commitments shall be permanently reduced in accordance with the terms and conditions of Section 2.12.

(b) The Company may at any time terminate, or from time to time reduce, the Revolving Commitments of any Tranche; provided that (i) each reduction of the Revolving Commitments of any Tranche shall be in an amount that is an integral multiple of the Borrowing Multiple for a Eurocurrency Revolving Borrowing denominated in US Dollars and not less than the Borrowing Minimum for a Eurocurrency Revolving Borrowing denominated in US Dollars, (ii) the Company shall not terminate or reduce the US Tranche Revolving Commitments if, after giving effect to any concurrent prepayment of the US Tranche Revolving Loans in accordance with Section 2.12, the aggregate US Tranche Revolving Exposures would exceed the aggregate US Tranche Revolving Commitments, (iii) the Company shall not terminate or reduce the Canadian Tranche Commitments if, after giving effect to any concurrent prepayment of the Canadian Tranche Revolving Loans in accordance with Section 2.12, the aggregate Canadian Tranche Exposures would exceed the aggregate Canadian Tranche Commitments, and (iv) the Company shall not terminate or reduce the UK Tranche Commitments if, after giving effect to any concurrent prepayment of the UK Tranche Revolving Loans in accordance with Section 2.12, the aggregate UK Tranche Exposures would exceed the aggregate UK Tranche Commitments.

(c) The Company shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments of any Class under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying the effective date of such election. Each notice delivered by the Company pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Company may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the applicable Lenders in accordance with their respective Commitments of such Class.

SECTION 2.10. ~~Increase in Commitments: [Intentionally Omitted].~~

~~(a) At any time and from time to time prior to the Maturity Date, the Company may, by written notice to the Administrative Agent (which the Administrative Agent shall promptly furnish to each Lender in the applicable Tranche), request that one or more Persons (which shall include the Lenders in the applicable Tranche, as provided below) offer to increase their Commitments under any Tranche (if they are Lenders) or to make additional Commitments or Loans under any Tranche (if they are not already Lenders) (such increased and/or additional Commitments and/or additional Loans being, in the case of any Tranche, a "Tranche Increase") under this paragraph (a), it being understood that if such offer is to be made by a Person that is not already a Lender, the Administrative Agent shall have consented to such Person being a Lender hereunder to the extent such consent would be required pursuant to Section 11.04(b) in the event of an assignment to such Person (such consent not to be unreasonably withheld). The minimum aggregate amount of any Tranche Increase shall be \$25,000,000 in the case of the US Tranche, \$5,000,000 in the case of the Canadian Tranche, and \$5,000,000 in the case of the UK Tranche.~~

In no event shall the aggregate amount of all Tranche Increases pursuant to this paragraph (a) exceed \$350,000,000. The Company shall offer each relevant Lender the opportunity to increase its applicable Tranche Commitment or make additional Loans by its applicable Tranche Percentage of the proposed increased amount of any Tranche. Each Lender in such Tranche shall, by notice to the Company and the Administrative Agent given not more than 10 Business Days after the date of the Company's notice, either agree to increase its applicable Tranche Commitment or make additional Loans, as applicable, by all or a portion of the offered amount or decline to increase its applicable Tranche Commitment or make additional Loans, as applicable (and unless a Lender shall deliver such a notice within such period of 10 Business Days shall be deemed to have declined to increase its applicable Tranche Commitment or make additional Loans, as applicable). In the event that, on the 10th Business Day after the Company shall have delivered a notice pursuant to the first sentence of this paragraph, the relevant Lenders shall have agreed pursuant to the preceding sentence to increase their applicable Tranche Commitments or make additional Loans, as applicable, by an aggregate amount less than the increase in the total Tranche Commitments or Loans in such Tranche requested by the Company, the Company may arrange for one or more banks or other financial institutions, which may include any Lender, to extend applicable Tranche Commitments or make additional Loans, as applicable, or increase their existing applicable Tranche Commitments or make additional Loans, as applicable, in an aggregate amount equal to the unsubscribed amount. In the event that one or more of such Persons offer to increase or enter into such Commitments or make additional Loans, as applicable, and such Persons, the Company, any other applicable Borrower and the Administrative Agent agree as to the amount of such Commitments or additional Loans, as applicable, to be allocated to the respective Persons making such offers and the fees (if any) to be payable by the Company in connection therewith, the Company, any other applicable Borrower, such Persons, the Administrative Agent and any other Applicable Agent shall execute and deliver an appropriate amendment to this Agreement, which amendment shall specify, among other things, the procedures for reallocating any outstanding Revolving Credit Exposure under the Tranche that is subject to the Tranche Increase effected by such amendment.

(b) Notwithstanding the foregoing, no increase in the Commitments (or in the Commitment of any Lender) or addition of a new Lender shall become effective under this Section unless, (i) on the date of such increase, the conditions set forth in paragraphs (a) and (b) of Section 4.02 shall be satisfied and the Administrative Agent shall have received a certificate to that effect dated such date and executed by the chief financial officer of the Company, and (ii) the Administrative Agent shall have received (with sufficient copies for each of the Lenders) documents consistent with those delivered on the Effective Date under clauses (b) and (c) of Section 4.01 as to the corporate power and authority of the applicable Borrowers to borrow hereunder after giving effect to such increase.

SECTION 2.11. Repayment of Loans; Evidence of Debt. (a) (i) Each Borrower hereby unconditionally promises to pay to the Applicable Agent for the accounts of the applicable Lenders the then unpaid principal amount of each Borrowing of such Borrower and all other Obligations of such Borrower on the Maturity Date; and (ii) the Company hereby unconditionally promises to pay to each Swingline Lender the then unpaid principal amount of each Swingline Loan made by such Swingline Lender on the earlier of the Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least five Business Days after such Swingline Loan is made, provided that on each date that a Revolving Borrowing is made under a Tranche, the applicable Borrower shall repay all Swingline Loans then outstanding under such Tranche. Each Borrower agrees to repay the principal amount of each Loan made to such Borrower and the accrued interest thereon in the currency of such Loan. Each Canadian Borrower agrees to make all payments required with respect to Acceptances in accordance with Section 2.04.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan and Acceptance made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan and Acceptance made hereunder, the Class, Type and currency thereof and the Interest Period (or, in the case of an Acceptance, the maturity date) applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by any Agent hereunder for the accounts of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans of any Class made by it to any Borrower be evidenced by a promissory note. In such event, the relevant Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 11.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.12. Prepayment of Loans. (a) Any Borrower shall have the right at any time and from time to time, without premium or penalty (other than break funding payments pursuant to Section 2.17), to prepay any Borrowing (other than an Acceptance Borrowing) in whole or in part, subject to prior notice in accordance with paragraph (d) of this Section, in a minimum amount equal to (i) \$1,000,000 or any integral multiple of \$500,000 in excess thereof in the case of any ABR Borrowing, Eurocurrency Borrowing or Swingline Borrowing denominated in US Dollars, (ii) £500,000 or any integral multiple of £500,000 in excess thereof in the case of any Eurocurrency Borrowing or Swingline Borrowing denominated in Pounds Sterling, (iii) €1,000,000 or any integral multiple of €500,000 in excess thereof in the case of any Eurocurrency Borrowing or Swingline Borrowing denominated in Euro or (iv) C\$1,000,000 or any integral multiple of C\$500,000 in excess thereof in the case of any Borrowing under the Canadian Tranche denominated in Canadian Dollars.

(b) In the event and on such occasion that (i) the sum of the US Tranche Revolving Exposures exceeds the total US Tranche Revolving Commitments, (ii) the sum of the Canadian Tranche Exposures exceeds the total Canadian Tranche Commitments or (iii) the sum of the UK Tranche Exposures exceeds the total UK Tranche Commitments, the Borrowers under the applicable Tranche shall prepay Revolving Borrowings (other than Acceptance Borrowings) or Swingline Borrowings (or, if no such Borrowings are outstanding in such Tranche, deposit cash collateral in an account with the Administrative Agent pursuant to Section 2.06(j), in the case of the US Tranche, or deposit cash collateral in an account with the Canadian Agent, in the case of the Canadian Tranche) in an aggregate amount equal to such excess; provided that if such excess arises solely as a result of currency rate fluctuations and such excess under any Tranche is not greater than 5% of the total Commitments under such Tranche, such prepayment or deposit, as the case may be, shall not be required. The Applicable Agent shall make the calculations described in this clause (b) on each Computation Date.

(c) Prior to any optional or ~~mandatory~~ prepayment of Borrowings hereunder, the applicable Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to paragraph (d) of this Section.

(d) The applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Applicable Agent (and, in the case of prepayment of a Swingline Loan, the applicable Swingline Lender) by telephone (confirmed by telecopy) of any voluntary prepayment of a Borrowing hereunder (i) in the case of a Eurocurrency Borrowing, not later than 12:00 noon, Local Time, three Business Days before the date of such prepayment, (ii) in the case of a Canadian Base Rate Revolving Borrowing, not later than 12:00 noon, Local Time, one Business Day before the date of such prepayment, and (iii) in the case of an ABR Borrowing or a Swingline Loan, not later than 12:00 noon, Local Time, on the date of such prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of optional prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09(c), then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09(c). Promptly following receipt of any such notice, the Applicable Agent shall advise the applicable Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.14 and (ii) break funding payments pursuant to Section 2.17.

(e) On and after the Amendment No. ~~42~~ Effective Date ~~until the occurrence of the Fall Away Event~~, in the event and on each occasion that any Net Cash Proceeds are received by or on behalf of the Company or any of its Domestic Subsidiaries in respect of any Prepayment Event, the Company shall, within ~~three~~ one (3) Business Days after the end of the fiscal quarter of the Company in which such Net Cash Proceeds are received, prepay the outstanding Term Loans as set forth in Section 2.12(d) above 1) Business Day after receipt of such Net Cash Proceeds, subject to the terms and conditions of Sections 2.12(h) and (j), as applicable, prepay the Obligations in an aggregate amount equal to ~~100%~~ the Applicable Prepayment Percentage of such Net Cash Proceeds; ~~provided, however, that Net Cash Proceeds shall not be required to be used to prepay Term Loans if the Company shall deliver to the Administrative Agent a certificate of a Financial Officer certifying that no Default has occurred and is continuing and that the Company and its Domestic Subsidiaries intend to apply the Net Cash Proceeds from such Prepayment Event, within 30 days after the end of the fiscal quarter of the Company in which such Net Cash Proceeds are received, to acquire or repair assets to be used in the business of the Company and its Domestic Subsidiaries or to make an acquisition permitted by Section 6.04 to the extent such Net Cash Proceeds are so applied; provided that, to the extent that any such Net Cash Proceeds therefrom have not been so applied by the end of such 30 day period, a prepayment as described above equal to 100% of such unapplied Net Cash Proceeds shall be made within three (3) Business Days following the expiration of such 30 day period. All such amounts pursuant to this Section 2.12(e) shall be applied to prepay the Term Loans until all principal and interest in respect of the Term Loans have been paid in full. No such amounts shall be required to be applied to prepay any Revolving Loans, and the Company shall, subject to the terms and conditions of Sections 2.12(h) and (j), as applicable, be entitled to retain the remaining Net Cash Proceeds following such prepayment.~~

(f) The Company shall prepay the Obligations on the date that is three (3) Business Days after the earlier of (i) the date on which the Company's annual audited financial statements for the immediately preceding fiscal year are delivered pursuant to Section 5.01 or (ii) the date on which such annual audited financial statements were required to be delivered pursuant to Section 5.01, in an amount equal to (x) 50% of the Company's Excess Cash Flow for such immediately preceding fiscal year, minus (y) any voluntary prepayments of the Term Loans, the Revolving Loans and/or Swing line Loans (but

only to the extent that, in the case of the Revolving Loans and the Swingline Loans, such prepayments were accompanied by a corresponding permanent reduction of the Revolving Commitments), with the first such prepayment pursuant to this Section 2.12(f) required to be made by the Company in 2010 in respect of the Company's Excess Cash Flow for the fiscal year of the Company ending December 31, 2009.

(g) All such amounts required to be prepaid pursuant to Sections 2.12(e), (f) and (j), (but subject to the terms and conditions of Section 2.12(h)) shall be applied first, to prepay the Term Loans (first to prepay ABR Loans and then to prepay Eurocurrency Loans) until all principal and interest in respect of the Term Loans have been paid in full and second, to prepay the Revolving Loans, including Swingline Loans if any are outstanding, (first to prepay ABR Loans and then to prepay Eurocurrency Loans) with a corresponding permanent reduction of the Revolving Commitments; provided, that, in respect of any of the prepayments described herein, to the extent that there are no Revolving Loans outstanding at the time such prepayment is required to be made pursuant to the terms of this Agreement, then (A) the unused Revolving Commitments shall be automatically and irrevocably reduced by an amount equal to such prepayment amount and (B) the Company shall then be required to use such prepayment amounts to cash collateralize outstanding LC Exposure in accordance with the requirements of Section 2.06(j). To the extent that a Letter of Credit has been so cash collateralized and such Letter of Credit subsequently expires, terminates or it otherwise is released by the beneficiary thereof, (i) the Administrative Agent shall promptly release to the Company cash collateral in respect of such expired Letter of Credit, net of any such amount that would be required to cash collateralize any other outstanding LC Exposure in an aggregate amount equal to 102% of the LC Exposure at such time and (ii) the Revolving Commitment will be immediately and permanently reduced in an amount equal to the face amount of such expired Letter of Credit.

(h) Notwithstanding anything to the contrary set forth in this Section 2.12, with respect to any Real Estate Asset Sale described in clause (a) of the definition of "Prepayment Event" the Net Cash Proceeds of which, together with the aggregate amount of Net Cash Proceeds from all such Asset Sales occurring on or after January 1, 2009, is less than or equal to \$300,000,000 and which occurs on or prior to July 15, 2009, the Net Cash Proceeds thereof shall be applied as follows:

(i) 50% of such Net Cash Proceeds shall be deposited into the Escrow Account, and amounts on deposit in the Escrow Account may be withdrawn by the Company upon the satisfaction of the Escrow Release Conditions; provided that the amount released from the Escrow Account at any time shall not exceed the Escrow Liquidity Deficit Amount at such time; and

(ii) 50% of such Net Cash Proceeds shall be used to make a prepayment of the outstanding Revolving Loans (without a corresponding permanent reduction of the Revolving Commitments at such time), and the aggregate amount of all such prepayments made pursuant to this Section 2.12(h)(i)(B) shall be the "Revolver Reserve Amount".

(i) On July 16, 2009, the Escrow Account shall be terminated, and any amounts on deposit therein at such time shall be promptly released to the Company. Any amounts that are withdrawn from the Escrow Account (whether prior to July 16, 2009 in accordance with the Escrow Release Conditions referred to herein or on July 16, 2009 at the time when the Escrow Account is terminated) will cause an automatic and irrevocable reduction of the Revolving Commitment equal to such withdrawn or released amounts (such reductions being applied first to the Revolver Reserve Amount).

(j) Notwithstanding anything to the contrary set forth in this Section 2.12, upon the consummation of the Permitted Disposition, the greater of (x) \$100,000,000 and (y) the amount otherwise payable under Section 2.12(e) shall be applied in accordance with the terms and conditions of Section 2.12(g).

SECTION 2.13. Fees. (a) The Company agrees to pay to the Administrative Agent for the account of each US Tranche Lender a facility commitment fee, which shall accrue at the Applicable Rate on the daily amount of the US Tranche Available Revolving Commitment of such US Tranche Lender ~~(whether used or unused)~~ during the period from and including the Effective Date to but excluding the date on which such US Tranche Revolving Commitment terminates; provided that, if such US Tranche Lender continues to have any US Tranche Revolving Exposure after its US Tranche Revolving Commitment terminates, then such facility commitment fee shall continue to accrue on the daily amount of such US Tranche Lender's US Tranche Revolving Exposure from and including the date on which its US Tranche Revolving Commitment terminates to but excluding the date on which such Lender ceases to have any US Tranche Revolving Exposure. The Company and the Canadian Borrowers jointly and severally agree to pay to the Canadian Agent for the account of each Canadian Tranche Lender a facility commitment fee, which shall accrue at the Applicable Rate on the daily amount of the Canadian Tranche Available Commitment of such Canadian Tranche Lender ~~(whether used or unused)~~ during the period from and including the Effective Date to but excluding the date on which such Canadian Tranche Commitment terminates; provided that, if such Canadian Tranche Lender continues to have any Canadian Tranche Exposure after its Canadian Tranche Commitment terminates, then such facility commitment fee shall continue to accrue on the daily amount of such Canadian Tranche Lender's Canadian Tranche Exposure to but excluding the date on which such Canadian Tranche Lender ceases to have any Canadian Tranche Exposure. The Company and the UK Borrowers jointly and severally agree to pay to the UK Agent for the account of each UK Tranche Lender a facility commitment fee, which shall accrue at the Applicable Rate on the daily amount of the UK Tranche Available Commitment of such UK Tranche Lender ~~(whether used or unused)~~ during the period from and including the Effective Date to but excluding the date on which such UK Tranche Commitment terminates; provided that, if such UK Tranche Lender continues to have any UK Tranche Exposure after its UK Tranche Commitment terminates, then such facility commitment fee shall continue to accrue on the daily amount of such UK Tranche Lender's UK Tranche Exposure to but excluding the date on which such UK Tranche Lender ceases to have any UK Tranche Exposure. Accrued facility commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the applicable Revolving Commitments terminate, commencing on the first such date to occur after the date hereof; provided that any facility commitment fees accruing after the date on which the applicable Revolving Commitments terminate shall be payable on demand. All facility commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Any payment required to be made pursuant to this paragraph (a) by the Company to the Canadian Agent or the UK Agent shall be made to the Administrative Agent, as a sub-agent for the Canadian Agent or the UK Agent, as applicable, in New York, New York for the account of each Canadian Tranche Lender or each UK Tranche Lender, respectively. For purposes of computing the average daily amount of any LC Exposure for any period under this Section 2.13(a), the average daily amount of the Alternative Currency LC Exposure for such period shall be calculated by multiplying (i) the average daily balance of each Alternative Currency Letter of Credit (expressed in the currency in which such Alternative Currency Letter of Credit is denominated) by (ii) the Exchange Rate for each such Alternative Currency in effect on the last Business Day of such period or by such other reasonable method that the Administrative Agent deems appropriate.

(b) The Company agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurocurrency Revolving Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but

excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank a fronting fee to be agreed upon by the Company and such Issuing Bank on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) with respect to Letters of Credit issued by such Issuing Bank, during the period from and including the Effective Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as each Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to any Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing the average daily amount of any LC Exposure for any period under this Section 2.13(b), the average daily amount of the Alternative Currency LC Exposure for such period shall be calculated as set forth in paragraph (a) above.

(c) Each Canadian Borrower shall pay to each Canadian Tranche Lender a Stamping Fee on the date of the relevant Borrowing with respect to each Draft issued by such Canadian Borrower and accepted by such Canadian Tranche Lender calculated and payable at the time and in the manner specified in Section 2.04. Each Stamping Fee and CDOR BA Rate payable on or in respect of Acceptances is expressed on the basis of a 365 day year.

(d) The Company agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the Administrative Agent. The Company and the Canadian Borrowers jointly and severally agree to pay to the Canadian Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the Canadian Agent. The Company and the UK Borrowers jointly and severally agree to pay to the UK Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the UK Agent.

(e) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Applicable Agent (or to the applicable Issuing Bank, in the case of fees payable to it) for distribution, in the case of ~~facility commitment~~ fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.14. Interest. (a) The Loans comprising each ABR Borrowing (other than each US Tranche Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate. The Loans comprising each Canadian Base Rate Borrowing (including each Canadian Tranche Swingline Loan) shall bear interest at the Canadian Base Rate. US Tranche Swingline Loans shall bear interest at a rate per annum equal to the US Swingline Rate. UK Tranche Swingline Loans shall bear interest at a rate per annum equal to the UK Swingline Rate plus the Applicable Rate for Eurocurrency Revolving Loans plus the Mandatory Cost.

(b) The Loans comprising each Eurocurrency Borrowing by the Company under the US Tranche or the Canadian Tranche shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate. The Loans comprising each Eurocurrency Borrowing by a UK Borrower or the Company under the UK Tranche shall bear interest at the LIBO Rate for the Interest Period then in effect for such Borrowing plus the Applicable Rate plus the Mandatory Cost.

(c) Notwithstanding the foregoing, during the continuance of an Event of Default described in clause (a) or (b) of Article VII the Required Lenders may, at their option, by notice to the Company (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 11.02(b) requiring unanimous consent of the Lenders to changes in interest rates), declare that (i) each Borrowing shall bear interest at the rate otherwise applicable thereto plus 2% per annum, and (ii) the Letter of Credit participation fee provided for in Section 2.13(b) shall be increased by 2% per annum, provided that, during the continuance of an Event of Default described in clause (h) or (i) of Article VII, the interest rates set forth in clause (i) above and the increase in the Letter of Credit participation fee set forth in clause (ii) above shall be applicable to all Borrowings and Letters of Credit without any election or action on the part of any Agent or any Lender.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the applicable Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan or a Canadian Base Rate Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) Subject to Section 2.14(f), all interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate, by reference to the Canadian Base Rate or by reference to the LIBO Rate when the applicable Eurocurrency Borrowing is denominated in Pounds Sterling shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Canadian Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Applicable Agent, and such determination shall be conclusive absent manifest error.

(f) If and to the extent that the laws of Canada are applicable to interest, fees or other amounts payable under this Agreement for the purpose of the Interest Act (Canada), the yearly rate of interest to which interest or any fee calculated on the basis of a 360- or 365-day year is equivalent is the rate of interest or fee as determined herein multiplied by the actual number of days in such year divided by 360 or 365, as the case may be.

(g) The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement. The rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

(i) ~~(h)~~ Notwithstanding any other provision of this Agreement, if and to the extent that the laws of Canada are applicable to interest payable under this Agreement, no interest on the credit advanced will be payable in excess of that permitted by the laws of Canada. If the effective annual rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed 60% per annum (or such other rate as the Parliament of Canada may determine from time to time as the criminal rate) on the credit advanced under this Agreement, then (a) the amount of any charges for the use of money, expenses, fees or other charges payable in connection therewith will be reduced to the extent necessary to eliminate such excess, (b) any remaining excess that has been paid will be credited towards repayment of the principal amount and (c) any overpayment that may remain after such crediting will be

returned forthwith on demand to the applicable Borrower. In this provision, the terms “interest”, “criminal rate” and “credit advanced” have the meanings ascribed to them in Section 347 of the Criminal Code of Canada.

SECTION 2.15. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurocurrency Borrowing in any currency:

(a) the Applicable Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Applicable Agent is advised by a majority in interest of the Lenders that would participate in such Borrowing that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Applicable Agent shall give notice thereof to the applicable Borrower and the applicable Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Applicable Agent notifies the applicable Borrower and the applicable Lenders that the circumstances giving rise to such notice no longer exist (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing in such currency shall be ineffective, and such Borrowing shall be converted to or continued on the last day of the Interest Period applicable thereto (A) if such Borrowing is a Eurocurrency Borrowing by the Company under the US Tranche or the Canadian Tranche, as an ABR Borrowing or (B) if such Borrowing is a Eurocurrency Borrowing by the Company or a UK Borrower under the UK Tranche, as a Borrowing bearing interest at such rate as the UK Agent shall determine, after consultation with the UK Tranche Lenders, adequately reflects the costs to the UK Tranche Lenders of making or maintaining their Loans, and (ii) if any Borrowing Request requests a Eurocurrency Revolving Borrowing in such currency, unless the applicable Borrower notifies the Applicable Agent in writing prior to the date on which such Borrowing is requested to be made that it wishes to revoke such Borrowing Request, (A) if such Borrowing is a Eurocurrency Borrowing by the Company under the US Tranche or the Canadian Tranche, such Borrowing shall be made as an ABR Borrowing, and (B) if such Borrowing is a Eurocurrency Borrowing by the Company or a UK Borrower under the UK Tranche, such Borrowing shall be made as a Borrowing bearing interest at such rate as the UK Agent shall determine adequately reflects the costs to the UK Tranche Lenders of making or maintaining their Loans plus the Applicable Rate for Eurocurrency Revolving Loans plus the Mandatory Cost.

SECTION 2.16. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or Issuing Bank; or

(ii) impose on any Lender or Issuing Bank or the London interbank markets any other condition affecting this Agreement or Eurocurrency Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurocurrency Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or Issuing Bank of participating in, issuing or maintaining any Letter of

Credit or to reduce the amount of any sum received or receivable by such Lender or Issuing Bank hereunder (whether of principal, interest or otherwise), then the applicable Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy), then from time to time the applicable Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Company and shall be conclusive absent manifest error. The Company shall pay or cause the other Borrowers to pay such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided that the Company shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.17. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan to a Loan of a different Type or Interest Period other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan or to pay any amount owing in respect of any Acceptance on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.12(d) and is revoked in accordance therewith), or (d) the assignment or deemed assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.20 or the CAM Exchange, then, in any such event, the applicable Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the

interest rate such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable currency of a comparable amount and period from other banks in the London interbank market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, and setting forth in reasonable detail the calculations used by such Lender to determine such amount or amounts, shall be delivered to the applicable Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.18. Taxes. Subject to Section 2.18A (which shall be deemed to be a part of Section 2.18 for purposes of cross references to Section 2.18 in this Agreement) below in respect of any UK Borrower:

(a) Any and all payments by or on account of any obligation of each Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Applicable Agent or the applicable Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, each Borrower shall pay any Other Taxes related to such Borrower to the relevant Governmental Authority in accordance with applicable law.

(c) The relevant Borrower shall indemnify each Agent, each Lender and each Issuing Bank, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by such Agent, such Lender or such Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of any Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Lender or Issuing Bank, or by an Agent on its own behalf or on behalf of a Lender or Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Borrower to a Governmental Authority, such Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which a Borrower under a Tranche in which such Lender participates is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to such Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by such Borrower, such properly completed and executed documentation prescribed by applicable law or reasonably requested by such Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding tax. In addition, each such Lender agrees that it will deliver upon a Borrower's request updated versions of the foregoing documents whenever they have become obsolete or inaccurate in any material respect, together

with such other forms or documents as may be required in order to confirm or establish the entitlement of such Lender to continued exemption from or reduction of withholding tax; provided, however, that no Lender shall be required to provide any documents or forms which it cannot deliver under applicable law.

(f) Each Lender, on the date it becomes a Lender hereunder, will designate lending offices for the Loans to be made by it (a “Facility Office”) such that, on such date, it will not be liable for (i) in the case of a US Tranche Lender, any withholding tax that is imposed by the United States of America (or any political subdivision thereof) on payments by the Company from an office within such jurisdiction, (ii) in the case of a Canadian Tranche Lender, any withholding tax that is imposed (A) by Canada (or any political subdivision thereof) on payments by a Canadian Borrower from an office within such jurisdiction or (B) by the United States of America (or any political subdivision thereof) on payments by the Company from an office within such jurisdiction, or (iii) in the case of a UK Tranche Lender, any withholding tax that is imposed (A) by the United Kingdom (or any political subdivision thereof) on payments by a UK Borrower from an office within such jurisdiction or (B) by the United States of America (or any political subdivision thereof) on payments by the Company from an office within such jurisdiction. If any Lender does not comply with this Section 2.18(e) or (f), the relevant Borrower shall have no obligation to indemnify such Lender, or any relevant Agent or Issuing Bank for the account of such Lender, under this Section 2.18, provided, however, that such Borrower shall not be relieved of the foregoing indemnity obligation if the Company or the applicable Borrower shall fail to comply with the requirements of Section 2.21(a)(ii).

(g) In cases in which a Borrower makes a payment under this Agreement to a U.S. person with knowledge that such U.S. person is acting as an agent for a foreign person, such Borrower will not treat such payment as being made to a U.S. person for purposes of Treas. Reg. § 1.1441-1(b)(2)(ii) (or a successor provision) without the express written consent of such U.S. person.

(h) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by a Borrower or with respect to which a Borrower has paid additional amounts pursuant to this Section 2.18, it shall pay over such refund to such Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by such Borrower under this Section 2.18 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund, and only to the extent that the amount of such refund is both reasonably identifiable and quantifiable by such Lender without imposing on such Lender an unacceptable administrative burden); provided, that such Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to any Borrower or any other Person.

SECTION 2.18A. UK Taxes. Notwithstanding any other provision of this Agreement:

(a) Definitions:

“Protected Party” means a UK Tranche Lender or UK Tranche Swingline Lender which is or will be subject to any liability or required to make any payment for or on account of UK Tax, in relation to a sum received or receivable (or any sum deemed for the purposes of UK Tax to be received or receivable) under a Loan Document.

“Qualifying Lender” means (a) a building society (as defined for the purposes of section 477A of the Income and Corporation Taxes Act 1988) or (b) a UK Tranche Lender or UK Tranche Swingline Lender which is beneficially entitled to interest payable to that UK Tranche Lender or UK Tranche Swingline Lender in respect of an advance under a Loan Document and is either:

(i) a UK Tranche Lender or UK Tranche Swingline Lender:

- (A) which is a bank (as defined for the purpose of section 349 of the Income and Corporation Taxes Act 1988) making an advance under a Loan Document; or
- (B) in respect of an advance made under a Loan Document by a person that was a bank (as defined for the purpose of section 349 of the Income and Corporation Taxes Act 1988) at the time that that advance was made and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or

(ii) a UK Tranche Lender or UK Tranche Swingline Lender which is:

- (A) a company resident in the United Kingdom for United Kingdom tax purposes; or
- (B) a partnership each member of which is: (a) a company resident in the United Kingdom for United Kingdom tax purposes or (b) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (for the purposes of section 11(2) of the Income and Corporation Taxes Act 1988) the whole of any share of interest payable in respect of that advance that falls to it by reason of sections 114 and 115 of the Income and Corporation Taxes Act 1988; or
- (C) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a branch or agency and which brings into account interest payable in respect of that advance in computing its chargeable profits (within the meaning given by section 11(2) of the Income and Corporation Taxes Act 1988); or

(iii) a Treaty Lender.

“Tax Credit” means a credit against, relief or remission for, or repayment of any UK Tax.

“Tax Deduction” means a deduction or withholding for or on account of UK Tax from a payment under a Loan Document.

“Tax Payment” means an increased payment made by a UK Borrower to a UK Tranche Lender or UK Tranche Swingline Lender under Section 2.18A.

“Treaty Lender” means a UK Tranche Lender or UK Tranche Swingline Lender which:

(i) is treated as a resident of a Treaty State for the purposes of the Treaty and fully eligible for the benefits of the Treaty concerned such that the UK Tranche Lender or UK Tranche Swingline Lender concerned will in fact be eligible (without limitation under the Treaty concerned or otherwise) for full exemption for tax imposed by the United Kingdom on interest; and

(ii) does not carry on a business in the United Kingdom through a permanent establishment with which that UK Tranche Lender or UK Tranche Swingline Lender’s participation in the Loan is effectively connected.

“Treaty State” means a jurisdiction having a double taxation agreement (a “Treaty”) with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

“UK Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed by the government of the United Kingdom or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government of the United Kingdom.

(b) Unless a contrary indication appears, in this Section 2.18A a reference to “determines” or “determined” means a determination made in the absolute discretion of the person making the determination.

(c) Each UK Borrower shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(d) The relevant UK Borrower shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the UK Agent accordingly. Similarly, a UK Tranche Lender or UK Tranche Swingline Lender shall notify the UK Agent on becoming so aware in respect of a payment payable to that UK Tranche Lender or UK Tranche Swingline Lender. If the UK Agent receives such notification from a UK Tranche Lender or UK Tranche Swingline Lender, it shall notify the relevant UK Borrower.

(e) If a Tax Deduction is required by law to be made by a UK Borrower, the amount of the payment due from that UK Borrower shall be increased, to the extent permitted by applicable law in respect of each UK Borrower, to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(f) A UK Borrower is not required to make an increased payment to a UK Tranche Lender or UK Tranche Swingline Lender under paragraph (e) above for a Tax Deduction in respect of tax imposed by the country of incorporation of such UK Borrower from a payment of interest on a Loan, if on the date on which the payment falls due (i) the payment could have been made to the relevant UK Tranche Lender or UK Tranche Swingline Lender without a Tax Deduction if it was a Qualifying Lender, but on that date that UK Tranche Lender or UK Tranche Swingline Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a UK Tranche Lender or UK Tranche Swingline Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty, or any published practice or concession of any relevant taxing authority; or (ii) the relevant UK Tranche Lender or UK Tranche Swingline Lender is a Treaty Lender and the UK Borrower making the payment is able to demonstrate that the payment could have been made

to the UK Tranche Lender or UK Tranche Swingline Lender without the Tax Deduction had that UK Tranche Lender or UK Tranche Swingline Lender complied with its obligations under paragraph (i) or (j) below.

(g) If a UK Borrower is required to make a Tax Deduction, that UK Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(h) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the UK Borrower making that Tax Deduction shall deliver to the UK Agent for the UK Tranche Lender or UK Tranche Swingline Lender entitled to the payment evidence reasonably satisfactory to that UK Tranche Lender or UK Tranche Swingline Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(i) A Treaty Lender and each UK Borrower which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that UK Borrower to obtain authorization to make that payment without a Tax Deduction.

(j) (A) Each Treaty Lender:

(i) irrevocably appoints the UK Agent to act as syndicate manager under, and authorizes the UK Agent to operate, and take any action necessary or desirable under, the PTR Scheme in connection with this Agreement;

(ii) shall co-operate with the UK Agent in completing any procedural formalities necessary under the PTR Scheme, and shall promptly supply to the UK Agent such information as the UK Agent may request in connection with the operation of the PTR Scheme;

(iii) without limiting the liability of the Company or any UK Borrower under this Agreement, shall, within 5 Business Days of demand, indemnify the UK Agent for any liability or loss incurred by the UK Agent as a result of the UK Agent acting as syndicate manager under the PTR Scheme in connection with the Treaty Lender's participation in any Loan (except to the extent that the liability or loss arises from the UK Agent's gross negligence or willful misconduct); and

(iv) shall, within 5 Business Days of demand, indemnify the Company and each UK Borrower for any UK Tax which they become liable to pay in respect of any payments made to such Treaty Lender arising as a result of any incorrect information supplied by such Treaty Lender under paragraph (ii) above which results in a provisional authority issued by HM Revenue & Customs under the PTR Scheme being withdrawn.

(B) Each UK Borrower acknowledges that it is fully aware of its contingent obligations under the PTR Scheme and shall:

(i) promptly supply to the UK Agent such information as the UK Agent may request in connection with the operation of the PTR Scheme; and

(ii) act in accordance with any provisional notice issued by HM Revenue & Customs under the PTR Scheme.

(C) The UK Agent agrees to provide, as soon as reasonably practicable, a copy of any provisional authority issued to it under the PTR Scheme in connection with any Loan to any UK Borrower.

(D) All Parties acknowledge that the UK Agent:

(i) is entitled to rely completely upon information provided to it in connection with sub-paragraph (j)(A) or (j)(B) above;

(ii) is not obliged to undertake any enquiry into the accuracy of such information, nor into the status of the Treaty Lender or, as the case may be, any UK Borrower providing such information; and

(iii) shall have no liability to any person for the accuracy of any information it submits in connection with sub-paragraph (j)(A)(i) above, except to the extent that the liability or loss arises from the UK Agent's gross negligence or willful misconduct.

(E) In this Section "PTR Scheme" means the Provisional Treaty Relief scheme as described in HM Revenue & Customs Guidelines dated January 2003 and administered by HM Revenue & Customs' Centre for Non-Residents.

(k) The relevant UK Borrower shall (within 3 Business Days of demand by the UK Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of UK Tax by that Protected Party in respect of a Loan Document.

(l) Paragraph (k) above shall not apply with respect to any UK Tax assessed on a UK Tranche Lender or UK Tranche Swingline Lender (i) under the law of the jurisdiction in which that UK Tranche Lender or UK Tranche Swingline Lender is incorporated or, if different, the jurisdiction (or jurisdictions) in which that UK Tranche Lender or UK Tranche Swingline Lender is treated as resident for tax purposes; or (ii) under the law of the jurisdiction in which that UK Tranche Lender's or UK Tranche Swingline Lender's Facility Office designated in accordance with Section 2.18(f) is located in respect of amounts received or receivable in that jurisdiction, if that UK Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that UK Tranche Lender or UK Tranche Swingline Lender.

(m) Furthermore, paragraph (k) above shall not apply with respect to any UK Tax assessed on a UK Tranche Lender or UK Tranche Swingline Lender to the extent a loss, liability or cost (i) is compensated for by an increased payment under paragraphs (c) to (g) above or (ii) would have been compensated for by an increased payment under paragraphs (c) to (g) above but was not so compensated solely because one of the exclusions in paragraph (f) applied.

(n) A Protected Party making, or intending to make a claim under paragraph (j) above shall promptly notify the UK Agent of the event which will give, or has given, rise to the claim, following which the UK Agent shall notify the relevant UK Borrower.

(o) A Protected Party shall, on receiving a payment from a UK Borrower under paragraph (k), notify the UK Agent.

(p) If a UK Borrower makes a Tax Payment and the relevant UK Tranche Lender or UK Tranche Swingline Lender determines that (i) a Tax Credit is attributable to that Tax Payment; and (ii)

that UK Tranche Lender or UK Tranche Swingline Lender has obtained, utilized and retained that Tax Credit, the relevant UK Tranche Lender or UK Tranche Swingline Lender shall pay an amount to the UK Borrower which that UK Tranche Lender or UK Tranche Swingline Lender determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been made by the UK Borrower.

SECTION 2.19. Payments Generally; Allocations of Proceeds; Pro Rata Treatment; Sharing of Set-offs. (a) Each Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or reimbursement of Acceptances or LC Disbursements, or of amounts payable under Section 2.16, 2.17 or 2.18, or otherwise) prior to the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 12:00 noon, Local Time), on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Applicable Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Applicable Agent to the applicable account specified in Schedule 2.19 or, in any such case, to such other account as the Applicable Agent shall from time to time specify in a notice delivered to the Company, except payments to be made directly to an Issuing Bank or a Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.16, 2.17, 2.18 and 11.03 shall be made directly to the Persons entitled thereto and payments pursuant to the other Loan Documents shall be made to the Persons specified therein. The Applicable Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder or under any other Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under any Loan Document of principal or interest in respect of any Loan or LC Disbursement shall be made in the currency of such Loan or LC Disbursement; all payments made in respect of Acceptances shall be made in Canadian Dollars; and all other payments hereunder or under any other Loan Document shall be made in US Dollars, except as otherwise expressly provided. Any payment required to be made by an Agent hereunder shall be deemed to have been made by the time required if such Agent shall, at or before such time, have taken the necessary steps to make such payment in accordance with the regulations or operating procedures of the clearing or settlement system used by such Agent to make such payment.

(b) If at any time insufficient funds are received by and available to the Applicable Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans, participations in LC Disbursements or Swingline Loans or amounts owing on Acceptances accepted by such Lender resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans, participations in LC Disbursements and Swingline Loans or Acceptances, as the case may be, and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans, participations in LC Disbursements and Swingline Loans and Acceptances of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans, and participations in LC

Disbursements and Swingline Loans and Acceptances; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans, participations in LC Disbursements and Swingline Loans or Acceptances to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(d) Unless the Applicable Agent shall have received notice from the relevant Borrower prior to the date on which any payment is due for the account of all or certain of the Lenders or Issuing Banks hereunder that such Borrower will not make such payment, the Applicable Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders or Issuing Banks, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the applicable Lenders or Issuing Banks, as the case may be, severally agrees to repay to the Applicable Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Applicable Agent, at a rate determined by the Applicable Agent in accordance with banking industry practices on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it to any Agent pursuant to this Agreement, then the Agents may, in their discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by them for the account of such Lender to satisfy such Lender's obligations to the Agents until all such unsatisfied obligations are fully paid.

(f) In the event that the Administrative Agent shall receive any proceeds of Collateral (i) not constituting a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Company or as otherwise specified in Section 2.12 ~~(e) or clause (b) above~~) or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, such funds shall be applied ratably first, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent and the Issuing Banks from any Borrower (other than in connection with Banking Services Obligations and Swap Obligations), second, to pay any fees or expense reimbursements then due to the Lenders from any Borrower (other than in connection with Banking Services Obligations and Swap Obligations), third, to pay interest then due and payable on the Loans ratably, fourth, to prepay principal on the Loans and unreimbursed LC Disbursements ~~ratably, fifth, and~~ to cash collateralize all outstanding Letters of Credit in accordance with the terms of Section 2.06(j); ~~sixth, ratably, fifth,~~ fifth, to payment of any amounts owing with respect to Banking Services Obligations and Swap Obligations, and ~~seventh, sixth,~~ sixth, to the payment of any other Secured Obligation due to the Administrative Agent or any Lender by any Borrower. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Company, or unless an Event of Default is in existence, none of the Administrative Agent or any Lender shall apply any payment which it receives to any Eurocurrency Loan of a Class, except (a) on the expiration date of the Interest Period applicable to any such Eurocurrency Loan or (b) in the event, and only to the extent, that there are no outstanding ABR Loans of the same Class and, in any event, the Borrowers shall pay the break funding payment required in accordance with Section 2.17. The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations.

SECTION 2.20. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.16, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.16 or 2.18, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.16, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18, or if any Lender defaults in its obligation to fund Loans hereunder, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 11.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Company shall have received the prior written consent of the Administrative Agent (and if a US Tranche Revolving Commitment is being assigned, each Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans and Acceptances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.16 or payments required to be made pursuant to Section 2.18, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

~~**SECTION 2.21. Designation of Subsidiary Borrowers.** (a) The Company may at any time and from time to time designate any Canadian Subsidiary as a Canadian Borrower or any UK Subsidiary as a UK Borrower upon satisfaction of the following conditions:~~

~~(i) The Administrative Agent shall have received a Borrowing Subsidiary Agreement executed by such Subsidiary and the Company.~~

~~(ii) The Administrative Agent shall have received evidence satisfactory to the Administrative Agent that (A) no withholding tax shall apply to any sum payable by such Subsidiary to any Lender under the Loan Documents or (B) gross up obligations contained in the Loan Documents protect the Administrative Agent and the Lenders from any economic effect of such withholding obligations.~~

~~(iii) The Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act and (if applicable) the Money Laundering Regulations 2003 of the United Kingdom (as amended) in respect of such Subsidiary.~~

~~(iv) The Administrative Agent shall have received organizational documents, authorizing resolutions, officers' certificates, legal opinions and such other instruments, documents and agreements in respect of such Subsidiary as the Administrative Agent may reasonably request.~~

~~SECTION 2.21. (b) Upon satisfaction of the conditions set forth in paragraph (a) of this Section 2.21, such Subsidiary shall for all purposes of this Agreement be a Canadian Borrower or a UK Borrower, as applicable, and a party to this Agreement until the Company shall have executed and delivered to the Administrative Agent a Borrowing Subsidiary Termination with respect to such Subsidiary, whereupon such Subsidiary shall cease to be a Canadian Borrower or a UK Borrower, as applicable, and a party to this Agreement. Notwithstanding the preceding sentence, no Termination of Subsidiary Borrowers. No Borrowing Subsidiary Termination will become effective as to any Canadian Borrower or UK Borrower at a time when any principal of or interest on any Loan to such Canadian Borrower or UK Borrower, as applicable, shall be outstanding hereunder or such Canadian Borrower shall have any obligation with respect to any outstanding Acceptance, provided that such Borrowing Subsidiary Termination shall be effective to terminate the right of such Canadian Borrower or UK Borrower, as applicable, to make further Borrowings under this Agreement. As soon as practicable upon receipt of a Borrowing Subsidiary Agreement, the Administrative Agent shall furnish a copy thereof to each Lender. If at any time any Canadian Borrower or UK Borrower ceases to be a Subsidiary of the Company, then the Company shall immediately deliver a Borrowing Subsidiary Termination with respect to such Borrower, and such Borrower shall cease to be a Borrower hereunder thereafter, and such Borrower (or the Company, on behalf of such Borrower) shall repay all outstanding principal and interest on any Loan and all fees and other amounts owing by it under this Agreement concurrently with the delivery of such Borrowing Subsidiary Termination.~~

~~(c) (i) If at any time any Canadian Borrower or UK Borrower ceases to be a Subsidiary of the Company, then the Company shall immediately deliver a Borrowing Subsidiary Termination with respect to such Borrower, and such Borrower shall cease to be a Borrower hereunder thereafter, and (ii) in the event that no other Canadian Subsidiary or UK Subsidiary, as applicable, shall, at such time, be, or be designated as, in accordance with Section 2.21(a), a Canadian Borrower or a UK Borrower, respectively, then such Borrower shall repay all outstanding principal and interest on any Loan and all fees and other amounts owing by it under this Agreement concurrently with the delivery of such Borrowing Subsidiary Termination.~~

SECTION 2.22. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) if any Swingline Exposure or LC Exposure exists at the time a Lender is a Defaulting Lender, the Company shall within one (1) Business Day following notice by the Administrative Agent (i) prepay such Swingline Exposure or, if agreed by the Swingline Lender, cash collateralize the Swingline Exposure of the Defaulting Lender on terms reasonably satisfactory to the Swingline Lender and (ii) cash collateralize such Defaulting Lender's LC Exposure in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding; and

(b) the Swingline Lender shall not be required to fund any Swingline Loan and no Issuing Bank shall be required to issue, amend or increase any Letter of Credit unless it is reasonably satisfied that cash collateral will be provided by the Company in accordance with Section 2.22(a).

ARTICLE III

Representations and Warranties

Each Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers. Each of the Company and its Subsidiaries (a) is organized, validly existing and in good standing (to the extent that such concept is applicable in the relevant jurisdiction) under the laws of the jurisdiction of its organization or incorporation, (b) has all requisite power and authority to carry on its business as now conducted, and (c) is qualified to do business in, and is in good standing (to the extent such concept is applicable) in, every jurisdiction where such qualification is required, except, in the case of clauses (a) (other than with respect to the Borrowers and the Subsidiary Guarantors) and (c) where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Borrower's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder or shareholder action. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings and other actions necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate any applicable law or regulation applicable to the Company or its Subsidiaries or any order of any Governmental Authority, (c) will not violate the charter, by-laws or other organizational or constitutional documents of the Company or any of its Subsidiaries, (d) will not violate or result in a default under any indenture, material agreement or other material instrument binding upon the Company or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any Material Indebtedness to be paid by the Company or any of its Subsidiaries, and (e) will not result in the creation or imposition of any Lien on any asset of the Company or any of its Subsidiaries other than Ratable Indenture Liens and Liens created under the Loan Documents, except such consents, approvals, registrations, filings or other actions the failure of which to obtain or make, or, in the case of clause (b) at any time after the Effective Date, to the extent such violations, could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Company has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended December 31, 2006, reported on by KPMG LLP, independent public accountants, and (ii) as of and for the fiscal quarter ended March 31, 2007, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Company and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since ~~December 31, 2006~~, September 30, 2008, there has been no material adverse change in the business, assets, operations or condition, financial or otherwise, of the Company and its Subsidiaries, taken as a whole.

SECTION 3.05. Properties; Insurance. (a) Each of the Company and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for defects that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Company and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Company and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(c) Each of the Company and its Subsidiaries maintains, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations; provided, that each of the Company and its Subsidiaries may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or each such Subsidiary, as applicable, operates.

SECTION 3.06. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Company nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.07. Compliance with Laws and Agreements. Each of the Company and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment Company Status. Neither the Company nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. Each of the Company and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Company or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred, and no ERISA Event with respect to any Plan is reasonably expected to occur, that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Subsidiaries; Ownership of Capital Stock. As of the Amendment No. 1 Effective Date, Schedule 3.11 sets forth all of the Company's Subsidiaries, the jurisdiction of organization or incorporation of each of its Subsidiaries and the identity of the holders of all shares or other interests of each class of Equity Interests of each of its Subsidiaries ~~and identifies those Subsidiaries that are Material Domestic Subsidiaries~~. All of the outstanding shares of capital stock and other ~~equity interests~~ Equity Interests of each Subsidiary are validly issued and outstanding and fully paid and nonassessable and all such shares and other ~~equity interests~~ Equity Interests indicated on Schedule 3.11 as owned by the Company or another Subsidiary are owned, beneficially and of record, by the Company or any Subsidiary free and clear of all Liens, other than Ratable Indenture Liens and Liens created under the Loan Documents.

SECTION 3.12. Disclosure. The Company has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. Neither the Information Memorandum nor any of the other reports, financial statements, certificates or other written information furnished by or on behalf of the Company to any Agent, any Issuing Bank or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished or publicly available in periodic and other reports, proxy statements and other materials filed by the Company or any Subsidiary with the Securities and Exchange Commission) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrowers represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time, it being recognized by the Lenders that projections are not to be viewed as facts and that the actual results during the period or periods covered by such projections may differ from the projected results and such differences may be material.

SECTION 3.13. Federal Reserve Regulations. No part of the proceeds of any Loan have been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 3.14. Labor Matters. There are no labor controversies pending against or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

SECTION 3.15. Security Interest in Collateral. The provisions of this Agreement and the other Loan Documents (taken as a whole) create legal and valid Liens on all the Collateral in favor of or for the benefit of the Administrative Agent, for the benefit of the Holders of Secured Obligations, and at such time as (a) financing statements in appropriate form are filed in the appropriate offices (and the appropriate fees are paid), (b) with respect to identified intellectual property registered in the United States, (i) to the extent required under applicable law, the applicable trademark security agreement and/or patent security agreement are filed in the appropriate divisions of the United States Patent and Trademark

Office (and the appropriate fees are paid) and (ii) the applicable copyright security agreement is filed in the United States Copyright Office (and the appropriate fees are paid), (c) the Mortgages are filed in the appropriate recording office (and the appropriate fees are paid), (d) execution of the deposit account control agreements and securities account control agreements, (e) delivery of pledged securities to the Administrative Agent, and (f) notation of the Administrative Agent's lien on any rolling stock or other goods subject to a certificate of title, such Liens will constitute perfected and continuing Liens on the Collateral, securing the Secured Obligations, enforceable against the applicable Loan Party and all third parties, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, and having priority over all other Liens on the Collateral except in the case of (a) Liens permitted by Sections 6.02(a), (b), (c) and (h), to the extent any such Liens would have priority over the Liens in favor of or for the benefit of the Administrative Agent pursuant to any applicable law, (b) Liens perfected only by possession or control (including possession of any certificate of title) to the extent the Administrative Agent has not obtained or does not maintain possession or control of such Collateral and (c) Liens on certificates of title on which the Administrative Agent has not been noted.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 11.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent (or its counsel) shall have received from each Initial Subsidiary Guarantor either (i) a counterpart of the Subsidiary Guarantee Agreement signed on behalf of such Subsidiary Guarantor or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such Subsidiary Guarantor has signed a counterpart of the Subsidiary Guarantee Agreement.

(c) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of each of (i) Fulbright & Jaworski L.L.P., counsel for the Company, (ii) Gowling Lafleur Henderson LLP, special Canadian counsel for the initial Canadian Borrower and (iii) Reed Smith Richards Butler LLP, special UK counsel for the initial UK Borrower, each in form and substance reasonably satisfactory to the Administrative Agent and covering such other matters relating to the Company, the initial Canadian Borrower, the initial UK Borrower, this Agreement or the Transactions as the Required Lenders shall reasonably request. The Company hereby requests such counsel to deliver such opinion.

(d) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Company and the Initial Subsidiary Guarantors, the authorization of the Transactions and any other legal matters relating to the Company or any Initial Subsidiary Guarantor, this Agreement or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(e) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Company, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(f) The Administrative Agent shall have received (i) all accrued and unpaid fees, expenses and other amounts owing under the Existing Credit Agreement as of the Effective Date, and (ii) all other fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Company hereunder.

(g) The Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act and (if applicable) the Money Laundering Regulations 2003 of the United Kingdom (as amended).

(h) The Administrative Agent shall have received projections covering a period of not less than 5 years (the “Projections”) together with such information as the Administrative Agent may reasonably request to confirm the tax, legal and business assumptions made in such Projections, and such Projections must be acceptable to the Administrative Agent and demonstrate, in the reasonable judgment of the Administrative Agent, the ability of the Borrowers to repay their debts and to comply with the financial covenants.

(i) The Administrative Agent shall have received such other documents, certificates, instruments and opinions, all in form and substance reasonably acceptable to the Administrative Agents and as further described in the list of closing documents attached as Exhibit E.

The Administrative Agent shall notify the Company and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 11.02) at or prior to 3:00 p.m., New York City time, on August 17, 2007 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of each Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in each Loan Document shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, 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 shall have been true and correct in all material respects on and as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

(c) No law or regulation shall prohibit, and no order, judgment or decree of any Governmental Authority shall enjoin, prohibit or restrain, any Lender from making the requested Loan or any Issuing Bank or Lender from issuing, renewing, extending or increasing the face amount of or participating in the Letter of Credit requested to be issued, renewed, extended or increased.

(d) To the extent that the Company has requested a Borrowing or the issuance of a Letter of Credit which would not be available without using some amount of the Revolver Reserve Amount, the Required Lenders have agreed that the relevant portion of the Revolver Reserve Amount shall be made available to the Borrowers for such purpose.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. Amendment No. 42 Effective Date. Amendment No. 42 to this Agreement, dated as of ~~April 18, 2008~~ February 12, 2009 (“Amendment No. 42”), shall not become effective until the date on which each of the following conditions is satisfied or waived:

(a) The Administrative Agent shall have received ~~such documents and certificates as a secretary’s certificate of each Loan Party certifying (i) that there have been no changes to the articles or bylaws (or other applicable constituent documents) of such Loan Party since such documents were most recently delivered to the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Company and the Subsidiary Guarantors (including those Subsidiaries of the Company which would be required to be Subsidiary Guarantors pursuant to Section 5.09, (in connection with the closing of Amendment No. 1) by such Loan Party or attaching the current articles or bylaws (or other applicable constituent documents) of such Loan Party, as applicable, and (ii) as to the resolutions (or other applicable authorizations) of such Loan Party authorizing this Agreement (as amended by Amendment No. 1), the authorization of the Transactions and any other legal matters relating to the Company or any Subsidiary Guarantor, this~~ 2, the Subsidiary Guarantee Agreement or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(b) The Administrative Agent shall have received a certificate, dated the Amendment No. 42 Effective Date and signed by the President, a Vice President or a Financial Officer of the Company, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(c) The Administrative Agent shall have received from each Subsidiary Guarantor either (i) a counterpart of the Subsidiary Guarantee Agreement, dated as of the Amendment No. 2 Effective Date, signed on behalf of such Subsidiary Guarantor or (ii) written evidence reasonably satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such Subsidiary Guarantor has signed a counterpart of such Subsidiary Guarantee Agreement.

(d) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent and the Lenders and dated the Amendment No. 2 Effective Date) of each of (i) Fulbright & Jaworski L.L.P., counsel for the Company, (ii) Jeff P. Bennett, Vice President – Legal, Assistant General Counsel and Assistant Secretary for the Company, (iii) Gowling Lafleur Henderson LLP, special Canadian counsel for the initial Canadian Borrower and, (iiiiv) Reed Smith Richards Butler LLP, special UK counsel for the initial UK Borrower and (v) the relevant counsel in respect of each Subsidiary Guarantor, each in form and substance reasonably satisfactory to the Administrative Agent and covering such other matters relating to the Company, the initial Canadian Borrower, the initial UK Borrower, this the Subsidiary Guarantors, this Agreement (as amended by Amendment No. 2), the Subsidiary Guarantee Agreement or the Transactions as the Required Lenders shall reasonably request. The Company hereby requests such counsel to deliver such opinion.

~~(e) (d) The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions where the Domestic Loan Parties are organized, and such search shall reveal no liens on any of the assets of the Domestic Loan Parties except for liens permitted by Section 6.02 or discharged on or prior to the Amendment No. 1 Effective Date pursuant to a pay-off letter or other documentation reasonably satisfactory to the Administrative Agent. The Administrative Agent shall have received a good standing certificate (or analogous documentation, if applicable) for each Loan Party from the Secretary of State (or analogous governmental entity) of the jurisdiction of its organization, to the extent generally available in such jurisdiction.~~

(e) The Administrative Agent shall have received a list of each parcel of Initial Real Property setting forth the exact address and such other information as may be requested by the Administrative Agent in connection with finalizing and obtaining the Mortgages and Mortgage Instruments with respect to each such parcel, all in form and substance reasonably satisfactory to the Administrative Agent.

~~(f) The Administrative Agent shall have received~~ The Administrative Agent shall have received from each party to the Escrow Account Agreement either (i) a counterpart of the Escrow Account Agreement, dated as of the Amendment No. 2 Effective Date, signed on behalf of such party or (ii) written evidence of insurance coverage in form, scope, and substance reasonably satisfactory to the Administrative Agent and otherwise in compliance with the terms of Section 5.05, (which may include teletype transmission of a signed signature page of this Agreement) that such party has signed a counterpart of such Escrow Account Agreement.

(g) The Administrative Agent shall have received (i) on or prior to the Amendment No. 2 Effective Date, PDF copies of all intercompany promissory notes constituting Collateral and all allonges related thereto and (ii) by no later than February 13, 2009, original copies of all intercompany promissory notes constituting Collateral and all allonges related thereto.

ARTICLE V

Affirmative Covenants

Until the Revolving Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all Acceptances and LC Disbursements shall have been reimbursed, the Company covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements; Ratings Change and Other Information. The Company will furnish to the Administrative Agent for distribution to each Lender:

(a) within 90 days after the end of each fiscal year of the Company (or, if earlier, concurrently with the filing thereof with the Securities and Exchange Commission or any national securities exchange in accordance with applicable law or regulation), its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by KPMG LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception

as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Company (or, if earlier, concurrently with the filing thereof with the Securities and Exchange Commission or any national securities exchange in accordance with applicable law or regulation), its unaudited consolidated balance sheet and related unaudited statements of operations and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) within 30 days after the end of each fiscal month (of each of the first two months in any fiscal quarter) of the Company, its unaudited consolidated balance sheet and related unaudited statements of operations and cash flows as of the end of and for such fiscal month and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

~~(d)~~ ~~(e)~~ concurrently with any delivery of financial statements under clause (a) ~~or~~, (b) or (c) above, a certificate of a Financial Officer of the Company (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (ii) solely in connection with the delivery of financial statements under clause (a) or (b) above, setting forth reasonably detailed calculations demonstrating compliance with Section ~~6.07~~ 6.07, as applicable;

~~(e)~~ ~~(f)~~ concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Event of Default with respect to Section 6.07 (which certificate may be limited to the extent required by accounting rules or guidelines);

~~(e)~~ promptly after Moody's, S&P or Fitch shall have announced a change in the rating established or deemed to have been established for the Index Debt, written notice of such rating change;

(f) within 45 days after the end of each quarter of each fiscal year of the Company, its unaudited consolidated balance sheet and related unaudited statements of operations and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of such fiscal year as of the end of such fiscal quarter, setting forth in each case in comparative form the figures for the corresponding period or periods in respect of the Amendment No. 2 Projections.

(g) on or before the fifth Business Day of each fiscal month, commencing on the fifth business day of March 2009, the Company shall deliver to the Administrative Agent projections of the weekly cash flows for the 13-week period commencing on the first day of such fiscal month (the "13-

Week Cash Flow Projections”) which (i) reflect the Company’s and its Domestic Subsidiaries’ consolidated projected cash receipts and cash expenditures for their corporate and other operations and (ii) contain comments of management of the Company and, if then engaged, comments of the Company Financial Advisor, all in a form reasonably satisfactory to the Administrative Agent; provided that, at any time that the Company is maintaining a corporate credit rating of BBB- or better from S&P and a Corporate Family Rating of Baa3 or better from Moody’s (in each case, with a stable or better outlook), the Company shall not be obligated to deliver the 13-Week Cash Flow Projections pursuant to this clause (g) or the variation reports in respect thereof pursuant to clause (h) below;

(h) on or before the fifth Business Day of each fiscal month commencing on the fifth Business Day of March 2009, the Company shall submit to the Administrative Agent a variance report reflecting on a line-item basis the actual disbursements and receipts for the previous calendar month and the percentage variance of such actual results from those projected for such previous calendar month on the most current 13-Week Cash Flow Projections delivered under the terms of this Credit Agreement prior to such date (provided that, with respect to the variance report due on the fifth Business Day of March 2009, such variance report will compare the 13-Week Cash Flow Projections delivered pursuant to clause (g) above with the most recent 13-week cash flow projections dated as of February 10, 2009 provided by the Company to the Lenders prior to the Amendment No. 2 Effective Date);

(i) on and after any Business Day on which Liquidity is less than \$150,000,000, by no later than 5:00 p.m. (NYC time) on each Business Day, the Company shall provide the calculation of Liquidity in respect of such Business Day via e-mail PDF (or other electronic format reasonably acceptable to the Administrative Agent) to the Administrative Agent at the following e-mail address YRC_Liquidity_Reporting@jpmorgan.com; provided that such daily reporting requirement shall be suspended following ten (10) consecutive Business Days of Liquidity exceeding \$150,000,000, but will again become effective if Liquidity subsequently drops below \$150,000,000;

(j) on or before the fifth Business Day of each fiscal month, the Company shall submit to the Administrative Agent the calculation of Liquidity in respect of each Business Day of the previous fiscal month via e-mail PDF (or other electronic format reasonably acceptable to the Administrative Agent) to the Administrative Agent at the following e-mail address YRC_Liquidity_Reporting@jpmorgan.com;

(k) ~~(f)~~ promptly following any request therefor, all documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the U.S.A. Patriot Act and (if applicable) the Money Laundering Regulations 2003 of the United Kingdom (as amended); and

(l) ~~(g)~~ promptly following any request therefor, such other information regarding the operations, business affairs or financial condition of the Company or any Subsidiary, or compliance with the terms of this Agreement, as any Agent or any Lender may reasonably request.

Documents required to be delivered pursuant to clauses (a), (b) and (c) of this Section 5.01 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which such documents are filed for public availability on the U.S. Securities and Exchange Commission’s Electronic Data Gathering and Retrieval System.

SECTION 5.02. Notices of Material Events. The Company will furnish to the Administrative Agent and each Lender prompt written notice of the following:

- (a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Company or any Affiliate thereof that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Company and its Subsidiaries in an aggregate amount exceeding \$40,000,000;

(d) any labor matters which could reasonably be expected, individually or in the aggregate to be materially adverse to the Lenders;

(e) the date on which the aggregate net book value of trucks and other vehicles and rolling stock, leased or owned, of the Company or any of its Domestic Subsidiaries registered or titled in Mexico and Canada exceeds \$3,000,000; and

(f) ~~(d)~~ any other development (other than a development with respect to a Multiemployer Plan, unless such development is the occurrence of an ERISA Event with respect to such Multiemployer Plan) that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Company setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Company will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business, except for such rights, licenses, permits, privileges and franchises the loss of which, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, amalgamation, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04. Payment of Obligations. The Company will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Company or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Company will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition (ordinary wear and tear excepted), except in any case where the failure to do so could not reasonably be expected to result in a Material Adverse Effect and (b) maintain, with financially sound and reputable insurance companies (i) insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations; provided that each of the Company and its Subsidiaries may self-insure to the same extent as other companies in similar businesses and owning similar properties in the same general areas in which the Company or each such Subsidiary, as applicable, operates and (ii) all insurance required pursuant to the Collateral Documents. The Company will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained. The

Company shall deliver to the Administrative Agent and, ~~at all times prior to the Fall Away Event,~~ maintain endorsements (x) to all “All Risk” physical damage insurance policies on all of the Collateral naming the Administrative Agent as lender loss payee, and (y) to all general liability and other liability policies naming the Administrative Agent an additional insured. In the event the Company or any of its Subsidiaries at any time or times hereafter shall fail to obtain or maintain any of the policies or insurance required herein or to pay any premium in whole or in part relating thereto, then the Administrative Agent, without waiving or releasing any obligations or resulting Default hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which the Administrative Agent deems advisable seven (7) days after notification to the Company of such intent. All sums so disbursed by the Administrative Agent shall constitute part of the Obligations, payable as provided in this Agreement. ~~At all times prior to the Fall Away Event, the~~The Company will furnish to the Administrative Agent and the Lenders prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or interest therein under power of eminent domain or by condemnation or similar proceeding.

SECTION 5.06. Books and Records; Inspection Rights. The Company will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries in all material respects are made of all dealings and transactions in relation to its business and activities. The Company will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested. Such inspections and examinations described in the preceding sentence (i) by or on behalf of any Lender shall, unless occurring at a time when an Event of Default shall be continuing, be at such Lender’s expense and (ii) by or on behalf of the Administrative Agent, other than the first four such ~~inspection or examination~~inspections or examinations occurring during any calendar year or any inspections and examination occurring at a time when an Event of Default shall be continuing, shall be at the Administrative Agent’s expense; all other such inspections and visitations shall be at the Company’s expense.

SECTION 5.07. Compliance with Laws. The Company will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except (i) where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, or (ii) where the necessity of compliance therewith is contested in good faith by appropriate proceedings and, to the extent applicable, the Company or such Subsidiary shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP.

SECTION 5.08. Use of Proceeds and Letters of Credit. Each Borrower will use the proceeds of the Loans and Acceptances and the Letters of Credit, as applicable, only for working capital needs and for general corporate purposes of the Company and its Subsidiaries ~~including the refinancing of.~~ For the avoidance of doubt, the proceeds of the Loans and Acceptances and the Letters of Credit, as applicable, may not be used to refinance, repay, settle, or otherwise satisfy any outstanding Indebtedness (other than industrial revenue bonds in an aggregate amount not to exceed \$7,000,000). No part of the proceeds of any Loan ~~or~~, Acceptance or Letter of Credit will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 5.09. Subsidiary Guarantors.

~~(a) On and after the Amendment No. 1 Effective Date until the occurrence of the Fall-Away Event, the~~ 2 Effective Date the Company will cause each Domestic Subsidiary existing as of the Amendment No. 2 Effective Date to become a party to the Subsidiary Guaranty Agreement. The Company will cause any Person that ~~is or becomes a Domestic Subsidiary on and after the Amendment No. 12 Effective Date~~ (i) to execute and deliver to the Administrative Agent, within ten (10) Business Days (or such later date as may be agreed upon by the Administrative Agent in its sole discretion), ~~or, if such Person first becomes a Domestic Subsidiary as a result of a Significant Acquisition, within twenty (20) Business Days after the consummation of such Significant Acquisition,~~ a supplement to the Subsidiary Guarantee Agreement, in the form prescribed therein, guaranteeing the ~~obligations of the Borrowers hereunder~~ Secured Obligations and (ii) concurrently with the delivery of such supplement, to deliver to the Administrative Agent (x) evidence of action of such Person's board of directors or other governing body authorizing the execution, delivery and performance thereof and (y) a favorable written opinion of counsel for such Person, in form and substance reasonably satisfactory to the Administrative Agent and covering such matters relating to such Person and the Subsidiary Guarantee Agreement as the Administrative Agent may reasonably request.

~~(b) Following the occurrence of the Fall-Away Event, the Company will cause any Person that becomes a Material Domestic Subsidiary after the date hereof (i) to execute and deliver to the Administrative Agent, within ten Business Days after the Company's delivery, pursuant to Section 5.01(a) or (b), as applicable, of the financial statements for the fiscal period at the end of which such Person first becomes a Material Domestic Subsidiary, or, if such Person first becomes a Material Domestic Subsidiary as a result of a Significant Acquisition, within twenty Business Days after the consummation of such Significant Acquisition, a supplement to the Subsidiary Guarantee Agreement, in the form prescribed therein, guaranteeing the obligations of the Borrowers hereunder and (ii) concurrently with the delivery of such supplement, to deliver to the Administrative Agent (x) evidence of action of such Person's board of directors or other governing body authorizing the execution, delivery and performance thereof and (y) a favorable written opinion of counsel for such Person, in form and substance reasonably satisfactory to the Administrative Agent and covering such matters relating to such Person and the Subsidiary Guarantee Agreement as the Administrative Agent may reasonably request.~~

~~(c) Following the occurrence of the Fall-Away Event, if (i) a Subsidiary is not or is no longer a Material Domestic Subsidiary and the Administrative Agent receives a certificate of an officer of the Company to that effect and such Subsidiary Guarantor shall not then Guarantee any other Indebtedness of the Company or any of its Subsidiaries in an aggregate amount of \$5,000,000 or more, or (ii) the Company or any Subsidiary sells or otherwise transfers all of the Equity Interests of any Subsidiary Guarantor to any Person which is not the Company or a Subsidiary or liquidates or dissolves any Subsidiary Guarantor in a transaction which, in any case described in this clause (b), is not otherwise prohibited by the terms of this Agreement, the Administrative Agent will, on behalf of the Lenders, execute and deliver to the Company a release of such Subsidiary Guarantor from its obligations under the Subsidiary Guarantee Agreement.~~

~~(b) (d)~~ Notwithstanding the foregoing neither (1) YRRFC or any other Receivables Entity nor (2) Subsidiaries formed for the purpose of providing insurance primarily to the Company and its Subsidiaries, provided that such Subsidiaries carry on no other business other than providing such insurance and performing activities related thereto, and the activities contemplated by Section 5.13, in either case, shall be required to become Subsidiary Guarantors other than as required pursuant to the terms of Section 6.11.

(c) If, in compliance with the terms and provisions of the Loan Documents, the Company or any Subsidiary (i) sells or otherwise transfers Equity Interests of any Subsidiary Guarantor to any Person which is not the Company or a Subsidiary (other than a Foreign Subsidiary in connection with

an Investment permitted under Section 6.13(c)) and after giving effect to such sale or transfer the Company and the other Loan Parties shall (A) in the case of the Permitted Disposition, own less than 50% of the Equity Interests of such Subsidiary Guarantor or (B) in all other cases, cease to own any of the Equity Interests of such Subsidiary Guarantor or (ii) liquidates or dissolves any Subsidiary Guarantor to the extent expressly permitted in this Agreement, the Administrative Agent will, on behalf of the Lenders, execute and deliver to the Company a release of such Subsidiary Guarantor from its obligations under the Subsidiary Guarantee Agreement.

SECTION 5.10. Pledges; Collateral; Further Assurances. - On and after the Amendment No. 1 Effective Date:

(a) As promptly as possible but in any event within thirty (30) days (or such later date as may be agreed upon by the Administrative Agent in its sole discretion) the Company will cause, and will cause each other Domestic Loan Party to cause (i) the Initial Real Property, (ii) any notes or other instruments evidencing intercompany indebtedness, (iii) 100% of the issued and outstanding Equity Interests of each Domestic Subsidiary directly owned by the Company or any other Domestic Loan Party, (iv) 65% of the issued and outstanding Equity Interests of each First Tier Foreign Subsidiary to the extent directly owned by the Company or any other Domestic Loan Party, (v) its accounts receivable and (vi) proceeds of the foregoing to be subject at all times to first priority, perfected Liens in favor of or for the benefit of the Administrative Agent, for the benefit of the Holders of Secured Obligations to secure the Secured Obligations in accordance with the terms and conditions of the Collateral Documents, subject in any case to Liens permitted by Section 6.02; provided that no Excluded Property shall be subject to the requirements of this Section 5.10(a).

~~(a)~~ (b) At any time after the occurrence of a Trigger Event, the Company shall cause, and shall cause each other Subsidiary to cause, all of its property that has not previously been provided as Collateral pursuant to clause (a) above (all respective property (with such exceptions as to materiality, cost and material credit support, in each case, to the extent determined in the reasonable discretion of the Administrative Agent; and, for the avoidance of doubt, no property of a Foreign Subsidiary shall be required to be provided as Collateral to the extent the Administrative Agent shall reasonably determine that, in light of the cost and expense associated therewith, such property would not provide material Collateral for the benefit of the Holders of Secured Obligations) to be subject at all times to first priority, perfected Liens in favor of or for the benefit of the Administrative Agent, for the benefit of the Holders of Secured Obligations, subject in each case to Liens permitted by Section 6.02, ~~and~~ 6.02; provided, however, that (i) the deadline for delivering signed Mortgages and related documentation in respect of the following specific parcels of real property are extended as follows: (a) in respect of parcel numbers "Site 201" and "Site 303", March 6, 2009 (or such later date as may be agreed upon by the Administrative Agent in its sole discretion) and (b) in respect of parcel number "Site 239", February 13, 2009 (or such later date as may be agreed upon by the Administrative Agent in its sole discretion), (ii) the deadline for delivering signed Mortgages and related documentation in respect of all parcels of fee owned real property of the Company and its Domestic Subsidiaries the value (as determined by a valuation methodology employed by the Company the details of which have been discussed and described in writing to the Administrative Agent prior to the Amendment No. 1 Effective Date) of which individually is less than \$500,000 is extended to March 13, 2009 (or such later date as may be agreed upon by the Administrative Agent in its sole discretion), (iii) the deadline for the Current Rolling Stock Collateral being subject to first priority, perfected Liens in favor of or for the benefit of the Administrative Agent, for the benefit of the Holders of Secured Obligations is extended to February 27, 2009 (or such later date as may be agreed upon by the Administrative Agent in its sole discretion); (iv) the requirement that on or prior to January 29, 2009 the Vehicle Title Custodian be in possession of all certificates of title with respect to Current Rolling Stock Collateral shall be deemed satisfied so long as no more than 2200 of such certificates of title are not in the possession of the Vehicle Title Custodian on February 6, 2009 (or

such later date as may be agreed upon by the Administrative Agent in its sole discretion); provided that, on February 27, 2009, such requirement shall not be deemed satisfied unless no more than 100 (or such greater number as may be agreed upon by the Administrative Agent in its sole discretion) of such certificates of title are not in the possession of the Vehicle Title Custodian on February 27, 2009 (or such later date as may be agreed upon by the Administrative Agent in its sole discretion); (iv) as of the Amendment No. 2 Effective Date, neither the Company nor any of its Subsidiaries shall be required to perfect the security interest of the Collateral Agent in the Non-Current Collateral until such later date as may be determined by the Administrative Agent in accordance with the following sentence. Notwithstanding the foregoing, the Administrative Agent does not waive its right to require that the Company comply with this Section 5.10 (b) in respect of such Non-Current Collateral within thirty (30) days (or such later date as may be agreed upon by the Administrative Agent in its sole discretion) following the Administrative Agent ~~notifying~~ written notification to the Company of such requirement to so comply. For the avoidance of doubt, no Excluded Property shall be subject to the requirements of this Section 5.10(ba).

(b)(e) Without limiting the foregoing, subject to the terms of the Collateral Documents, the Company will, and will cause each applicable Subsidiary to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments (which may include an amendment to this Agreement and/or an amendment and restatement of this Agreement), and will take or cause to be taken such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust, Mortgage Instruments and other documents, engaging any necessary collateral agent and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of the Company. It is understood and agreed that the grant of any request by the Company's for any additional extensions under Section 5.10(a) by the Administrative Agent is expressly conditioned on the Company and its Subsidiaries continued use of commercially reasonable efforts to negotiate all relevant legal documentation in a prompt and timely manner as well as to provide any and all reasonably requested signatures, certificates, documents, items, or other materials in respect of any of the foregoing to the Administrative Agent (or its counsel), the Vehicle Title Custodian, any title insurance company or other applicable service providers as soon as commercially practicable.

(c)(d) If any assets (including any real property or improvements thereto or any interest therein but excluding Excluded Property) are acquired by the Company or any applicable Subsidiary ~~after any Trigger Event~~ (other than assets constituting Collateral under the Collateral Documents that become subject to the Lien in favor of or for the benefit of the Administrative Agent, for the benefit of the Holders of Secured Obligations upon acquisition thereof), the Company will notify the Administrative Agent thereof, and, if requested by the Administrative Agent, the Company will cause such assets to be subject to a Lien securing the Secured Obligations and will take, and cause the other applicable Subsidiaries to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (eb) of this Section, all at the expense of the Company

(e) ~~Notwithstanding anything to the contrary set forth in this Section 5.10, if (i) the Fall Away Event occurs and is continuing and (ii) the Total Leverage Ratio is less than or equal to 3.00 to 1.00 as of the end of a Test Period, then the requirements of this Section 5.10 shall cease to be effective. Upon the satisfaction of the foregoing conditions, the Administrative Agent agrees to execute and deliver any documents or instruments reasonably requested by the Company to evidence the release of any Collateral, all at the expense of the Company; provided that the Administrative Agent shall not release~~

~~any Collateral that is subject to any Ratable Indenture Lien unless and until the Administrative Agent receives comfort reasonably satisfactory to it that such Ratable Indenture Lien(s) have been or will be concurrently released.~~

~~(d) (F) Notwithstanding the foregoing neither (1) YRRFC or any other Receivables Entity nor (2) Subsidiaries formed for the purpose of providing insurance primarily to the Company and its Subsidiaries; and the activities contemplated by Section 5.13, provided that such Subsidiaries carry on no other business other than providing such insurance and performing activities related thereto, in either case, shall be required to grant a security interest in any of its assets, so long as, in the case of YRRFC or any other Receivables Entity, the Permitted Receivables Facility shall remain outstanding.~~

SECTION 5.11. Financial Advisor. So long as the Total Leverage Ratio exceeds 6.00 to 1.00, the Company shall engage a financial advisor selected by the Company from a list of consultants provided to the Company by the Administrative Agent (the "Company Financial Advisor") on terms reasonably acceptable to the Required Lenders; provided that solely in the event that a Company Financial Advisor elects to terminate its engagement with the Company, the Company shall have ten (10) Business Days (and, for the avoidance of doubt, no such grace period shall be applicable if the Company has elected to terminate any such engagement) to engage a replacement Company Financial Advisor on terms reasonably acceptable to the Required Lenders. The Required Lenders hereby acknowledge that the terms of the retention of the Company Financial Advisor as of the Amendment No. 2 Effective Date are acceptable. It is understood and agreed that the Company Financial Advisor shall be and remain the agent of the Company and not of the Agents or the Lenders and shall not have any authority to act for, or on behalf of, the Agents or the Lenders in any matter whatsoever; provided that the Company Financial Advisor will be permitted to hold direct conversations with the Agents and the Lenders.

SECTION 5.12. Quarterly Conference Calls. The Company shall, at the reasonable request of and upon reasonable advance notice by the Administrative Agent, arrange for members of management of the Company to participate in quarterly conference calls with the Administrative Agent, the Lenders and, to the extent that a Company Financial Advisor is engaged at such time, the Company Financial Advisor.

SECTION 5.13. Captive Insurance Company. Within ten (10) Business Days following the Amendment No. 2 Effective Date, the Company shall have terminated all purchases by YRC Assurances Co. Ltd. of Receivables under the Yellow Receivables Facility on terms and conditions reasonably satisfactory to the Administrative Agent. Within one (1) Business Day following the Amendment No. 2 Effective Date, the Company shall have begun the process of winding up, liquidating or dissolving YRC Assurances Co. Ltd., and such process (including receipt of all necessary approvals by all relevant Governmental Authorities) shall have been fully completed in all respects within thirty (30) days following the Amendment No. 2 Effective Date (or such longer period as the Administrative Agent may agree in its sole discretion), all on terms and conditions reasonably satisfactory to the Administrative Agent.

ARTICLE VI

Negative Covenants

Until the Revolving Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all Acceptances and LC Disbursements shall have been reimbursed, the Company covenants and agrees with the Lenders that:

~~SECTION 6.01. Subsidiary Indebtedness. The Company will not permit the aggregate principal amount of Indebtedness of its Subsidiaries other than the Subsidiary Guarantors (excluding Indebtedness under this Agreement, Indebtedness under Permitted Receivables Facilities and any Indebtedness of a Subsidiary owed to the Company or another Subsidiary, but including any Guarantee by a Subsidiary of Indebtedness of the Company (other than, with respect to Indebtedness of the Company existing as of the date of this Agreement, any Guarantee by a Non-Material Domestic Subsidiary of such Indebtedness of the Company)) at any time to exceed 10% of Consolidated Net Worth, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:~~

~~(a) the Secured Obligations;~~

~~(b) Indebtedness existing on the Amendment No. 2 Effective Date and set forth in Schedule 6.01 and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) hereof;~~

~~(c) Indebtedness of the Company to any Subsidiary and of any Subsidiary to the Company or any other Subsidiary; provided that (i) Indebtedness of any Subsidiary that is not a Domestic Loan Party to any Domestic Loan Party or YRC Assurances Co. Ltd. (other than such Indebtedness outstanding as of the Amendment No. 2 Effective Date and set forth on Schedule 6.13) shall be subject to the limitations set forth in Section 6.13(c) and (ii) Indebtedness of any Domestic Loan Party to any Subsidiary that is not a Domestic Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent;~~

~~(d) Guarantees by the Company of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of the Company or any other Subsidiary; provided that (i) the Indebtedness so guaranteed is permitted by this Section 6.01, (ii) Guarantees by the Company or any Loan Party or YRC Assurances Co. Ltd. of Indebtedness of any Subsidiary that is not a Domestic Loan Party shall be subject to Section 6.13(c) and (iii) Guarantees permitted under this clause (d) shall be subordinated to the Secured Obligations of the applicable Subsidiary on the same terms as the Indebtedness so Guaranteed is subordinated to the Secured Obligations;~~

~~(e) Indebtedness of the Company or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capitalized Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) hereof; provided that (i) such Indebtedness is incurred prior to or within ninety (90) days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed \$7,500,000 at any time outstanding;~~

~~(f) Indebtedness which represents an extension, refinancing, or renewal of any of the Indebtedness described in clauses (b), (e) and (i) hereof; provided that, (i) the principal amount or interest rate of such Indebtedness is not increased except by an amount equal to any existing commitments unutilized thereunder or by an amount equal to a reasonable premium, and fees and expenses reasonably incurred, in connection with such extension, refinancing or renewal, (ii) any Liens securing such Indebtedness are not extended to any additional property of any Loan Party, (iii) no Loan Party that is not originally obligated with respect to repayment of such Indebtedness is required to become obligated with respect thereto, (iv) such extension, refinancing or renewal does not result in a shortening of the average weighted maturity of the Indebtedness so extended, refinanced or renewed, (v) the terms, taken as a whole, of any such extension, refinancing, or renewal are not less favorable to the obligor thereunder than~~

the original terms of such Indebtedness and (iv) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Secured Obligations, then the terms and conditions of the refinancing, renewal, or extension Indebtedness must include subordination terms and conditions that are at least as favorable to the Administrative Agent and the Lenders as those that were applicable to the refinanced, renewed, or extended Indebtedness;

(g) Indebtedness of the Company or any Subsidiary incurred pursuant to a Permitted Receivables Facility; provided that the Attributable Receivables Indebtedness thereunder shall not exceed an aggregate amount of \$500,000,000 at any time outstanding;

(h) Indebtedness of the Company or any Subsidiary as an account party in respect of trade letters of credit;

(i) Indebtedness (i) arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds for a period not more than five (5) Business Days after any Financial Officer has knowledge thereof and (ii) in respect of customary netting services and overdraft protections in connection with deposit accounts, in each case for clauses (i) and (ii) in the ordinary course of business;

(j) Indebtedness incurred pursuant to Swap Agreements entered into in the ordinary course of business and not for speculative purposes;

(k) Indebtedness owed to (including obligations in respect of letters of credit for the benefit of) any Person providing worker's compensation, health, disability or other employee benefits or property, casualty or liability insurance to Company or any Subsidiary, pursuant to reimbursement or indemnification obligations to such Person and incurred in the ordinary course of business;

(l) Indebtedness of the Company and its Subsidiaries in respect of performance bonds, bid bonds, appeal bonds, surety bonds, completion guarantees, workers' compensation claims, self-insurance obligations, performance bonds, export or import indemnities or similar instruments, customs bonds, governmental contracts, leases, and similar obligations, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(m) Indebtedness in respect of taxes, assessments or governmental charges to the extent that payment thereof shall not at the time be required to be made hereunder;

(n) Indebtedness incurred in the ordinary course of business in connection with the financing of insurance premiums;

(o) Attributable Debt or any other Capitalized Lease Obligations incurred in connection with Sale and Leaseback Transactions otherwise permitted under this Agreement; and

(p) other Indebtedness in an aggregate principal amount not exceeding \$30,000,000 at any time outstanding.

SECTION 6.02. Liens. The Company will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Company or any Subsidiary existing on the ~~date hereof~~ Amendment No. 2 Effective Date and set forth in Schedule 6.02; provided that (i) such Lien shall not apply to any other property or asset of the Company or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Company or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Company or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(d) Liens on fixed or capital assets acquired, constructed or improved by the Company or any Subsidiary; provided that (i) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (ii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets, (iii) such security interests shall not apply to any other property or assets of the Company or any Subsidiary and (iv) the aggregate amount of Indebtedness secured by such Liens shall not exceed \$50,000,000 at any time;

(e) Liens arising under Permitted Receivables Facilities;

(f) Liens on real property (but not personal property) of the Company and its Subsidiaries ~~(other than Roadway LLC and its Subsidiaries)~~ in effect on the Effective Date securing Indebtedness under the YRCMI Credit Agreement; provided that the principal amount of Indebtedness secured by such Liens shall not exceed \$500,000 and the payment of such Indebtedness shall be subordinated to the payment of the Secured Obligations pursuant to an intercreditor agreement satisfactory in form and substance to the Administrative Agent;

(g) Liens pursuant to any Loan Document or any Swap Agreement;

(h) Ratable Indenture Liens, solely to the extent that such Liens secure the USF Bonds ~~or the Roadway Bonds, as applicable,~~ equally and ratably with the Secured Obligations;

(i) leases, licenses, subleases and sublicenses granted in the ordinary course of business which do not interfere in any material respect with the business of the Company or any ~~Material~~ Domestic Subsidiary or ~~Material~~ Foreign Subsidiary;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(k) Liens (i) on cash advances in favor of the seller of any property to be acquired in a Permitted Acquisition, which cash advances shall be applied against the purchase price for such Permitted Acquisition and (ii) consisting of an agreement to dispose of any property;

(l) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Company of any of its Subsidiaries in the ordinary course of business; and

(m) other Liens securing ~~Indebtedness obligations~~; ~~provided that (i), following the Amendment No. 12 Effective Date and prior to the occurrence of the Fall Away Event, the aggregate amount of Indebtedness (the terms and conditions of which Indebtedness, including, without limitation, the maturity thereof, shall be reasonably acceptable to the Administrative Agent) secured by Liens described in paragraphs (b) and (c) above and this paragraph (m) at any time does not exceed \$150,000,000 and (ii) on and after the occurrence of the Fall Away Event, the aggregate amount of Indebtedness secured by Liens described in paragraphs (b) and (c) above and this paragraph (m) at any time does not exceed 5% of the total assets of the Company and its Subsidiaries on a consolidated basis at such time: 30,000,000.~~

SECTION 6.03. Fundamental Changes. (a) The Company will not, and will not permit any ~~Material~~ Domestic Subsidiary or any ~~Material~~ Foreign Subsidiary to, merge into or amalgamate or consolidate with any other Person, or permit any other Person to merge into or amalgamate or consolidate with it, or enter into any Asset Sale (in one transaction or in a series of transactions) with respect to all or substantially all of its assets, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Person may merge into the Company in a transaction in which the Company is the surviving ~~corporation~~ organization, (ii) any Person may merge into or amalgamate or consolidate with any Subsidiary in a transaction in which the surviving entity is a Subsidiary in connection with a Permitted Acquisition permitted pursuant to Section 6.04, (iii) any Subsidiary may sell, transfer, lease or otherwise dispose of its assets to the Company or to another Subsidiary (provided that YRC Assurances Co. Ltd. may only sell, transfer, lease or otherwise dispose of its assets to a Domestic Loan Party or, on terms reasonably satisfactory to the Administrative Agent, solely to the extent as otherwise required by the winding up, liquidation or dissolution process contemplated by Section 5.13), (iv) the Company and its Subsidiaries may enter into any Asset Sale otherwise permitted by Section 6.05, (v) (A) any Domestic Subsidiary may merge into or amalgamate or consolidate with any other Person Domestic Loan Party, or, to the extent permitted by Section 6.13(c), any Foreign Subsidiary, (B) any Foreign Subsidiary (other than YRC Assurances Co. Ltd.) may merge into or amalgamate or consolidate with any other Foreign Subsidiary (other than YRC Assurances Co. Ltd.), (C) any Foreign Subsidiary may merge into or amalgamate or consolidate with any Domestic Loan Party in a transaction in which ~~the surviving entity is not a Subsidiary unless such transaction or series of transactions shall constitute the disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole~~ such Domestic Loan Party is the surviving organization, and (vi) any Subsidiary may liquidate or dissolve if the Company determines in good faith that such liquidation or dissolution is in the best interests of the Company and is not materially disadvantageous to the Lenders; ~~provided that any such merger under clause (i) or (ii) above involving a Person that is not a Wholly-Owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04.~~

(b) The Company will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Company and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto.

SECTION 6.04. Acquisitions. The Company will not, and will not permit any of its Subsidiaries to make any Acquisition, except ~~Permitted Acquisitions, the JHJ Acquisition (to the extent the Company complies with the provisions of Section 5.10 in respect of JHJ International Transportation Co. Ltd, if applicable)~~ the Permitted Acquisition and Acquisitions of existing Subsidiaries otherwise permitted hereunder; ~~provided, that no Default exists immediately prior to, or after giving effect to any such Acquisition.~~

SECTION 6.05. Asset Sales. Neither the Company nor any of its Subsidiaries will consummate any Asset Sale other than the Specified Sale and Leaseback Transaction and the Permitted Disposition unless:

(a) such Asset Sale (other than Investments permitted by Section 6.13) is made on an arms-length basis and for 100% cash consideration;

(b) the consideration received in connection with any Real Estate Asset Sale pursuant to a Sale and Leaseback Transaction (other than the Specified Sale and Leaseback Transaction) shall be equal to or greater than 45% of the appraised value (using an appraisal reasonably acceptable to the Administrative Agent) or, solely to the extent that an acceptable appraisal does not exist, 100% of the net book value of the asset subject to such Asset Sale;

(c) the consideration received in connection with any Real Estate Asset Sale other than pursuant to a Sale and Leaseback Transaction shall be equal to or greater than 65% of the appraised value (using an appraisal reasonably acceptable to the Administrative Agent) or, solely to the extent that an acceptable appraisal does not exist, 100% of the net book value of the asset subject to such Asset Sale;

(d) the consideration received in connection with any Non-Real Estate Asset Sale and involving consideration in excess of \$5,000 shall be equal to or greater than 100% of the net book value of the asset subject to such Asset Sale;

(e) SECTION 6.05. Asset Sales. Neither the Company nor any of its Subsidiaries will consummate any Asset Sale unless (a) following the Amendment No. 1 Effective Date and prior to the occurrence of the Fall Away Event, (i) the fair market value of all property disposed of in such Asset Sale, when aggregated with any other Asset Sales consummated during the same fiscal year of the Company, shall not exceed (i) for the fiscal year of the Company ending December 31, 2009, \$400,000,000 and (ii) for each fiscal year of the Company ending thereafter, 10% of the consolidated total assets of the Company and its Subsidiaries (determined as of the end of the most recently completed fiscal quarter of the Company) and (ii) no Default or Event of Default has occurred and is continuing prior to making such Asset Sale or would arise after giving effect (including pro forma effect reasonably acceptable to the Administrative Agent) thereto and (b) on and after the occurrence of the Fall Away Event, such Asset Sale would not constitute a sale of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole. Notwithstanding the foregoing, (i) the Company will not, and will not permit any of its Subsidiaries to, sell or otherwise dispose of any Equity Interests in YRCMI, and (ii) the Company will not permit YRCMI to sell, assign, transfer or otherwise dispose of the Indebtedness outstanding under the YRCMI Credit Agreement or any of its rights thereunder.; and

(f) no Default or Event of Default has occurred and is continuing prior to making such Asset Sale or would arise after giving effect (including pro forma effect reasonably acceptable to the Administrative Agent) thereto;

provided that, for the avoidance of doubt, to the extent that multiple assets are being sold in an Asset Sale or series of related Asset Sales, the percentage thresholds referenced in the foregoing clauses (b) and (c) and this clause (d) shall be deemed satisfied so long as the aggregate consideration received in respect of such assets pursuant to such Asset Sale(s) equals or exceeds the relevant percentage of the aggregate appraised value of such assets.

Notwithstanding the foregoing, (i) the Company will not, and will not permit any of its Subsidiaries to, sell or otherwise dispose of any Equity Interests in YRCMI, (ii) the Company will not permit YRCMI to sell, assign, transfer or otherwise dispose of the Indebtedness outstanding under the YRCMI Credit Agreement or any of its rights thereunder and (iii) the Company may not consummate the Specified Sale and Leaseback Transaction or the Permitted Disposition unless (i) no Default or Event of Default has occurred and is continuing prior to making such Asset Sale or would arise after giving effect (including pro forma effect reasonably acceptable to the Administrative Agent) thereto and (ii) such Asset Sale is made on an arms-length basis and for 100% cash consideration.

SECTION 6.06. Transactions with Affiliates. The Company will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except in each of the following circumstances: (a) transactions entered into in good faith pursuant to the reasonable requirements of the Company's or its Subsidiaries' business at prices and on terms and conditions not less favorable to the Company or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, between or among (i) the Domestic Loan Parties, (ii) the Loan Parties that are not Domestic Loan Parties (provided that YRC Assurances Co. Ltd. may not engage in any transactions other than with Domestic Loan Parties or, on terms reasonably satisfactory to the Administrative Agent, solely to the extent as otherwise required by the winding up, liquidation or dissolution process contemplated by Section 5.13), (iii) the Foreign Loan Parties and (b) transactions between or among the Company and its Wholly-Owned Subsidiaries not involving any other Affiliate that is not a Wholly-Owned Subsidiary and (c) transactions otherwise permitted hereby by the express terms of this Agreement.

SECTION 6.07. Financial Covenants.

(a) Minimum Consolidated Interest Coverage Ratio. The Company will not permit the Consolidated Interest Coverage Ratio as of the end of any Test Period ending on or about March 31, 2011 and as of the end of each other Test Period ending thereafter to be less than 2.50 to 1.00.

(b) Maximum Total Leverage Ratio. The Company will not permit the Total Leverage Ratio as of the end of (i) any Test Period ending on or about March 31, 2008, June 30, 2008 and September 30, 2008 to exceed 3.75 to 1.00, (ii) any 2011 and as of the end of each other Test Period ending following the Amendment No. 1 Effective Date and prior to the occurrence of the Fall Away Event to exceed 3.50 to 1.00 and (iii) any Test Period ending subsequent to the occurrence of the Fall Away Event to exceed 3.00 thereafter to exceed 3.50 to 1.00.

(c) Minimum Liquidity. The Company will maintain Liquidity equal to or greater than \$100,000,000 at all times, and Liquidity shall be tested on each Business Day.

(d) Minimum Consolidated EBITDA. The Company will not permit Consolidated EBITDA for any period set forth below to be less than the amount set forth opposite such period:

<u>Period</u>	<u>Minimum Consolidated EBITDA</u>
<u>For the fiscal quarter ending on June 30, 2009</u>	<u>\$ 45,000,000</u>
<u>For the two consecutive fiscal quarters ending on September 30, 2009</u>	<u>\$ 130,000,000</u>
<u>For the three consecutive fiscal quarters ending December 31, 2009</u>	<u>\$ 180,000,000</u>
<u>For the four consecutive fiscal quarters ending March 31, 2010</u>	<u>\$ 205,000,000</u>
<u>For the four consecutive fiscal quarters ending June 30, 2010</u>	<u>\$ 205,000,000</u>
<u>For the four consecutive fiscal quarters ending September 30, 2010</u>	<u>\$ 215,000,000</u>
<u>For the four consecutive fiscal quarters ending December 31, 2010</u>	<u>\$ 240,000,000</u>

: provided that, from and after the date of the consummation of the Permitted Disposition, the Minimum Consolidated EBITDA covenant levels in the table above shall be modified as set forth on Schedule 6.07(d) hereto for the fiscal quarter in which the Permitted Disposition is consummated and for each fiscal quarter thereafter.

(e) Maximum Capital Expenditures. The Company will not, nor will it permit any Subsidiary to, incur or make any Capital Expenditures during any period set forth below in an amount exceeding the amount set forth opposite such period:

<u>Period</u>	<u>Maximum Capital Expenditures</u>
<u>For the four consecutive fiscal quarters ending December 31, 2009</u>	<u>\$ 150,000,000</u>
<u>For the four consecutive fiscal quarters ending December 31, 2010</u>	<u>\$ 235,000,000</u>

SECTION 6.08. YRCMI. The Company shall not permit YRCMI to (i) dissolve, liquidate, merge with any other Person or otherwise cease to exist, (ii) engage in any business or activity other than holding the Indebtedness outstanding under the YRCMI Credit Agreement or incur any Indebtedness or liability other than pursuant to the Subsidiary Guarantee Agreement, or (iii) amend or modify the YRCMI Credit Agreement or any mortgage or deed of trust securing the Indebtedness outstanding thereunder or any guarantee of such Indebtedness without the prior written consent of the Required Lenders, provided, however, that no such consent shall be required with respect to any such amendments or modifications with respect to (A) amendments to any such mortgages or deeds of trust required to reflect the assignment thereof to YRCMI or the terms and provisions of this Agreement, and (B) the termination of any such mortgage or deed of trust, or the release, in whole or in part, of any property covered by the liens created thereby.

SECTION 6.09. Restrictive Agreements. ~~On and after the Amendment No. 1 Effective Date until the occurrence of the Fall Away Event, the~~ The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon the ability of the Company or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets to secure the Secured Obligations; provided that the foregoing shall not apply to (i) restrictions and conditions imposed by law or by any Loan Document, (ii) customary restrictions and conditions contained in agreements relating to a Permitted Receivables Facility or the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iii) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (iv) customary provisions in leases, subleases, licenses or sublicenses and other contracts restricting the assignment thereof, (v) customary provisions in joint venture agreements and applicable solely to such joint venture and (vi) solely with respect to the requirement to grant Indenture Ratable Liens, the provisions of the ~~Roadway Bond Indenture and the~~ USF Bond Indenture.

SECTION 6.10. Restricted Payments. ~~On and after the Amendment No. 1 Effective Date until the occurrence of the Fall Away Event, the~~ The Company will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Company may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends or other distributions ratably with respect to their Equity Interests, (c) the Company may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for directors, officers, members of management or employees of the Company and its Subsidiaries and (d) the Company and its Subsidiaries may make any other Restricted Payment so long as (i) no Default or Event of Default has occurred and is continuing prior to making such Restricted Payment or would arise after giving effect (including pro forma effect acceptable to the Administrative Agent) thereto and (ii) the Total Leverage Ratio would not exceed ~~3.00~~2.00 to 1.00 after giving effect (including pro forma effect reasonably acceptable to the Administrative Agent) thereto.

SECTION 6.11. Guarantors Under other Indebtedness. The Company shall not at any time permit any Domestic Subsidiary to guaranty any other Indebtedness of the Company or any of its Subsidiaries in an aggregate amount of \$5,000,000 or more unless and until such Domestic Subsidiary has become a Subsidiary Guarantor pursuant to, and in accordance with the terms of, Section 5.09 and, if applicable, ~~comply~~complied with the terms of Section 5.10 hereof.

SECTION 6.12. Collateral in Respect of First Tier Foreign Insurance Subsidiaries. The Company shall not and shall not permit any Subsidiary to (i) pledge any Equity Interests of any First Tier Foreign Insurance Subsidiary or (ii) grant a security interest in any of the property of any First Tier Foreign Insurance Subsidiary, ~~in each case unless the Company or such Subsidiary concurrently pledges such Equity Interests and/or grants a security interest in such property, as applicable, to any Person other than~~ to or for the benefit of the Administrative Agent, for the benefit of the Holders of Secured Obligations ~~on an equal and ratable basis with such other relevant secured party.~~

SECTION 6.13. Investments, Loans, Advances, Guarantees and Acquisitions. ~~The Company will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other equity interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any Person or any assets of any other Person constituting a business unit (collectively, "Investments"), except:~~

(a) Permitted Investments;

(b) Investments by the Company and its Subsidiaries existing on the Amendment No. 2 Effective Date and described on Schedule 6.13;

(c) Investments made by the Company in or to or for the benefit of any Subsidiary and made by any Subsidiary in or to or for the benefit of the Company or any other Subsidiary; provided that the aggregate amount of such Investments made by Loan Parties and/or YRC Assurances Co. Ltd. to Subsidiaries that are not Domestic Loan Parties shall not exceed \$10,000,000 in the aggregate at any time outstanding (in each case determined without regard to any write-downs or write-offs);

- (d) loans and advances to officers, directors and employees of the Company or its Subsidiaries in the ordinary course of business (including, without limitation, for travel, entertainment and relocation expenses) not to exceed \$1,000,000 in the aggregate at any time outstanding;
- (e) the Company and its Subsidiaries may (i) acquire and hold accounts receivables owing to any of them if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary terms, (ii) endorse negotiable instruments for collection in the ordinary course of business, (iii) make lease, utility and other similar deposits or any other advance or deposit permitted by this Agreement in the ordinary course of business or (iv) make prepayments and deposits to suppliers in the ordinary course of business;
- (f) Investments incurred pursuant to permitted Swap Agreements under Section 6.14;
- (g) Investments to establish new wholly-owned Subsidiaries to the extent such Subsidiary shall comply with Section 5.09;
- (h) Investments in securities or other assets of trade creditors, customers or other Persons in the ordinary course of business and consistent with such Loan Party's past practices that are received in settlement of bona fide disputes or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers;
- (i) Investments to the extent such Investments reflect an increase in the value of Investments otherwise permitted under this Section 6.13;
- (j) Investments in deposit accounts or securities accounts opened in the ordinary course of business provided such deposit accounts or securities accounts are subject to deposit account control agreements or securities account control agreement if required hereunder;
- (k) Investments by any Loan Parties arising from the capitalization or forgiveness of any Indebtedness owed to it by any other Loan Party or received in connection with the bankruptcy or reorganization of, or the settlement of delinquencies of, customers and suppliers of the Company and its Subsidiaries;
- (l) Capital Expenditures otherwise permitted under this Agreement;
- (m) Investments in connection with contractual put rights or offer rights in respect of the Jiayu Acquisition;
- (n) repurchase or repayment of any Indebtedness to the extent not prohibited by this Agreement;
- (o) Investments (i) constituting pledges, deposits or advances permitted under Section 6.02, (ii) transactions permitted under Section 6.04 and (iii) Restricted Payments permitted under Section 6.10; and
- (p) any other Investment (other than Acquisitions) so long as the aggregate amount of all such Investments does not exceed \$1,000,000 during the term of this Agreement.

The aggregate amount of an Investment at any one time outstanding for purposes of this Section 6.13 shall be deemed to be equal to (A) the aggregate amount of cash, together with the aggregate fair market value of property loaned, advanced, contributed, transferred or otherwise invested that gives rise to such Investment minus (B) the aggregate amount of dividends, distributions or other payments received in cash in respect of such Investment (including by way of a sale or other disposition of such Investment).

SECTION 6.14. Swap Agreements. The Company will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Company or any Subsidiary has actual exposure (other than those in respect of Equity Interests of the Company or any of its Subsidiaries), and (b) Swap Agreements entered into in order to cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Company or any Subsidiary.

SECTION 6.15. Maintenance of Accounts with Administrative Agent. The Company will not, and will not permit any of its Domestic Subsidiaries to, maintain cash and/or Permitted Investments constituting Collateral at any time in an aggregate amount exceeding \$10,000,000 at any bank or other financial institution other than the Administrative Agent.

SECTION 6.16. Certain Payments of Indebtedness. The Company will not, and will not permit any of its Subsidiaries to, make or agree to pay or make, directly or indirectly, any voluntary or optional redemption of or voluntary or optional payment or other voluntary or optional distribution (whether in cash, securities or other property) of or in respect of principal of or interest on, any Indebtedness, including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Indebtedness, except:

(a) payment of Indebtedness created under the Loan Documents;

(b) refinancings of Indebtedness to the extent permitted by Section 6.01;

(c) payments of intercompany Indebtedness (other than any cash payments in respect of Indebtedness owing by the Company or any Subsidiary to YRC Assurances Co. Ltd.; provided that book entries may be made, on terms reasonably satisfactory to the Administrative Agent, to reflect payment of such intercompany Indebtedness concurrently with, and solely to the extent required by, the winding up, liquidation or dissolution process contemplated by Section 5.13) to the extent that such intercompany Indebtedness is expressly permitted to remain outstanding pursuant to the terms of this Agreement;

(d) payment of regularly scheduled interest and principal payments as and when due in respect of any Indebtedness; provided that any repayments of any amount in respect of the 2010 Maturing Notes may only be made with Permitted 2010 Maturing Notes Repayment Sources; and

(e) repayments of Indebtedness of the Company and its Subsidiaries under industrial revenue bonds existing as of the Amendment No. 2 Effective Date.

SECTION 6.17. Amendments of Material Documents. The Company will not, and will not permit any of its Subsidiaries to, amend, modify or waive any of its rights under (a) any agreement relating to any Material Indebtedness, (b) its certificate of incorporation, by-laws, operating, management or partnership agreement or other organizational documents, (c) the BofA Lease or (d) the RBS Lease, to the extent any such amendment, modification or waiver would be materially adverse to the Lenders (except to the extent that any such amendment, modification or waiver are no more restrictive to the Company than any refinancing of any such Indebtedness as would be permitted pursuant to the terms of Section 6.01(f)).

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan, any part of the face amount of any Acceptance or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise (including, without limitation, payments required to be made pursuant to the terms and conditions of Section 2.12);

(b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Borrower or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification hereof or waiver hereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Company shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to any Borrower's existence), 5.08 ~~5.09~~, 5.10, 5.11, 5.12 or ~~5.13~~ or in Article VI (other than Section 6.07(c));

(e) any Borrower or any Subsidiary Guarantor, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or in any other Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Company (which notice will be given at the request of any Lender);

(f) any Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization or other relief in respect of the Company, any other Borrower, any Domestic Subsidiary or any ~~Material~~ Foreign Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, administrative, receivership or similar law now or hereafter in effect or

(ii) the appointment of a receiver, administrator, administrative receiver, trustee, custodian, sequester, conservator or similar official for the Company, any other Borrower, any Domestic Subsidiary or any ~~Material~~ Foreign Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Company, any other Borrower, any Domestic Subsidiary or any ~~Material~~ Foreign Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking bankruptcy, winding up, dissolution, ~~liquidation~~ (other than any dissolution, solely to the extent expressly permitted herein), liquidation (other than any liquidation, solely to the extent expressly permitted herein), administration, moratorium, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, administrative receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, administrator, administrative receiver, trustee, custodian, sequester, conservator or similar official for the Company, any other Borrower, any Domestic Subsidiary or any ~~Material~~ Foreign Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment or arrangement for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Company, any other Borrower, any Domestic Subsidiary or any ~~Material~~ Foreign Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$15,000,000 shall be rendered against the Company, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Company or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n) the Company's guarantee under Article X or the Subsidiary Guarantee Agreement shall not be, or shall be asserted by the Company or any Subsidiary Guarantor, as applicable, not to be, valid and in full force and effect; ~~or~~

(o) any Collateral Document shall for any reason fail to create a valid and perfected first priority security interest in any Collateral with a value of \$15,000,000 in the aggregate purported to be covered thereby, except as permitted by the terms of any Loan Document; provided that no Event of Default shall occur under this clause (o) as a result of any loss of perfection or priority caused by the failure of the Administrative Agent to maintain possession of certificates delivered to it representing securities pledged under the Collateral Documents or to file UCC continuation statements, or, as to Collateral consisting of real property, to the extent such losses are covered by a lender's title insurance policy and the Administrative Agent shall be reasonably satisfied with the credit of such insurer;

(p) any default or event of default (or terms of like import) shall occur under the RBS Lease and/or the BofA lease which results in the acceleration of obligations under such leases (either singularly or collectively) in an aggregate amount (when aggregated with the Permitted Lease Waiver

Amount) in excess of \$20,000,000 thereunder and such default, event of default or similar event shall not have been fully and completely cured within fifteen (15) days of such occurrence; provided that any Event of Default arising under this clause (p) shall be deemed automatically waived if and to the extent that such default, event of default or similar event under the RBS Lease and/or the BofA Lease, as applicable, is waived in accordance with the terms thereof;

(q) the Company or any of its Subsidiaries shall, on or after February 10, 2009, pay an aggregate amount to satisfy obligations under the RBS Lease and/or the BofA Lease, as applicable, by repayment of obligations due to a default or event of default thereunder or any acceleration thereof, and inclusive of any fee or other amount paid in connection with any of the foregoing, to any lessors or other creditors who have exercised (or threatened to exercise) remedies, under either such lease (exclusive of any scheduled lease payments thereunder), as applicable (such aggregate amount paid on or after February 10, 2009, the "Permitted Lease Waiver Amount"), in excess of \$20,000,000;

(r) any amortization event or other similar repayment event under the Yellow Receivables Facility which is triggered by a "Servicer Default" under (and as defined in) the Yellow Receivables Facility; provided that any Event of Default arising under this clause (q) shall be deemed automatically waived if and to the extent that such "Servicer Default" under the Yellow Receivables Facility is waived in accordance with the terms thereof; or

(s) the Required Lenders shall not have waived the violation of Section 6.07(c) within five (5) Business Days of the Liquidity Notification Date;

then, and in every such Event of Default (other than an Event of Default with respect to the Company described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Company, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable, and require prepayment of the face amount of any outstanding Acceptances, in whole (or in part, in which case any such principal or face amount not so declared to be due and payable or required to be prepaid may thereafter be declared to be due and payable or required to be prepaid), and thereupon the principal of the Loans so declared to be due and payable and the face amount of outstanding Acceptances required to be prepaid, together with accrued interest thereon and all fees and other Secured Obligations accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any Event of Default with respect to the Company described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding and the face amount of all outstanding Acceptances, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

ARTICLE VIII

The Agents

Each of the Lenders and the Issuing Banks hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. Each of the Canadian Lenders hereby irrevocably appoints the Canadian Agent as its agent and authorizes the Canadian Agent to take such actions on its behalf and to exercise such powers as are delegated to the Canadian Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. Each of the UK Lenders hereby irrevocably appoints the UK Agent as its agent and authorizes the UK Agent to take such actions on its behalf and to exercise such powers as are delegated to the UK Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

Each bank serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not such Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

The Agents shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 11.02), and (c) except as expressly set forth in the Loan Documents, no Agent shall have any duty to disclose, or shall be liable for the failure to disclose, any information relating to the Company or any of its Subsidiaries that is communicated to or obtained by the bank serving as such Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 11.02) or in the absence of its own gross negligence or willful misconduct. No Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by a Borrower or a Lender, and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral or (vi) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be

counsel for any Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as an Agent.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, any Agent may resign at any time by notifying the Lenders, the Issuing Banks (in the case of the Administrative Agent) and the Company. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and the Issuing Banks (in the case of a successor Administrative Agent) and in consultation with the Company, appoint a successor Agent, which, in the case of the Administrative Agent shall be a bank with an office in New York, New York, or an Affiliate of any such bank; in the case of the Canadian Agent, shall be a bank with an office in Toronto, Canada, or an Affiliate of any such bank; and in the case of the UK Agent, shall be a bank with an office in London, England, or an Affiliate of any such bank. The appointment of a successor Canadian Agent or UK Agent shall be subject to the consent of the Administrative Agent (such consent not to be unreasonably withheld). Upon the acceptance of its appointment as an Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by any Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between such Borrower and such successor. After an Agent's resignation hereunder, the provisions of this Article and Section 11.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as an Agent.

Each Lender acknowledges that it has, independently and without reliance upon any Agent, any Arranger, any Bookrunner, any Syndication Agent, any Documentation Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent, any Arranger, any Bookrunner, any Syndication Agent, any Documentation Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

None of the Arrangers, the Bookrunners or any Syndication Agent or Documentation Agent, if any, identified as such in this Agreement, shall have any right, power, obligation, liability, responsibility or duty under this Agreement, except in its capacity, as applicable, as Administrative Agent, Canadian Agent, UK Agent, a Lender or an Issuing Bank hereunder. Without limiting the foregoing, none of the Arrangers, the Bookrunners or the Syndication Agents or Documentation Agents, if any, shall have or be deemed to have a fiduciary relationship with any Lender.

Except with respect to the exercise of setoff rights of any Lender, in accordance with Section 11.08, the proceeds of which are applied in accordance with this Agreement, each Lender agrees that it will not take any action, nor institute any actions or proceedings, against any Borrower or with respect to any Loan Document, without the prior written consent of the Required Lenders or, as may be provided in this Agreement or the other Loan Documents, with the consent of the Administrative Agent.

The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

In its capacity, the Administrative Agent is a “representative” of the Holders of Secured Obligations within the meaning of the term “secured party” as defined in the UCC. Each Lender authorizes the Administrative Agent to enter into each of the Collateral Documents to which it is a party and to take all action contemplated by such documents. Each Lender agrees that no Holder of Secured Obligations (other than the Administrative Agent) shall have the right individually to seek to realize upon the security granted by any Collateral Document, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Holders of Secured Obligations upon the terms of the Collateral Documents. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Administrative Agent is hereby authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Holders of Secured Obligations any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of or for the benefit of the Administrative Agent, on behalf of the Holders of Secured Obligations. The Lenders hereby authorize the Administrative Agent, at its option and in its discretion, to release any Lien granted to or held by the Administrative Agent upon any Collateral (i) as described in ~~Sections 5.10(c) and~~ Section 11.15(b), (ii) as permitted by, but only in accordance with, the terms of the applicable Loan Document; or (iii) if approved, authorized or ratified in writing by the Required Lenders, unless such release is required to be approved by all of the Lenders hereunder. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent’s authority to release particular types or items of Collateral pursuant hereto. Upon any sale or transfer of assets constituting Collateral which is permitted pursuant to the terms of any Loan Document, or consented to in writing by the Required Lenders or all of the Lenders, as applicable, and upon at least five (5) Business Days’ prior written request by the Company to the Administrative Agent, the Administrative Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Administrative Agent for the benefit of the Holders of Secured Obligations herein or pursuant hereto upon the Collateral that was sold or transferred; provided, however, that (i) the Administrative Agent shall not be required to execute any such document on terms which, in the Administrative Agent’s opinion, would expose the Administrative Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Secured Obligations or any Liens upon (or obligations of the Company or any Subsidiary in respect of) all interests retained by the Company or any Subsidiary, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral.

Each Borrower, on its behalf and on behalf of its Subsidiaries, and each Lender, on its behalf and on the behalf of its affiliated Holders of Secured Obligations, hereby irrevocably constitute the Administrative Agent as the holder of an irrevocable power of attorney (*fondé de pouvoir* within the meaning of Article 2692 of the Civil Code of Québec) in order to hold hypothecs and security granted by each Borrower or any Subsidiary on property pursuant to the laws of the Province of Quebec to secure obligations of any Borrower or any Subsidiary under any bond, debenture or similar title of indebtedness

issued by any Borrower or any Subsidiary in connection with this Agreement, and agree that the Administrative Agent may act as the bondholder and mandatory with respect to any bond, debenture or similar title of indebtedness that may be issued by any Borrower or any Subsidiary and pledged in favor of the Holders of Secured Obligations in connection with this Agreement. Notwithstanding the provisions of Section 32 of the An Act respecting the special powers of legal persons (Quebec), JPMorgan Chase Bank, N.A. as Administrative Agent may acquire and be the holder of any bond issued by any Borrower or any Subsidiary in connection with this Agreement (i.e., the *fondé de pouvoir* may acquire and hold the first bond issued under any deed of hypothec by any Borrower or any Subsidiary).

The Administrative Agent is hereby authorized to execute and deliver any documents necessary or appropriate to create and perfect the rights of pledge for the benefit of the Holders of Secured Obligations including a right of pledge with respect to the entitlements to profits, the balance left after winding up and the voting rights of the Company as ultimate parent of any subsidiary of the Company which is organized under the laws of the Netherlands and the Equity Interests of which are pledged in connection herewith (a "Dutch Pledge"). Without prejudice to the provisions of this Agreement and the other Loan Documents, the parties hereto acknowledge and agree with the creation of parallel debt obligations of the Company or any relevant Subsidiary as will be described in any Dutch Pledge (the "Parallel Debt"), including that any payment received by the Administrative Agent in respect of the Parallel Debt will conditionally upon such payment not subsequently being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application be deemed a satisfaction of a pro rata portion of the corresponding amounts of the Secured Obligations, and any payment to the Holders of Secured Obligations in satisfaction of the Secured Obligations shall conditionally upon such payment not subsequently being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, preference, liquidation or similar laws of general application be deemed as satisfaction of the corresponding amount of the Parallel Debt. The parties hereto acknowledge and agree that, for purposes of a Dutch Pledge, any resignation by the Administrative Agent is not effective until its rights under the Parallel Debt are assigned to the successor Administrative Agent.

Each Lender, on its behalf and on the behalf of its affiliated Holders of Secured Obligations, hereby authorizes the Administrative Agent, in connection with the Company's request for withdrawal of funds from the Escrow Account, to give written notice to the Escrow Agent under (and as defined in) the Escrow Account Agreement that the Escrow Release Conditions have been satisfied pursuant to the terms hereof and that such applicable funds on deposit in the Escrow Account may be released to the Company. The Administrative Agent agrees to deliver the notice described in the previous sentence upon the satisfaction of the Escrow Release Conditions pursuant to the terms hereof.

ARTICLE IX

Collection Allocation Mechanism

SECTION 9.01. Implementation of CAM. (a) On the CAM Exchange Date, (i) the Commitments shall automatically and without further act be terminated as provided in Article VII, (ii) each US Tranche Lender shall immediately be deemed to have acquired (and shall promptly make payment therefor to the Administrative Agent in accordance with Section 2.05(c)) participations in the Swingline Loans under the US Tranche in an amount equal to such Lender's US Tranche Percentage of each such Swingline Loan outstanding on such date, (iii) each UK Tranche Lender shall immediately be deemed to have acquired (and shall promptly make payment therefor to the applicable Agent in accordance with Section 2.05(c)) participations in the Swingline Loans under the UK Tranche in an amount equal to such Lender's UK Tranche Percentage of each such Swingline Loan outstanding on such

date, (iv) each Canadian Tranche Lender shall immediately be deemed to have acquired (and shall promptly make payment therefor to the Administrative Agent in accordance with Section 2.05(c)) participations in the Swingline Loans under the Canadian Tranche in an amount equal to such Lender's Canadian Tranche Percentage of each such Swingline Loan outstanding on such date, (v) simultaneously with the automatic conversions pursuant to clause (vi) below, the Lenders shall automatically and without further act (and without regard to the provisions of Section 11.04) be deemed to have exchanged interests in the Loans (other than the Swingline Loans) and Acceptances and participations in Swingline Loans and Letters of Credit, such that in lieu of the interest of each Lender in each Loan, Acceptance and Letter of Credit in which it shall participate as of such date (including such Lender's interest in the Obligations of each Borrower in respect of each such Loan, Acceptance and Letter of Credit), such Lender shall hold an interest in every one of the Loans (other than the Swingline Loans) and Acceptances and a participation in every one of the Swingline Loans and Letters of Credit (including the Obligations of each Borrower in respect of each such Loan and each Reserve Account established pursuant to Section 9.02 below), whether or not such Lender shall previously have participated therein, equal to such Lender's CAM Percentage thereof, (vi) simultaneously with the deemed exchange of interests pursuant to clause (v) above, the interests in the Loans to be received in such deemed exchange shall, automatically and with no further action required, be converted into the US Dollar Equivalent, determined using the Exchange Rate calculated as of such date, of such amount and on and after such date all amounts accruing and owed to the Lenders in respect of such Obligations shall accrue and be payable in US Dollars at the rate otherwise applicable hereunder and (vii) immediately upon the date of expiration of the Contract Period in respect thereof, the interests in each Acceptance received in the deemed exchange of interests pursuant to clause (v) above shall, automatically and with no further action required, be converted into the US Dollar Equivalent, determined using the Exchange Rate calculated as of such date, of such amount and on and after such date all amounts accruing and owed to the Lenders in respect of such Obligations shall accrue and be payable in US Dollars at the rate otherwise applicable hereunder. It is understood and agreed that Lenders holding interests in Acceptances on the CAM Exchange Date shall discharge the obligations to fund such Acceptances at maturity in exchange for the interests acquired by such Lenders in funded Loans in the CAM Exchange. Each Lender and each Borrower hereby consents and agrees to the CAM Exchange, and each Lender agrees that the CAM Exchange shall be binding upon its successors and assigns and any person that acquires a participation in its interests in any Loan or Acceptance or any participation in any Swingline Loan or Letter of Credit. Each Borrower and each Lender agrees from time to time to execute and deliver to the Administrative Agent all such promissory notes and other instruments and documents as the Administrative Agent shall reasonably request to evidence and confirm the respective interests and obligations of the Lenders after giving effect to the CAM Exchange, and each Lender agrees to surrender any promissory notes originally received by it in connection with its Loans hereunder to the Administrative Agent against delivery of any promissory notes evidencing its interests in the Loans and Acceptances so executed and delivered; provided, however, that the failure of any Borrower to execute or deliver or of any Lender to accept any such promissory note, instrument or document shall not affect the validity or effectiveness of the CAM Exchange.

(b) As a result of the CAM Exchange, upon and after the CAM Exchange Date, each payment received by the Administrative Agent pursuant to any Loan Document in respect of the Obligations, and each distribution made by the Administrative Agent pursuant to any Loan Document in respect of the Obligations, shall be distributed to the Lenders pro rata in accordance with their respective CAM Percentages. Any direct payment received by a Lender on or after the CAM Exchange Date, including by way of set-off, in respect of an Obligation shall be paid over to the Administrative Agent for distribution to the Lenders in accordance herewith.

SECTION 9.02. Letters of Credit. (a) In the event that on the CAM Exchange Date any Letter of Credit under a Tranche shall be outstanding and undrawn in whole or in part, or any L/C Disbursement shall not have been reimbursed by the Company or with the proceeds of a Revolving

Borrowing or Swingline Borrowing, each Lender under such Tranche shall promptly pay over to the Administrative Agent, in immediately available funds, an amount in US Dollars equal to such Lender's Tranche Percentage of such undrawn face amount or (to the extent it has not already done so) such unreimbursed drawing, as applicable, together with interest thereon from the CAM Exchange Date to the date on which such amount shall be paid to the Administrative Agent at the rate that would be applicable at the time to an ABR Revolving Loan in a principal amount equal to such undrawn face amount or unreimbursed drawing, as applicable. The Administrative Agent shall establish a separate account (each, a "Reserve Account") or accounts for each Lender for the amounts received with respect to each such Letter of Credit pursuant to the preceding sentence. The Administrative Agent shall deposit in each Lender's Reserve Account such Lender's CAM Percentage of the amounts received from the Lenders as provided above. For the purposes of this paragraph, the US Dollar Equivalent of each Lender's participation in each Letter of Credit denominated in an Alternative Currency shall be the amount in US Dollars determined by the Administrative Agent to be required in order for the Administrative Agent to purchase currency in the applicable Alternative Currency in an amount sufficient to enable it to deposit the actual amount of such participation in such undrawn Letter of Credit in the applicable Alternative Currency in such Lender's Reserve Account. The Administrative Agent shall have sole dominion and control over each Reserve Account, and the amounts deposited in each Reserve Account shall be held in such Reserve Account until withdrawn as provided in paragraph (b), (c), (d) or (e) below. The Administrative Agent shall maintain records enabling it to determine the amounts paid over to it and deposited in the Reserve Accounts in respect of each Letter of Credit and the amounts on deposit in respect of each Letter of Credit attributable to each Lender's CAM Percentage. The amounts held in each Lender's Reserve Account shall be held as a reserve against the LC Exposures, shall be the property of such Lender, shall not constitute Loans to or give rise to any claim of or against any Borrower and shall not give rise to any obligation on the part of any Borrower to pay interest to such Lender, it being agreed that the reimbursement obligations in respect of Letters of Credit shall arise only at such times as drawings are made thereunder, as provided in Section 2.06.

(b) In the event that after the CAM Exchange Date any drawing shall be made in respect of a Letter of Credit under a Tranche, the Administrative Agent shall, at the request of the applicable Issuing Bank, withdraw from the Reserve Account of each Lender under such Tranche any amounts, up to the amount of such Lender's CAM Percentage of such drawing or payment, deposited in respect of such Letter of Credit and remaining on deposit and deliver such amounts to such Issuing Bank in satisfaction of the reimbursement obligations of the Lenders under such Tranche under Section 2.06(d) (but not of the Company under Section 2.06(e)). In the event that any Lender shall default on its obligation to pay over any amount to the Administrative Agent as provided in this Section 9.02, the applicable Issuing Bank shall have a claim against such Lender to the same extent as if such Lender had defaulted on its obligations under Section 2.06(d), but shall have no claim against any other Lender in respect of such defaulted amount, notwithstanding the exchange of interests in the Company's reimbursement obligations pursuant to Section 9.01. Each other Lender shall have a claim against such defaulting Lender for any damages sustained by it as a result of such default, including, in the event that such Letter of Credit shall expire undrawn, its CAM Percentage of the defaulted amount.

(c) In the event that after the CAM Exchange Date any Letter of Credit shall expire undrawn, the Administrative Agent shall withdraw from the Reserve Account of each Lender the amount remaining on deposit therein in respect of such Letter of Credit and distribute such amount to such Lender.

(d) With the prior written approval of the Administrative Agent (not to be unreasonably withheld), any Lender may withdraw the amount held in its Reserve Account in respect of the undrawn amount of any Letter of Credit. Any Lender making such a withdrawal shall be unconditionally obligated, in the event there shall subsequently be a drawing under such Letter of Credit, to pay over to the Administrative Agent, in the currency in which such drawing is denominated, for the account of the applicable Issuing Bank, on demand, its CAM Percentage of such drawing or payment.

(e) Pending the withdrawal by any Lender of any amounts from its Reserve Account as contemplated by the above paragraphs, the Administrative Agent will, at the direction of such Lender and subject to such rules as the Administrative Agent may prescribe for the avoidance of inconvenience, invest such amounts in customary, highly-rated, short-term investments reasonably acceptable to the Administrative Agent. Each Lender that has not withdrawn its amounts in its Reserve Account as provided in paragraph (d) above shall have the right, at intervals reasonably specified by the Administrative Agent, to withdraw the earnings on investments so made by the Administrative Agent with amounts in its Reserve Account and to retain such earnings for its own account.

ARTICLE X

Guarantee

In order to induce the Lenders to extend credit to the other Borrowers hereunder, the Company hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the payment when and as due of the Obligations of such other Borrowers. The Company further agrees that the due and punctual payment of such Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any such Obligation.

The Company waives presentment to, demand of payment from and protest to any Borrower of any of the Obligations, and also waives notice of acceptance of its obligations and notice of protest for nonpayment. The obligations of the Company hereunder shall not be affected by (a) the failure of any Agent, Issuing Bank or Lender to assert any claim or demand or to enforce any right or remedy against any Borrower under the provisions of this Agreement, any other Loan Document or otherwise; (b) any extension or renewal of any of the Obligations; (c) any rescission, waiver, amendment or modification of, or release from, any of the terms or provisions of this Agreement, or any other Loan Document or agreement; (d) any default, failure or delay, willful or otherwise, in the performance of any of the Obligations; or (e) any other act, omission or delay to do any other act which may or might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of a guarantor as a matter of law or equity or which would impair or eliminate any right of the Company to subrogation.

The Company further agrees that its agreement hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Obligations or operated as a discharge thereof) and not of collection, and waives any right to require that any resort be had by any Agent, Issuing Bank or Lender to any balance of any deposit account or credit on the books of any Agent, Issuing Bank or Lender in favor of any Borrower or any other Person.

The obligations of the Company hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever, by reason of the invalidity, illegality or unenforceability of any of the Obligations, any impossibility in the performance of any of the Obligations or otherwise (other than the indefeasible payment in full in cash of the Obligations).

The Company further agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by any Agent, Issuing Bank or Lender upon the bankruptcy or reorganization of any Borrower or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Agent, Issuing Bank or Lender may have at law or in equity against the Company by virtue hereof, upon the failure of any other Borrower to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Company hereby promises to and will, upon receipt of written demand by any Agent, Issuing Bank or Lender, forthwith pay, or cause to be paid, to the applicable Agent, Issuing Bank or Lender in cash an amount equal to the unpaid principal amount of such Obligations then due, together with accrued and unpaid interest thereon. The Company further agrees that if payment in respect of any Obligation shall be due in a currency other than US Dollars and/or at a place of payment other than New York and if, by reason of any Change in Law, disruption of currency or foreign exchange markets, war or civil disturbance or other event, payment of such Obligation in such currency or at such place of payment shall be impossible or, in the reasonable judgment of any Agent, Issuing Bank or Lender, disadvantageous to such Agent, Issuing Bank or Lender in any material respect, then, at the election of the Administrative Agent, the Company shall make payment of such Obligation in US Dollars (based upon the applicable Exchange Rate in effect on the date of payment) and/or in New York, and, as a separate and independent obligation, shall indemnify each Agent, Issuing Bank and Lender against any losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

Upon payment by the Company of any sums as provided above, all rights of the Company against any Borrower arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full in cash of all the Obligations owed by such Borrower to the Agents, the Issuing Banks and the Lenders.

Nothing shall discharge or satisfy the liability of the Company hereunder except the full performance and payment of the Obligations.

ARTICLE XI

Miscellaneous

SECTION 11.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to any Borrower, to it c/o YRC Worldwide Inc., 10990 Roe Avenue, Overland Park, Kansas 66211, Attention of Treasurer (Telecopy No. 913-323-9824);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, National Association, Loan and Agency Services, 1111 Fannin, Floor 10, Houston, Texas 77002, Attention of Alice Telles (Telecopy No. 713-750-2938), with a copy to JPMorgan Chase Bank, National Association, 270 Park Avenue, Floor 4, New York, New York 10017, Attention of Robert Kellas (Telecopy No. 212-270-5100);

(iii) if to the Canadian Agent, to it at JPMorgan Chase Bank, National Association, 200 Bay Street, Floor 18, Toronto, Ontario M5J 2J2, Canada, Attention of Amanda Vidulich (Telecopy No. 416-981-9128);

(iv) if to the UK Agent, to it at J.P. Morgan Europe Limited, 125 London Wall, Floor 9, London EC2Y5AJ, United Kingdom, Attention of Lesley Pluck (Telecopy No. 44 207 7772360);

(v) if to any Issuing Bank, to it at its address (or telecopy number) set forth in its Issuing Bank Agreement;

(vi) if to the US Tranche Swingline Lender, to it at JPMorgan Chase Bank, National Association, Loan and Agency Services, 1111 Fannin, Floor 10, Houston, Texas 77002, Attention of Alice Telles (Telecopy No. 713-750-2938);

(vii) if to the Canadian Tranche Swingline Lender, to it at JPMorgan Chase Bank, National Association, 200 Bay Street, Floor 18, Toronto, Ontario M5J 2J2, Canada, Attention of Amanda Vidulich (Telecopy No. 416-981-9128);

(viii) if to the UK Tranche Swingline Lender, to it at J.P. Morgan Europe Limited, 125 London Wall, Floor 9, London EC2Y5AJ, United Kingdom, Attention of Lesley Pluck (Telecopy No. 44 207 7772360); and

(ix) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Applicable Agent and the applicable Lender. Each Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 11.02. Waivers; Amendments. (a) No failure or delay by any Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan, acceptance of a Draft or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, in each case with the consent of the Required Lenders; provided that no such agreement shall;

(i) increase any Commitment of any Lender without the written consent of such Lender,

(ii) reduce the principal amount of any Loan, Acceptance or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby,

(iii) postpone the date of any scheduled payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any amount in respect of any Acceptance, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby (it being understood that waiver of a mandatory prepayment or mandatory reduction of the Commitments shall not constitute a postponement or waiver of a scheduled payment or date of expiration),

(iv) change Section 2.19(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender affected thereby (it being understood that any increase in the total US Tranche Commitments, Canadian Tranche Commitments or UK Tranche Commitments pursuant to Section 2.10 shall not be deemed to alter such pro rata sharing of payments),

(v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender,

(vi) release the Company or all or substantially all of the Subsidiary Guarantors from, or limit or condition, its or their obligations under Article X or the Subsidiary Guarantee Agreement without the written consent of each Lender,

(vii) change any provisions of Article IX without the written consent of each Lender affected thereby, or

(viii) change any provisions of any Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders holding Loans of any Tranche differently than those of Lenders holding Loans of any other Tranche without the written consent of Lenders holding a majority in interest of the outstanding Loans and unused Commitments of each adversely affected Tranche;

provided further that (A) no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent, any Issuing Bank or any Swingline Lender hereunder or under any other Loan Document without the prior written consent of such Agent, such Issuing Bank or such Swingline Lender, as the case may be, and (B) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of the US Tranche Lenders (but not the Canadian Tranche Lenders

or the UK Tranche Lenders) or the Canadian Tranche Lenders (but not the US Tranche Lenders or the UK Tranche Lenders) or the UK Tranche Lenders (but not the US Tranche Lenders or the Canadian Tranche Lenders) may be effected by an agreement or agreements in writing entered into by the Company and requisite percentage in interest of the affected Tranche of Lenders. Notwithstanding the foregoing, any amendment to this Agreement solely for the purpose of effecting an increase in the total Commitments in any Tranche pursuant to Section 2.10 may be entered into by the Company and any other relevant Borrower, the Administrative Agent and any other Applicable Agent, any Lender that has agreed to increase its Commitment in the relevant Tranche and any Person that has agreed to become a Lender hereunder and to have a Commitment in the relevant Tranche.

(c) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrowers only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

SECTION 11.03. Expenses; Indemnity; Damage Waiver. (a) The Company shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of ~~a single~~ no more than two counsel, and one additional local counsel in each applicable jurisdiction, for the Administrative Agent and its Affiliates, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by each Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by any Agent, any Issuing Bank or any Lender, including the fees, charges and disbursements of ~~a single~~ no more than two counsel, and one additional local counsel in each applicable jurisdiction, for the Agents, the Issuing Bank(s) and the Lenders (and, solely in the event of a conflict of interest, one additional counsel to the Agents, the Issuing Bank(s) and the Lenders, taken as a whole), in connection with the enforcement or protection of its rights in connection with any Loan Document, including its rights under this Section, or in connection with the Loans made, Acceptances accepted or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans, Acceptances or Letters of Credit.

(b) The Company shall reimburse the Administrative Agent for all invoiced reasonable fees, charges, disbursements and out-of-pocket expenses of any financial advisor firm engaged by or on behalf of the Administrative Agent in the Administrative Agent's sole discretion in connection with the this Agreement in the same manner as set forth in Section 11.03(a) and (f) of the this Agreement. The Company shall reimburse the Administrative Agent for all invoiced reasonable fees, charges, disbursements and out-of-pocket expenses of a custodian reasonably acceptable to the Administrative Agent in connection with this Agreement and the Loan Documents to perfect the Liens on (and monitor the ongoing status of and services related thereto) the rolling stock owned by the Company and the Subsidiary Guarantors (the "Vehicle Title Custodian") in the same manner as set forth in Section 11.03(a) and (f) of this Agreement.

~~(c)~~ (b) The Company shall indemnify each Administrative Agent, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties to the Loan Documents of their respective

obligations thereunder or the consummation of the Transactions or any other transactions contemplated thereby, (ii) any Loan, Acceptance or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of its Subsidiaries, or any Environmental Liability arising out of the operations or properties of the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of, or breach of the Loan Documents by, such Indemnitee (or any of its Related Parties) or to the extent that such losses, claims, damages, liabilities or related expenses result from any disputes solely among the Indemnitees and not involving the Company or any of its Subsidiaries.

~~(d)~~~~(e)~~ To the extent that the Company fails to pay any amount required to be paid by it to any Agent, any Issuing Bank or any Swingline Lender under paragraph (a), ~~(b)~~ or ~~(bc)~~ of this Section, each Lender severally agrees to pay to such Agent, such Issuing Bank or such Swingline Lender, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against such Agent, such Issuing Bank or such Swingline Lender in its capacity as such; and provided further that payment of any amount by any Lender pursuant to this clause ~~(ed)~~ shall not relieve the Company of its obligation to pay such amount, and such Lender shall have a claim against the Company for such amount. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the sum (without duplication) of the total Exposures and unused Commitments at the time.

~~(e)~~~~(d)~~ To the extent permitted by applicable law, no party hereto shall assert, and each party hereto hereby waives, any claim against any other party hereto (or its Related Parties), on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan, Acceptance or Letter of Credit or the use of the proceeds thereof.

~~(f)~~~~(e)~~ All amounts due under this Section shall be payable not later than 10 days after written demand therefor.

SECTION 11.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)(i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Company, provided that no consent of the Company shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent; and

(C) each Issuing Bank, unless a Term Loan is being assigned.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans (and Acceptances, if applicable) of any Tranche, the amount of the Commitment or Loans (and Acceptances, if applicable) of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000, or in the case of a Term Loan, \$5,000,000 unless each of the Company and the Administrative Agent otherwise consent, provided that no such consent of the Company shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Tranche of Commitments or Loans (and Acceptances, if applicable);

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 unless otherwise agreed by the Administrative Agent;

(D) the assignee, if it is not already a Lender under the applicable Tranche, hereby represents and warrants for the benefit of the Borrowers, the Agents and the Lenders that, as of the date of such assignment, it will comply with Section 2.18(e) and (f) with respect to withholding tax on payments by the Borrowers; and

(E) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For the purposes of this Section 11.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.16, 2.17, 2.18 and 11.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 11.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of each Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans, face amount of Acceptances and principal amount of LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Agents, the Issuing Banks and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company, the other Agents, the Issuing Banks and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.19(d) or 11.03(e), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c)(i) Any Lender may, without the consent of any Borrower, any Agent, any Issuing Bank or any Swingline Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it and the Acceptances accepted by it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Agents, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or

waiver described in the first proviso to Section 11.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.16, 2.17 and 2.18 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.19(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.16, 2.17 or 2.18 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.18 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 2.18(e) and (f) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 11.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, acceptance of any Drafts and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document (including any amount in respect of any Acceptance) is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Revolving Commitments have not expired or terminated. The provisions of Sections 2.16, 2.17, 2.18 and 11.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit, the Acceptances and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 11.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Agents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 11.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 11.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower or any Subsidiary Guarantor against any of and all the Secured Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmaturing. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. Promptly upon the exercise of any set off rights by any Lender or its Affiliate, such Lender shall give notice thereof to the Administrative Agent and the Borrower; provided that failure of such Lender to provide such notice shall in no way be deemed a breach under any provision of this Agreement or any other Loan Document.

SECTION 11.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each party to this Agreement hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be binding (subject to appeal as provided by applicable law) and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that any Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Borrower or its properties in the courts of any jurisdiction.

(c) Each party to this Agreement hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 11.01, and each of the Borrowers hereby appoints the Company as its agent for service of process. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 11.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 11.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 11.12. Confidentiality. Each of the Agents, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential) in connection with the Transactions, (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process (with, to the extent permitted by applicable law, prompt notice thereof to the Company), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its Swap Obligations, (g) with the consent of the Company or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to any Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Company. For the purposes of this Section, "Information" means all information received from the Company relating to the Company or its business, other than any such information that is available to any Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Company; provided that, in the case of information received from the Company after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 11.13. Conversion of Currencies.

(a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of each Borrower in respect of any sum due to any party hereto or any holder of the obligations owing hereunder (the “Applicable Creditor”) shall, notwithstanding any judgment in a currency (the “Judgment Currency”) other than the currency in which such sum is stated to be due hereunder (the “Agreement Currency”), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the Borrowers contained in this Section 11.13 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

SECTION 11.14. USA Patriot Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Act”) hereby notifies each Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies such Borrower, which information includes the name and address of such Borrower and other information that will allow such Lender to identify such Borrower in accordance with the Act.

SECTION 11.15. Appointment for Perfection; Release of Collateral.

(a) Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the Holders of Secured Obligations, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession. Should any Lender (other than the Administrative Agent) obtain possession of any such Collateral, such Lender shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent’s request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent’s instructions.

(b) The Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release any Liens granted to or for the benefit of the Administrative Agent by the Company or any of its Subsidiaries on any Collateral (i) upon (A) the termination of the Commitments and payment in full of the Obligations (other than contingent indemnification obligations not yet due and payable), (B) the termination or expiration of any Swap Agreements evidencing any of the Swap Obligations or the substitution of credit in a manner reasonably satisfactory to any swap counterparty in respect thereof and (C) the expiration or termination of all Letters of Credit (or provision therefore in a manner reasonably satisfactory to the Issuing Banks), (ii) that is sold or to be sold as ~~part~~ part of or in connection with any sale permitted under the Loan Documents; ~~or~~ (iii) owned by a Domestic Loan Party upon release of such Domestic Loan Party from its obligations under its Subsidiary Guaranty in connection with any such release permitted under the Loan Documents ~~or (iv) in accordance with the terms of Section 5.10(e)~~. Any such release shall not in any manner discharge, affect, or impair the Secured Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

YRC WORLDWIDE INC., as the Company

By _____
Name:
Title:

REIMER EXPRESS LINES LTD./REIMER
EXPRESS LTEE, as a Canadian Borrower

By _____
Name:
Title:

YRC LOGISTICS LTD., as a UK Borrower

By _____
Name:
Title:

Signature Page to Credit Agreement
YRC Worldwide Inc. et al

JPMORGAN CHASE BANK,
NATIONAL ASSOCIATION, individually and
as Administrative Agent,

By _____
Name:
Title:

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, TORONTO BRANCH,
individually and as Canadian Agent

By _____
Name:
Title:

J. P. MORGAN EUROPE LIMITED,
individually and as UK Agent

By _____
Name:
Title:

[OTHER LENDERS TO COME]

Signature Page to Credit Agreement
YRC Worldwide Inc. et al

SCHEDULE 2.01

Lenders and Commitments

<u>LENDER</u>	<u>US Tranche Revolving Commitment</u>	<u>US Tranche Term Loan Commitment</u>	<u>Canadian Tranche Commitment</u>	<u>UK Tranche Commitment</u>
JPMorgan Chase Bank, National Association	\$ 108,409,187	\$ 19,090,813	\$ 0	\$ 0
JPMorgan Chase Bank, National Association, Toronto Branch	\$ 0	\$ 0	\$ 10,000,000	\$ 0
JPMorgan Chase Bank, National Association, London Branch	\$ 0	\$ 0	\$ 0	\$ 2,500,000
Bank of America, N.A.	\$ 102,505,435	\$ 16,974,565	\$ 0	\$ 0
Bank of America, N.A. (Canada Branch)	\$ 0	\$ 0	\$ 5,000,000	\$ 0
SunTrust Bank	\$ 107,505,435	\$ 16,974,565	\$ 0	\$ 0
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Chicago Branch	\$ 107,505,435	\$ 16,974,565	\$ 0	\$ 0
US Bank National Association	\$ 102,505,435	\$ 16,974,565	\$ 5,000,000	\$ 0
Wachovia Bank, National Association	\$ 102,505,435	\$ 16,974,565	\$ 0	\$ 5,000,000
LaSalle Bank National Association	\$ 73,409,091	\$ 11,590,909	\$ 0	\$ 0
The Royal Bank of Scotland plc	\$ 70,909,091	\$ 11,590,909	\$ 0	\$ 2,500,000
BMO Capital Markets Financing, Inc.	\$ 38,181,818	\$ 6,818,182	\$ 0	\$ 0
Bank of Montreal	\$ 0	\$ 0	\$ 5,000,000	\$ 0
Sumitomo Mitsui Banking Corporation	\$ 25,909,091	\$ 4,090,909	\$ 0	\$ 0
UMB Bank, n.a.	\$ 21,590,909	\$ 3,409,091	\$ 0	\$ 0
Taiwan Business Bank	\$ 12,954,546	\$ 2,045,454	\$ 0	\$ 0
Mega International Commercial Bank Co., Ltd., New York Branch	\$ 8,636,364	\$ 1,363,636	\$ 0	\$ 0
Taipei Fubon Commercial Bank, New York Agency	\$ 8,636,364	\$ 1,363,636	\$ 0	\$ 0
Hua Nan Commercial Bank, Ltd., Los Angeles Branch	\$ 7,600,000	\$ 1,200,000	\$ 0	\$ 0
Hua Nan Commercial Bank, Ltd., New York Agency	\$ 7,600,000	\$ 1,200,000	\$ 0	\$ 0
Bank of Communications Co., Ltd., New York Branch	\$ 4,318,182	\$ 681,818	\$ 0	\$ 0
Chang Hwa Commercial Bank, Ltd., New York Branch	\$ 4,318,182	\$ 681,818	\$ 0	\$ 0
TOTAL	\$ 915,000,000	\$ 150,000,000	\$ 25,000,000	\$ 10,000,000

CONSENT, WAIVER AND AMENDMENT NO. 3

Dated as of February 27, 2009

to

CREDIT AGREEMENT

Dated as of August 17, 2007

THIS CONSENT, WAIVER AND AMENDMENT NO. 3 ("Consent") is made as of February 27, 2009 by and among YRC Worldwide Inc. (the "Company"), the Canadian Borrower and the UK Borrower (together with the Company, the "Borrowers"), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, National Association, as Administrative Agent (the "Administrative Agent"), under that certain Credit Agreement dated as of August 17, 2007 by and among the Borrowers from time to time party thereto, the Lenders and the Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Company has requested that the Lenders and the Administrative Agent agree to certain consents and waivers in respect of the Credit Agreement; and

WHEREAS, the Lenders party hereto and the Administrative Agent have agreed to such consents and waivers on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrowers, the Lenders party hereto and the Administrative Agent have agreed to enter into this Consent.

1. Consent.

(a) The Company has informed the Administrative Agent and the Lenders that the Company intends to sell two parcels of real property all as more fully described on Annex A hereto (the "Proposed Sales"), in each case, in respect of which an acceptable appraisal does not exist, for an amount less than 100% of the net book value thereof notwithstanding the limitations set forth in Section 6.05(c) of the Credit Agreement. Subject to satisfaction or waiver of the conditions precedent set forth in Section 6 below, the Lenders party hereto consent to the Proposed Sales and acknowledge and agree that the Proposed Sales shall be permitted in addition to the Asset Sales otherwise permitted under Section 6.05 of the Credit Agreement.

(b) Subject to satisfaction or waiver of the conditions precedent set forth in Section 6 below, the Lenders party hereto acknowledge and agree that any advance or investment made for the purposes of consummating the Permitted Acquisition as contemplated and permitted by Section 6.13(o)(ii) of the Credit Agreement was and is to be permitted under Section 6.01 of the Credit Agreement.

2. Waiver.

(a) The Company has requested that the Lenders waive any Default or Event of Default arising under clause (d) of Article VII of the Credit Agreement as a result of the Loan Parties' failure to comply with the affirmative covenants set forth in Section 5.10 of the Credit Agreement by virtue of the failure to grant Liens in respect of, and failure to disclose to the Administrative Agent the existence of, those certain parcels of real property identified on Annex B hereto (the "Additional Properties") in favor of or for the benefit of the Administrative Agent, for the benefit of the Holders of Secured Obligations (the "Mortgage Covenant Default").

(b) The Company has requested that the Lenders waive any Default or Event of Default which has arisen or may arise under clause (c) of Article VII of the Credit Agreement as a result of representations or warranties made or deemed made by or on behalf of any Borrower or any Subsidiary in connection with any Loan Document or in any report, certificate or other document furnished pursuant to or in connection with any Loan Document (including, without limitation, representations and warranties made pursuant to Section 3.07, Section 3.12 and Section 3.15 of the Credit Agreement and Sections 3.4.1 and 3.4.2 of the Security Agreement) proving to have been incorrect in any material respect when made or deemed made solely as a result of (i) the Mortgage Covenant Default, (ii) the Mortgage Covenant Cross Default (as defined below) or (iii) the failure of the Company and the Grantors to disclose the locations set forth on Annex B hereof (as applicable) for purposes of Section 3.4.1 and Section 3.4.2 of the Security Agreement (collectively, such failure, the "Additional Representation Default").

(c) The Company has requested that the Lenders waive any Default or Event of Default arising under clause (g) of Article VII of the Credit Agreement as a result of the existence of a Servicer Default (as defined in the Yellow Receivables Facility) arising solely as a result of the Mortgage Covenant Default and/or the Additional Representation Default (such cross default, the "Mortgage Covenant Cross Default").

(d) Effective as of the date of satisfaction or waiver of the conditions precedent set forth in Section 6 below, the Lenders party hereto hereby waive the Mortgage Covenant Default, the Additional Representation Default and the Mortgage Covenant Cross Default.

(e) Pursuant to the provisions of Section 11.02 of the Credit Agreement, except as set forth herein, no failure or delay by any Agent, any Issuing Bank or any Lender in exercising any right or power under the Credit Agreement or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Banks and the Lenders under the Credit Agreement and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 11.02(b) of the Credit Agreement, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan, acceptance of a Draft or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

3. Amendment. Effective as of the date of satisfaction or waiver of the conditions precedent set forth in Section 6 below, the Credit Agreement is hereby amended as follows:

(a) The definition of “Non-Current Collateral” appearing in Section 1.01 of the Credit Agreement is amended to (i) delete the “and” immediately preceding clause (g) thereof and (ii) add a new clause (h) immediately following clause (g) thereof as follows:

“and (h) consisting of any issued and outstanding Equity Interests of any Foreign Subsidiary (other than up to 65% of the issued and outstanding Equity Interest of any First Tier Foreign Subsidiary to the extent directly owned by the Company or any other Domestic Loan Party).”

(b) Section 6.05(e) of the Credit Agreement is hereby amended to delete the reference to “the fair market value of” appearing therein and to replace therefor a reference to “the Net Cash Proceeds in respect of”.

(c) Section 6.05 of the Credit Agreement is hereby amended to delete the reference to “the aggregate appraised value of such assets” appearing in the proviso immediately following clause (f) thereof and to replace therefor a reference to “the aggregate appraised value or net book value, as applicable, of such assets”.

4. Real Estate Representation and Warranty. The Company hereby represents and warrants that the list of real property attached hereto as Annex C includes all parcels of real property owned by the Company and all of its Domestic Subsidiaries as of the date hereof.

5. Perfection of Liens on Additional Properties. The parties hereto acknowledge and agree that the Additional Properties are subject to the terms of Section 5.10 of the Credit Agreement in all respects, and notwithstanding anything to the contrary contained therein, the deadline for delivering signed Mortgages and related documentation in respect of the Additional Properties (other than those Additional Properties that have been sold to a Person other than an Affiliate of the Company prior to the date hereof) is extended to March 13, 2009 (or such later date as may be agreed upon by the Administrative Agent in its sole discretion).

6. Conditions of Effectiveness. The effectiveness of this Consent is subject to the conditions precedent that (a) the Administrative Agent shall have received (i) counterparts of this Consent duly executed by the Borrowers, the Required Lenders and the Administrative Agent, (ii) the Consent and Reaffirmation attached hereto duly executed by the Subsidiary Guarantors and (iii) a waiver in respect of the Yellow Receivables Facility in form and substance reasonably satisfactory to the Administrative Agent and (b) the Company shall have paid all invoiced, reasonable, out-of-pocket expenses of the Administrative Agent (including, to the extent invoiced, reasonable attorneys’ fees and expenses) in connection with this Consent and the other Loan Documents.

7. Representations and Warranties of the Borrowers. Each Borrower hereby represents and warrants as follows:

(a) This Consent and the Credit Agreement, as modified hereby, constitute legal, valid and binding obligations of such Borrower and are enforceable against such Borrower in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) As of the date hereof after giving effect to the terms of this Consent, (i) no Default shall have occurred and be continuing and (ii) the representations and warranties of the Borrowers set forth in the Credit Agreement, as modified hereby, are true and correct in all material respects on and

as of the date hereof, 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 shall have been true and correct in all material respects on and as of such earlier date.

8. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as modified hereby.

(b) Except as specifically modified above, the Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) Except as specified above, the execution, delivery and effectiveness of this Consent shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

9. Perfection of Additional Collateral. The parties hereto acknowledge that perfection of the Collateral Agent's Lien in certain Collateral, including, without limitation, real property and improvements thereto, tractors, trailers and other rolling stock, is ongoing, but the Company and the Loan Parties continue to execute such documents, agreements and instruments in connection therewith in accordance with Section 5.10 of the Credit Agreement (as modified by this Consent) and the other Loan Documents. To the extent that any release of Collateral pursuant to the Specified Sale and Leaseback Transaction and any other Asset Sale consummated between the date hereof and July 15, 2009 diminishes the value of Collateral, the Company agrees that any perfection of Liens described in the preceding sentence that occurs between the date hereof and July 15, 2009 shall be considered to have occurred substantially contemporaneously with any release of Collateral pursuant to the Specified Sale and Leaseback Transaction and any other Asset Sale consummated between the date hereof and July 15, 2009 that diminishes the value of the Collateral.

10. Release. In further consideration of the execution by the Administrative Agent and the Lenders of this Consent, to the extent permitted by applicable law, the Company, on behalf of itself and each of its Subsidiaries, and all of the successors and assigns of each of the foregoing (collectively, the "Releasors"), hereby completely, voluntarily, knowingly, and unconditionally releases and forever discharges the Collateral Agent, the Administrative Agent, each of the Lenders, each of their advisors, professionals and employees, each affiliate of the foregoing and all of their respective permitted successors and assigns (collectively, the "Releasees"), from any and all claims, actions, suits, and other liabilities, including, without limitation, any so-called "lender liability" claims or defenses (collectively, "Claims"), whether arising in law or in equity, which any of the Releasors ever had, now has or hereinafter can, shall or may have against any of the Releasees for, upon or by reason of any matter, cause or thing whatsoever from time to time occurred on or prior to the date hereof, in any way concerning, relating to, or arising from (i) any of the Transactions, (ii) the Secured Obligations, (iii) the Collateral, (iv) the Credit Agreement or any of the other Loan Documents, (v) the financial condition, business operations, business plans, prospects or creditworthiness of the Borrowers, and (vi) the negotiation, documentation and execution of this Consent and any documents relating hereto except for Claims determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Releasee (or any of its Related Parties). The Releasors hereby acknowledge that they have been advised by legal counsel of the meaning and consequences of this release.

11. Governing Law. This Consent shall be construed in accordance with and governed by the law of the State of New York.

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

13. Counterparts. This Consent may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Consent has been duly executed as of the day and year first above written.

YRC WORLDWIDE INC., as the Company

By: /s/ Christina E. Wise
Name: Christina E. Wise
Title: Vice President - Treasurer

REIMER EXPRESS LINES LTD./REIMER EXPRESS LTEE,
as a Canadian Borrower

By: /s/ Kenneth P. Bowman
Name: Kenneth P. Bowman
Title: Vice President - Finance

YRC LOGISTICS LIMITED, as a UK Borrower

By: /s/ Darren Williams
Name: Darren Williams
Title: Director

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as
Administrative Agent, as a US Tranche Lender and as US
Tranche Swingline Lender

By: /s/ Robert P. Kellas
Name: Robert P. Kellas
Title: Executive Director

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
TORONTO BRANCH, as Canadian Agent, as a Canadian
Tranche Lender and as Canadian Tranche Swingline Lender

By: /s/ Drew McDonald
Name: Drew McDonald
Title: Executive Director

J.P. MORGAN EUROPE LIMITED, as UK Agent

By: /s/ Maxine Graves

Name: Maxine Graves

Title: Associate

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
LONDON BRANCH, as a UK Tranche Lender and as UK
Tranche Swingline Lender

By: /s/ Robert P. Kellas

Name: Robert P. Kellas

Title: Executive Director

BANK OF AMERICA, N.A., as a Syndication Agent and as a
US Tranche Lender

By: /s/ F.A. Zagar

Name: F.A. Zagar

Title: Senior Vice President

BANK OF AMERICA, N.A. (CANADA BRANCH), as a
Canadian Tranche Lender

By: _____

Name:

Title:

BANK OF AMERICA, N.A., as Successor by Merger to
LASALLE BANK NATIONAL ASSOCIATION, as a US
Tranche Lender

By: /s/ F.A. Zagar

Name: F.A. Zagar

Title: Senior Vice President

SUNTRUST BANK, as a Syndication Agent and as a US
Tranche Lender

By: /s/ Kip Hurd

Name: Kip Hurd

Title: First Vice President

US BANK NATIONAL ASSOCIATION, as a Documentation
Agent, as a US Tranche Lender and as a Canadian Tranche
Lender

By: /s/ Edward B. Hanson

Name: Edward B. Hanson

Title: Assistant Vice President

WACHOVIA BANK, NATIONAL ASSOCIATION, as a
Documentation Agent, as a US Tranche Lender and as a UK
Tranche Lender

By: /s/ Ronald F. Bentien, Jr.

Name: Ronald F. Bentien, Jr.

Title: Director

BANK OF TOKYO-MITSUBISHI UFJ TRUST COMPANY, as
a Documentation Agent and as a US Tranche Lender

By: /s/ David Noda

Name: David Noda

Title: VP and Manager

THE ROYAL BANK OF SCOTLAND plc, as a US Tranche
Lender and as a UK Tranche Lender

By: /s/ James Welch

Name: James Welch

Title: Managing Director

BMO CAPITAL MARKETS FINANCING, INC., as a US
Tranche Lender

By: _____

Name: _____

Title: _____

BANK OF MONTREAL, as a Canadian Tranche Lender

By: _____

Name: _____

Title: _____

SUMITOMO MITSUI BANKING CORPORATION, as a US
Tranche Lender

By: _____

Name: _____

Title: _____

UMB BANK, n.a., as a US Tranche Lender

By: _____

Name: _____

Title: _____

TAIWAN BUSINESS BANK, as a US Tranche Lender

By: _____
Name:
Title:

MEGA INTERNATIONAL COMMERCIAL BANK CO.,
LTD., NEW YORK BRANCH, as a US Tranche Lender

By: _____
Name:
Title:

TAIPEI FUBON COMMERCIAL BANK, NEW YORK
AGENCY, as a US Tranche Lender

By: _____
Name:
Title:

HUA NAN COMMERCIAL BANK, LTD., LOS ANGELES
BRANCH, as a US Tranche Lender

By: _____
Name:
Title:

HUA NAN COMMERCIAL BANK, LTD., NEW YORK
AGENCY, as a US Tranche Lender

By: _____
Name:
Title:

BANK OF COMMUNICATIONS CO., LTD., NEW YORK
BRANCH, as a US Tranche Lender

By: _____
Name:
Title:

CHANG HWA COMMERCIAL BANK, LTD., NEW YORK
BRANCH, as a US Tranche Lender

By: _____
Name:
Title:

FIRST COMMERCIAL BANK, LOS ANGELES BRANCH, as
a US Tranche Lender

By: _____
Name:
Title:

CONSENT AND REAFFIRMATION

Each of the undersigned hereby acknowledges receipt of a copy of the foregoing Consent and Waiver No. 3 to the Credit Agreement dated as of August 17, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") by and among YRC Worldwide Inc. (the "Company"), the Canadian Borrower and the UK Borrower from time to time party thereto (together with the Company, the "Borrowers"), the financial institutions from time to time party thereto (the "Lenders") and JPMorgan Chase Bank, National Association, as Administrative Agent (the "Administrative Agent"), which Consent and Waiver No. 3 is dated as of February 27, 2009 (the "Consent"). Capitalized terms used in this Consent and Reaffirmation and not defined herein shall have the meanings given to them in the Credit Agreement. Without in any way establishing a course of dealing by the Administrative Agent or any Lender, each of the undersigned consents to the Consent and reaffirms the terms and conditions of the Subsidiary Guarantee Agreement, the Security Agreement and any other Loan Document executed by it and acknowledges and agrees that such Subsidiary Guarantee Agreement, the Security Agreement and each and every such Loan Document executed by the undersigned in connection with the Credit Agreement remains in full force and effect and is hereby reaffirmed, ratified and confirmed. All references to the Credit Agreement contained in the above referenced documents shall be a reference to the Credit Agreement as so modified by the Consent and as the same may from time to time hereafter be amended, modified or restated.

Dated: February 27, 2009

[Signature Pages Follows]

EXPRESS LANE SERVICE, INC.

By: /s/ Phil J. Gaines
Name: Phil J. Gaines
Title: Senior Vice President and Chief Financial Officer

GLOBE.COM LINES, INC.

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

IMUA HANDLING CORPORATION

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

NEW PENN MOTOR EXPRESS, INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President - Finance

ROADWAY EXPRESS INTERNATIONAL, INC.

By: /s/ Kenneth P. Bowman
Name: Kenneth P. Bowman
Title: Vice President - Finance and Administrations

ROADWAY LLC

By: /s/ Kenneth P. Bowman
Name: Kenneth P. Bowman
Title: Vice President - Finance

ROADWAY NEXT DAY CORPORATION

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President - Finance

ROADWAY REVERSE LOGISTICS, INC.

By: /s/ Kenneth P. Bowman
Name: Kenneth P. Bowman
Title: Vice President - Finance

USF BESTWAY INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF CANADA INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF DUGAN INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF GLEN MOORE INC.

By: /s/ Kenneth P. Bowman
Name: Kenneth P. Bowman
Title: Vice President - Finance

USF HOLLAND INC.

By: /s/ Daniel Olivier
Name: Daniel Olivier
Title: Vice President - Finance

USF LOGISTICS (MEXICO) INC.

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

USF LOGISTICS SERVICES (PUERTO RICO) INC.

By: /s/ Brenda Stasiulis
Name: Brenda Stasiulis
Title: Vice President - Finance

USF MEXICO INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF REDSTAR LLC

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF REDDAWAY INC.

By: /s/ Thomas S. Palmer
Name: Thomas S. Palmer
Title: Vice President - Finance and Chief Financial Officer

USF SALES CORPORATION

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USF TECHNOLOGY SERVICES INC.

By: /s/ Paul F. Liljegren
Name: Paul F. Liljegren
Title: Vice President

USFREIGHTWAYS CORPORATION

By: /s/ Paul F. Liljegren

Name: Paul F. Liljegren

Title: Vice President

YRC ASSOCIATION SOLUTIONS, INC.

By: /s/ Phil J. Gaines

Name: Phil J. Gaines

Title: Senior Vice President and Chief Financial Officer

YRC ENTERPRISE SOLUTIONS GROUP INC.

By: /s/ Terry Gerrond

Name: Terry Gerrond

Title: Vice President - Tax

YRC INC.

By: /s/ Phil J. Gaines

Name: Phil J. Gaines

Title: Senior Vice President and Chief Financial Officer

YRC INTERNATIONAL INVESTMENTS, INC.

By: /s/ Brenda Stasiulis

Name: Brenda Stasiulis

Title: Vice President - Finance

YRC LOGISTICS GLOBAL, LLC

By: /s/ Brenda Stasiulis

Name: Brenda Stasiulis

Title: Vice President - Finance

YRC LOGISTICS SERVICES, INC.

By: /s/ Brenda Stasiulis

Name: Brenda Stasiulis

Title: Vice President - Finance

YRC LOGISTICS, INC.

By: /s/ Brenda Stasiulis

Name: Brenda Stasiulis

Title: Vice President - Finance

YRC MORTGAGES, LLC

By: /s/ Christina E. Wise

Name: Christina E. Wise

Title: President

YRC NORTH AMERICAN TRANSPORTATION, INC.

By: /s/ Phil J. Gaines

Name: Phil J. Gaines

Title: Senior Vice President and Chief Financial Officer

YRC REGIONAL TRANSPORTATION, INC.

By: /s/ Paul F. Liljegren

Name: Paul F. Liljegren

Title: Vice President - Finance

YRC WORLDWIDE TECHNOLOGIES, INC.

By: /s/ Christina E. Wise

Name: Christina E. Wise

Title: Treasurer

OMNIBUS AMENDMENT

WAIVER AND AMENDMENT NO. 3 TO THIRD AMENDED AND RESTATED
RECEIVABLES PURCHASE AGREEMENT AND AMENDMENT NO. 4
TO RECEIVABLES SALE AGREEMENT

THIS OMNIBUS AMENDMENT (this "**Amendment**") is entered into as of February 12, 2009 by and among:

(a) Yellow Roadway Receivables Funding Corporation, a Delaware corporation (the "**Seller**" or "**YRRFC**"),

(b) YRC Worldwide Inc., a Delaware corporation (the "**Performance Guarantor**"),

(c) JPMorgan Chase Bank, N.A., SunTrust Bank, Wachovia Bank, National Association, and The Royal Bank of Scotland plc as successor to ABN AMRO Bank, N.V. (each of the foregoing a "**Committed Purchaser**"),

(d) Falcon Asset Securitization Company LLC, Three Pillars Funding LLC and Amsterdam Funding Corporation (each of the foregoing, a "**Conduit**"),

(e) YRC Assurance Co. Ltd., an exempted company incorporated with limited liability under the laws of Bermuda, individually and as agent for itself (together with its successors and permitted assigns and in such latter capacity, a "**Co-Agent**"),

(f) Wachovia Bank, National Association, as letter of credit issuer (the "**LC Issuer**"),

(g) SunTrust Robinson Humphrey, Inc., Wachovia Bank, National Association, The Royal Bank of Scotland plc as successor to ABN AMRO Bank, N.V. and JPMorgan Chase Bank, N.A. (each of the foregoing, a "**Co-Agent**"),

(h) JPMorgan Chase Bank, N.A., as administrative agent for the Groups (together with its successors and permitted assigns and in such capacity, the "**Administrative Agent**" and together with the Co-Agents, and their respective successors and permitted assigns, the "**Agents**"), and

(i) YRC Inc., a Delaware corporation formerly known as Yellow Roadway Corp. and successor by merger to Yellow Transportation, Inc. and Roadway Express, Inc. ("**YRC**"), USF Reddaway, Inc., an Oregon corporation ("**Reddaway**"), and USF Holland, Inc., a Michigan corporation (together with YRC and Reddaway, the "**Originators**"),

with respect to (i) that certain Third Amended and Restated Receivables Purchase Agreement, dated as of April 18, 2008, among the Seller, the Committed Purchasers, the Conduits, LC Issuer and the Agents (as amended, restated, supplemented or otherwise modified from time to time,

the “RPA”), and (ii) that certain Amended and Restated Receivables Sale Agreement, dated as of May 24, 2005, by and between the Originators, as sellers, and YRRFC, as purchaser (as amended, restated, supplemented or otherwise modified from time to time, the “RSA”).

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms.

(a) Capitalized terms used herein and not otherwise defined shall have the meanings attributed to such terms in the RPA, or if not defined therein, the RSA.

(b) As used in this Amendment:

“**Additional Representation Default**” means any Default (as defined in the YRCW Credit Agreement) or Event of Default (as defined in the YRCW Credit Agreement) which has arisen or may arise under clause (c) of Article VII of the YRCW Credit Agreement as a result of representations or warranties made or deemed made by or on behalf of any Borrower (as defined in the YRCW Credit Agreement) or any Subsidiary (as defined in the YRCW Credit Agreement) in connection with any Loan Document (as defined in the YRCW Credit Agreement) or in any report, certificate or other document furnished pursuant to or in connection with any Loan Document proving to have been incorrect in any material respect when made or deemed made solely as a result of the Lien Covenant Default.

“**Lien Covenant Default**” means any Default (as defined in the YRCW Credit Agreement) or Event of Default (as defined in the YRCW Credit Agreement) arising under clause (d) of Article VII of the YRCW Credit Agreement as a result of the failure of the Loan Parties (as defined in the YRCW Credit Agreement) to comply with the negative covenants set forth in Section 6.02 of the YRCW Credit Agreement by virtue of the Liens (as defined in the YRCW Credit Agreement) granted in respect of those certain secured intercompany notes identified on Schedule II hereto.

“**Related Servicer Defaults**” means any Servicer Default under Section 7.1(b) of the RPA that may have arisen as a result of representations or warranties, made or deemed made by or on behalf of Seller in connection with the RPA or any Transaction Document or in any report, certificate or other document furnished pursuant to or in connection with the RPA or any Transaction Document, proving to have been incorrect when made or deemed made or conditions to any Credit Event not being satisfied solely as a result of the existence of a “Default” or “Event of Default” pursuant to Section 7.1(h) of the RPA arising from the Lien Covenant Default or the Additional Representation Default.

2. Waivers. Subject to the satisfaction or waiver of the conditions precedent set forth in Section 6(a) below, the Required Co-Agents, on behalf of the Agents and the Purchasers, hereby waive the following:

(a) the Specified Servicer Defaults (as defined in the Limited Waiver and Second Amendment to Third Amended and Restated Receivables Purchase Agreement dated as of January 15, 2009, among Seller, Performance Guarantor, the Committed Purchasers, the Conduits and the Agents), and

(b) the Related Servicer Defaults arising prior to the date hereof.

3. Amendments to RPA. The RPA is hereby amended as follows:

(a) Section 11.14 of the RPA is hereby amended and restated in its entirety to read as follows:

“Section 11.14. Characterization.

(a) It is the intention of the parties hereto that each purchase of a Purchaser Interest hereunder shall constitute an absolute and irrevocable sale for all purposes other than financial accounting purposes, which purchase shall provide the applicable Purchaser with the full benefits of ownership of the applicable Receivable Interest. Except as specifically provided in this Agreement, each sale of a Purchaser Interest hereunder is made without recourse to the Seller; **provided, however**, that (i) the Seller shall be liable to each of the Purchasers and the Agents for all representations, warranties and covenants made by the Seller pursuant to the terms of this Agreement, and (ii) such sale does not constitute and is not intended to result in an assumption by any Purchaser or Agent or any assignee thereof of any obligation of the Seller or any Originator or any other person arising in connection with the Receivables, the Related Security, or the related Invoices, or any other obligations of the Seller or any Originator.

(b) If, notwithstanding the intention of the parties expressed above, any sale or transfer by Seller hereunder shall be characterized as a secured loan and not a sale or such sale shall for any reason be ineffective or unenforceable (any of the foregoing being a “**Recharacterization**”), then this Agreement shall be deemed to constitute a security agreement under the UCC and other applicable law. In the case of any Recharacterization, the Seller represents and warrants that each remittance of Collections to any Agent or the Purchasers hereunder will have been (i) in payment of a debt incurred in the ordinary course of business or financial affairs and (ii) made in the ordinary course of business or financial affairs.”

(b) The definitions of “**Applicable Margin**” and “**Reserve Requirement**” in Exhibit I to the RPA are deleted in their entirety.

(c) Exhibit I of the RPA is hereby amended by adding, in their appropriate alphabetical order, the following definitions:

“Audit Reserve Percentage” means 5.00%.

“Base LIBOR Rate” means the rate per annum equal to (a) the rate at which deposits in U.S. Dollars are offered by the Reference Bank to first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of the relevant Tranche Period, such deposits being in the approximate amount of the Capital of the Purchaser Interest to be funded or maintained, multiplied by (b) the Statutory Reserve Rate (expressed as a decimal) applicable to such Tranche Period.

“Capital Expenditures” shall have the meaning specified in the YRCW Credit Agreement.

“Consolidated EBITDA” shall have the meaning specified in the YRCW Credit Agreement.

“Liquidity” means, as of any Business Day, the average of the Performance Guarantor’s Liquidity Amount as of the end of business (US Central time) for the immediately preceding five (5) Business Days, which average shall be tested promptly in the morning on each Business Day; **provided, however,** that on and after any Business Day on which Liquidity is less than \$150,000,000, the Performance Guarantor shall thereafter provide such daily calculations via-email PDF to the Administrative Agent (**“Email Reports”**) no later than 5:00 p.m. (New York City time) on each Business Day until Liquidity exceeds \$150,000,000 for ten (10) consecutive Business Days at which point such Email Reports shall not be required until Liquidity subsequently drops below \$150,000,000.

“Liquidity Amount” shall have the meaning specified in the YRCW Credit Agreement

“Liquidity Notification Date” means any date on which the Liquidity of the Performance Guarantor is less than \$100,000,000 (each such occurrence, a **“Liquidity Deficiency”**), whether or not the Performance Guarantor does in fact notify the Administrative Agent of such Liquidity Deficiency.

“Statutory Reserve Rate” shall have the meaning specified in the YRCW Credit Agreement.

(d) The definition in Exhibit I to the RPA of each of the terms specified below is hereby amended and restated in its entirety to read, respectively, as follows:

“Aggregate Reserve Percentage” means on any date of determination, the sum of (a) the Loss Reserve Percentage, plus (b) the Discount Reserve Percentage, plus (c) the Dilution Reserve Percentage, plus (d) the Servicer Fee Percentage, plus (e) from and after March 31, 2009, if the Administrative Agent

has not notified the other Agents and the Seller that (i) it has received a report regarding the audit of the Receivables in progress by FTI Consulting, Inc. as of February 11, 2009, under Section 5.1(d) of this Agreement and (ii) all material issues of noncompliance of Receivables with this Agreement or the Credit and Collection Policy identified in such report have been resolved to the Administrative Agent's reasonable satisfaction, the Audit Reserve Percentage.

"Base Rate" means, with respect to each Group, a rate per annum equal to the highest of (i) the corporate base rate, prime rate or base rate of interest, as applicable, announced by such Group's Reference Bank from time to time, changing when and as such rate changes, (ii) $\frac{1}{2}$ of 1% above the Federal Funds Effective Rate, changing when and as such rate changes and (iii) the LIBOR Rate.

"Calculation Period" means, for the purposes of any calculation defined herein which references a "Calculation Period," (i) during an Asynchronous Accounting Period, (A) in the case of any amounts used in such calculation derived from or associated with Receivables originated by YRC, the calendar month designated in the table below and (B) in the case of any amounts used in such calculation derived from or associated with Receivables originated by USF Reddaway Inc. or USF Holland Inc., the accounting period designated in the table below, *it being understood that* "Calculation Period" is a collective term referring to both component periods as specified in (A) and (B) above and as indicated in the table below, and the phrases "Calculation Period most recently ended" and "as of the last day of the Calculation Period most recently ended" refer collectively to both respective component periods or the last day of both respective component periods (as the case may be) as specified in (A) and (B) above and as indicated in the table below, or (ii) at all other times, each calendar month:

CALCULATION PERIOD	CALENDAR MONTH	ACCOUNTING PERIOD	CORRESPONDING DATES
2	February 2009	4 weeks	2/1/09 - 2/28/09
3	March 2009	5 weeks	3/1/09 - 4/4/09
4	April 2009	4 weeks	4/5/09 - 5/2/09
5	May 2009	4 weeks	5/3/09 - 5/30/09
6	June 2009	5 weeks	5/31/09 - 7/4/09
7	July 2009	4 weeks	7/5/09 - 8/1/09
8	August 2009	4 weeks	8/2/09 - 8/29/09
9	September 2009	5 weeks	8/30/09 - 10/3/09
10	October 2009	4 weeks	10/4/09 - 10/31/09
11	November 2009	4 weeks	11/1/09 - 11/28/09
12	December 2009	5 weeks	11/29/09 - 12/31/09
1	January 2010	4 weeks	1/1/10 - 1/30/10
2	February 2010	4 weeks	1/31/10 - 2/27/10

“Concentration Limit” means:

(a) for any Obligor and its Affiliates considered as if they were one and the same Obligor, an amount equal to (i) 2.80%, multiplied by (ii) the aggregate Outstanding Balance of all Eligible Receivables at such time; and

(b) at any time, for all Government Receivables, 2.80% of the aggregate Outstanding Balance of all Eligible Receivables at such time;

provided, however, that the Administrative Agent may from time to time designate other amounts (each, a **“Special Concentration Limit”**) for any Obligor or class of Receivables, it being understood and agreed that any of the Agents may, upon not less than three Business Days’ notice to the Seller and the other Agents, cancel any Special Concentration Limit.

“Dilution Reserve Percentage” means, on any date of determination, the greater of (i) the Dilution Reserve Percentage Floor and (ii) the percentage determined pursuant to the following formula:

$$\{(2.50 \times ED) + [(DS - ED) \times (DS/ED)]\} \times DHR$$

where:

ED = the Expected Dilution on such date;

DS = the Dilution Spike as of such date; and

DHR = the Dilution Horizon Ratio on such date.

“Discount Reserve” means, on any date of determination, the amount determined pursuant to the following formula:

$$\{ (D + F) + [(C \times 3 \times DR) \times \frac{3 \times DSO}{360}] \}$$

where:

D = the accrued and unpaid Discount for all Receivable Interests of the Purchasers as of the date of determination;

F = the aggregate amount of accrued and unpaid Servicer Fees and other fees owing pursuant to the Fee Letters as of the date of determination;

C = the aggregate Capital outstanding as of the date of determination;

DR = the highest Discount Rate applicable on the date of determination; and

DSO = the Days Outstanding.

“**LC Sublimit**” means the lesser of (a) \$105,000,000 and (b) the aggregate Commitments.

“**LIBOR Rate**” means an interest rate per annum equal to the sum of (a) the greater of (i) the Base LIBOR Rate and (ii) 3.50% multiplied by the Statutory Reserve Percentage, plus (b) 6.50%. The LIBOR Rate shall be rounded, if necessary, to the next higher 1/16 of 1%.

“**LMIR**” means, on any date of determination, a rate per annum equal to the sum of (a) the greater of (i) the LIBOR Market Index Rate and (ii) 3.50% multiplied by the Statutory Reserve Percentage, plus (b) 6.50%.

“**Loss Reserve Percentage**” means, on any date of determination, the greater of (i) 14.0%, and (ii) the percentage equal to (a) 2.5 multiplied by (b) the highest of the past twelve rolling 3-Calculation Period average Default Ratios, multiplied by (c) a fraction having a numerator equal to the aggregate amount of Receivables generated during the preceding 4 Calculation Periods and denominator equal to the Net Receivables Balance on the date of determination.

“**Servicer Fee Reserve**” means, on any date, an amount determined pursuant to the following formula:

$$\text{SFRP} \times \text{NRB} \times \frac{3 \times \text{DSO}}{360}$$

where:

SFRP = the Servicer Fee Reserve Percentage as of the date of determination;

NRB = the Net Receivables Balance as of the opening of business of the Servicer on such date; and

DSO = the Days Outstanding on such date of determination.

“**Stated Liquidity Termination Date**” means February 11, 2010.

“**Trigger Event**” means (a) the Required Co-Agents shall not have waived a Liquidity Deficiency within five (5) Business Days of the Liquidity Notification Date, (b) the failure of the Performance Guarantor to maintain, as of the end of the accounting periods set forth below, Consolidated EBITDA in the minimum level set forth below next to such accounting period (for each such period, “**Minimum Consolidated EBITDA**”); **provided, however**, that from and after the date of the consummation of the Permitted Disposition (as defined in the YRCW Credit Agreement) the Minimum Consolidated EBITDA covenant levels in the table below shall be modified as set forth on **Schedule I** attached hereto for the fiscal quarter in which the Permitted Disposition is consummated and for each fiscal quarter thereafter:

<u>Period</u>	<u>Minimum EBITDA (pre-Permitted Disposition)</u>
For the fiscal quarter ending on June 30, 2009	\$ 45,000,000
For the two consecutive fiscal quarters ending on September 30, 2009	\$ 130,000,000
For the three consecutive fiscal quarters ending on December 31, 2009	\$ 180,000,000
For the four consecutive fiscal quarters ending on March 31, 2010	\$ 205,000,000
For the four consecutive fiscal quarters ending on June 30, 2010	\$ 205,000,000
For the four consecutive fiscal quarters ending on September 30, 2010	\$ 215,000,000
For the four consecutive fiscal quarters ending on December 31, 2010	\$ 240,000,000

or (c) as of the end of the accounting periods set forth below, Capital Expenditures shall exceed the amount set forth below next to such accounting period:

<u>Period</u>	<u>Maximum Capital Expenditures</u>
For the four consecutive fiscal quarters ending December 31, 2009	\$ 150,000,000
For the four consecutive fiscal quarters ending December 31, 2010	\$ 235,000,000

4. Amendment to RSA. Section 1.6 of the RSA is hereby amended and restated in its entirety to read as follows:

“Section 1.6. Characterization. If, notwithstanding the intention of the parties expressed in Section 1.1(b), the conveyance by each Originator to the Buyer of Receivables hereunder shall be characterized as a secured loan and not a sale (the foregoing being a **“Recharacterization”**), this Agreement shall constitute a security agreement under the UCC and other applicable law. For this purpose, each Originator hereby grants to the Buyer a duly perfected security interest in all of such Originator’s right, title and interest in, to and under the Receivables, the Collections, each Collection Account, all Related Security, all payments on or with respect to such Receivables, all other rights relating to any payments made in respect of the Receivables, and all proceeds of any thereof, in each case, whether now owned or existing or hereafter acquired or arising, which security interest

shall be prior to all other liens on and security interests therein. After an Event of Default, the Buyer and its assignees shall have, in addition to the rights and remedies which they may have under this Agreement, all other rights and remedies provided to a secured creditor after default under the UCC and other applicable law, which rights and remedies shall be cumulative. In the case of any Recharacterization, each of the Originators and the Buyer represents and warrants as to itself that each remittance of Collections by any Originator to the Buyer hereunder will have been (i) in payment of a debt incurred by such Originator in its ordinary course of business or financial affairs of such Originator and the Buyer and (ii) made in the ordinary course of business or financial affairs of such Originator and the Buyer.”

5. Representations and Warranties. In order to induce the other parties to enter into this Amendment, (a) the Seller hereby represents and warrants to the Agents, the LC Issuer and the Purchasers that after giving effect to the amendments contained in Section 2 above, (i) no Servicer Default or Potential Servicer Default exists and is continuing as of the Effective Date (as defined herein), (ii) the RPA, as amended hereby, constitutes the legal, valid and binding obligation of the Seller enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors’ rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding of equity or at law) and (iii) excluding Section 3.1(k) of the RPA solely insofar as it relates to the absence of a Material Adverse Effect of the type described in clause (i) of the definition of such term (as to which no representation or warranty is made hereby), each of the Seller’s representations and warranties contained in the RPA is correct as of the Effective Date, (b) each of the Originators hereby represents and warrants to the Seller, the Agents, the LC Issuer and the Purchasers that after giving effect to the amendments contained in Section 3 above, (i) no event has occurred and is continuing that will constitute an Event of Default or Potential Event of Default, (ii) the RSA, as amended hereby, constitutes the legal, valid and binding obligation of each Originator enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors’ rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding of equity or at law) and (iii) excluding Section 2.1(j) of the RSA solely insofar as it relates to the absence of a Material Adverse Effect of the type described in clause (i) of the definition of such term (as to which no representation or warranty is made hereby) each of the Originator’s representations and warranties contained in the RSA is true and correct as of the Effective Date, and (c) the Performance Guarantor hereby consents to the amendment herein contained and ratifies and confirms the Performance Undertaking remains in full force and effect.

6. Effective Date; Withdrawal of YRC Assurance.

(a) This Amendment shall become effective (the “**Effective Date**”) when each of the following conditions precedent has been satisfied or waived: (i) receipt by the Administrative Agent of counterparts of this Amendment, in form and substance acceptable to the Administrative Agent, duly executed by the Seller, the Performance Guarantor, the Originators and the Required Co-Agents; (ii) receipt by the Administrative Agent of counterparts

of the Third Amended and Restated Co-Agents' Fee Letter, in form and substance acceptable to the Administrative Agent, duly executed by the Co-Agents and YRRFC; (iii) receipt by the Agents of their applicable fees pursuant to the Third Amended and Restated Co-Agents' Fee Letter or otherwise; (iv) receipt by the Administrative Agent of counterparts to the Waiver and Amendment No. 2 to Credit Agreement dated as of the date hereof, duly executed by the Performance Guarantor, certain of its Canadian and United Kingdom Affiliates, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto; (v) receipt by the Agents not later than 3:00 p.m. (New York time) of (x) a Purchase Notice with respect to the purchase of Purchaser Interests under Section 5(b)(i) below, which notice shall be deemed sufficient for purposes of Section 1.2 of the RPA and (y) a Reduction Notice with respect to the repayment in full of all Aggregate Unpaid owing to YRC Assurance under Section 5(b)(ii) below, which notice shall be deemed sufficient for the purposes of Section 1.6 of the RPA even though YRC Assurance will be the only Purchaser participating therein; and (vi) the Seller shall have paid the reasonable legal fees and disbursements of the Administrative Agent's counsel, Latham & Watkins LLP, invoiced on or prior to February 10, 2009.

(b) Anything contained in the RPA to the contrary notwithstanding:

(i) One Business Day after the Effective Date (the "**Funding Date**"), in consideration of the payment to YRC Assurance of \$158,991,615.35 in immediately available funds (which payment will be made with available funds including those received from (A) the Seller (as a result of the changes in various reserves effected hereby which changes reduced the total amount of Capital otherwise available from the Bank Groups for purchase of YRC Assurance's interests in Aggregate Capital), and (B) the Bank Groups as contemplated in clause 5(b)(ii) below), YRC Assurance shall absolutely and unconditionally sell, assign and convey to the Seller, and the Seller shall (on the Funding Date) absolutely and unconditionally agree to purchase and accept, all of YRC Assurance's right, title and interest in, to and under the Purchaser Interests in a transaction intended to constitute true sale and absolute purchase thereof, and upon receipt by YRC Assurance of such payment, YRC Assurance shall be deemed to have effected such sale, assignment and conveyance to Seller, and Seller shall be deemed to have effected such purchase and accepted such Purchaser Interests;

(ii) On the Funding Date, immediately after acquiring such Purchaser Interests from YRC Assurance, the Seller hereby notifies the Agents that it shall sell such Purchaser Interests to the Bank Groups pursuant to the RPA ratably in accordance with their respective Percentages, and the Bank Groups are hereby authorized and directed to, and shall, purchase such Purchaser Interests (determined on a pro-forma basis after giving effect to the purchase from YRC Assurance by Seller of YRC Assurance's Purchaser Interest described in clause 5(b)(i) above) and pay their respective Percentages of the Purchase Price, adjusted for the contribution of funds from the Seller as contemplated in clause 5(b)(i) above, directly to Seller's account no. 5566681 at JPMorgan Chase Bank, N.A., Mail Code IL 1-0196, Floor 18, 300 S. Riverside Plaza, Chicago, IL 60606, 312-954-3722, Attn: Kim Gilchrist, ABA No.: 021000021; and

(iii) From and after payment in accordance with the preceding clauses 5(b)(i) and 5(b)(ii), (a) YRC Assurance shall (1) no longer be a Purchaser or a Co-Agent party to the RPA or any of the other Transaction Documents, (2) have no further rights to purchase any

Purchaser Interests or any further claim to or security interest in the Receivables, the Collections or the Related Security, (3) be released from any further claims, liabilities or obligations under the RPA, and (4) have no further rights or claims against the Seller under any of the Transaction Documents, and (b) as provided in the RPA, the Purchaser Interests shall not exceed 100%.

7. Ratification. Except as modified hereby, the RPA and the RSA are hereby ratified, approved and confirmed in all respects.

8. Reference to Agreement. From and after the Effective Date, each reference in the RPA and the RSA to “this Agreement”, “hereof”, or “hereunder” or words of like import, and all references to the RPA and the RSA in any and all agreements, instruments, documents, notes, certificates and other writings of every kind and nature shall be deemed to mean, respectively, the RPA and the RSA, as applicable, as modified by this Amendment.

9. Costs and Expenses. The Seller agrees to pay all reasonable costs, fees, and out-of-pocket expenses (including reasonable attorneys’ fees and disbursements) incurred by the Agents in connection with the preparation, execution and enforcement of this Waiver and Amendment.

10. CHOICE OF LAW. THIS AMENDMENT SHALL BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW) WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.

11. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart via facsimile or other electronic transmission shall be deemed delivery of an original counterpart.

<Signature pages follow>

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their duly authorized officers as of the date hereof.

**YELLOW ROADWAY RECEIVABLES
FUNDING CORPORATION**

By: /s/ Christina E. Wise
Name: Christina E. Wise
Title: President and Chief Executive Officer

YRC WORLDWIDE INC., as Performance Guarantor

By: /s/ Timothy A. Wicks
Name: Timothy A. Wicks
Title: Executive Vice President and Chief Financial Officer

YRC INC.

By: /s/ Phil J. Gaines
Name: Phil J. Gaines
Title: Senior Vice President and Chief Financial Officer

USF REDDAWAY, INC.

By: /s/ Thomas S. Palmer
Name: Thomas S. Palmer
Title: Vice President - Finance and Chief Financial Officer

USF HOLLAND, INC.

By: /s/ Daniel L. Olivier
Name: Daniel L. Olivier
Title: Vice President - Finance

SUNTRUST ROBINSON HUMPHREY, INC.,
as Three Pillars Agent

By: /s/ Kecia P. Howson
Name: Kecia P. Howson
Title: Director

JPMORGAN CHASE BANK, N.A.,
as Falcon Agent and as Administrative Agent

By: /s/ John M. Kuhns
Name: John M. Kuhns
Title: Executive Director

WACHOVIA BANK, NATIONAL ASSOCIATION,
as LC Issuer and as Wachovia Agent

By: /s/ Elizabeth R. Wagner
Name: Elizabeth R. Wagner
Title: Managing Director

THE ROYAL BANK OF SCOTLAND PLC,
as Amsterdam Agent

By: GREENWICH CAPITAL MARKETS, INC.,
as its agent

By: /s/ Michael Zappaterrini
Name: Michael Zappaterrini
Title: Managing Director

**WAIVER AND AMENDMENT NO. 4 TO THIRD AMENDED AND RESTATED
RECEIVABLES PURCHASE AGREEMENT**

THIS WAIVER AND AMENDMENT (this "**Amendment**") is entered into as of February 27, 2009 by and among:

(a) Yellow Roadway Receivables Funding Corporation, a Delaware corporation (the "**Seller**" or "**YRRFC**"),

(b) YRC Worldwide Inc., a Delaware corporation (the "**Performance Guarantor**"),

(c) JPMorgan Chase Bank, N.A., SunTrust Bank, Wachovia Bank, National Association, and The Royal Bank of Scotland plc as successor to ABN AMRO Bank N.V. (each of the foregoing a "**Committed Purchaser**"),

(d) Falcon Asset Securitization Company LLC, Three Pillars Funding LLC and Amsterdam Funding Corporation (each of the foregoing, a "**Conduit**"),

(e) Wachovia Bank, National Association, as letter of credit issuer (the "**LC Issuer**"),

(f) SunTrust Robinson Humphrey, Inc., Wachovia Bank, National Association, The Royal Bank of Scotland plc as successor to ABN AMRO Bank N.V. and JPMorgan Chase Bank, N.A. (each of the foregoing, a "**Co-Agent**"), and

(g) JPMorgan Chase Bank, N.A., as administrative agent for the Groups (together with its successors and permitted assigns and in such capacity, the "**Administrative Agent**" and together with the Co-Agents, and their respective successors and permitted assigns, the "**Agents**"),

with respect to that certain Third Amended and Restated Receivables Purchase Agreement, dated as of April 18, 2008, among the Seller, the Committed Purchasers, the Conduits, LC Issuer and the Agents (as amended, restated, supplemented or otherwise modified from time to time, the "**RPA**").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms.

(a) Capitalized terms used herein and not otherwise defined shall have the meanings attributed to such terms in the RPA.

(b) As used in this Amendment:

"Additional Representation Default" means any Default (as defined in the YRCW Credit Agreement) or Event of Default (as defined in the YRCW

Credit Agreement) which has arisen or may arise under clause (c) of Article VII of the YRCW Credit Agreement as a result of representations or warranties made or deemed made by or on behalf of any Borrower (as defined in the YRCW Credit Agreement) or any Subsidiary (as defined in the YRCW Credit Agreement) in connection with any Loan Document (as defined in the YRCW Credit Agreement) or in any report, certificate or other document furnished pursuant to or in connection with any Loan Document proving to have been incorrect in any material respect when made or deemed made solely as a result of the Mortgage Covenant Default.

“Mortgage Covenant Default” means any Default (as defined in the YRCW Credit Agreement) or Event of Default (as defined in the YRCW Credit Agreement) arising under clause (d) of Article VII of the YRCW Credit Agreement as a result of the failure of the Loan Parties (as defined in the YRCW Credit Agreement) to comply with the affirmative covenants set forth in Section 5.10 of the YRCW Credit Agreement by virtue of the failure to grant Liens (as defined in the YRCW Credit Agreement) in favor of or for the benefit of the administrative agent under the YRCW Credit Agreement in respect of real property identified on Annex B to the Consent, Waiver and Amendment No. 3, dated as of the date hereof, to the YRCW Credit Agreement.

“Related Servicer Defaults” means any Servicer Default under Section 7.1(b) of the RPA that may have arisen as a result of representations or warranties, made or deemed made by or on behalf of Seller in connection with the RPA or any Transaction Document or in any report, certificate or other document furnished pursuant to or in connection with the RPA or any Transaction Document, proving to have been incorrect when made or deemed made or conditions to any Credit Event not being satisfied solely as a result of the existence of a “Default” or “Event of Default” pursuant to Section 7.1(h) of the RPA arising from the Mortgage Covenant Default or the Additional Representation Default.

2. Waivers. Subject to the satisfaction or waiver of the conditions precedent set forth in Section 5 below, the Required Co-Agents, on behalf of the Agents and the Purchasers, hereby waive the Related Servicer Defaults arising prior to the date hereof.

3. Amendments.

(a) Section 7.1(d) of the RPA is hereby amended and restated in its entirety to read as follows:

(d) As at the end of any Calculation Period:

(i) the average of the Delinquency Ratios for each of the three consecutive Calculation Periods then most recently ended shall exceed (A) 3.50% at any time between February 27, 2009, and September 30, 2009, or (B) 2.50% at any other time;

(ii) the average of the Dilution Ratios for each of the three consecutive Calculation Periods then most recently ended shall exceed (A) 14.00% at any time between February 27, 2009, and September 30, 2009, or (B) 9.50% at any other time; or

(iii) the average of the Default Ratios for each of the three consecutive Calculation Periods then most recently ended shall exceed (A) 3.50% at any time between February 27, 2009, and September 30, 2009, or (B) 2.25% at any other time.

(b) Section 11.1(b) of the RPA is hereby amended by replacing the period at the end of subsection (iii) thereof with “; or” and adding a new subsection (iv) thereto to read as set forth below:

(iv) without the written consent of (A) on any date of determination prior to the Amortization Date, the Co-Agents of the Bank Groups whose Group Commitments represent more than 66.667% of the Aggregate Commitments, and (B) on any date of determination on or after the Amortization Date, the Co-Agents of the Bank Groups whose Groups’ respective Capital then outstanding represent more than 66.667% of the aggregate Capital then outstanding from all Bank Groups, amend, modify or waive any provision of Section 7.1.

4. Representations and Warranties. In order to induce the other parties to enter into this Amendment, (a) the Seller hereby represents and warrants to the Agents, the LC Issuer and the Purchasers that after giving effect to the amendment contained in Section 3 above, (i) no Servicer Default or Potential Servicer Default exists and is continuing as of the Effective Date (as defined herein), (ii) the RPA, as amended hereby, constitutes the legal, valid and binding obligation of the Seller enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors’ rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (iii) excluding Section 3.1(k) of the RPA solely insofar as it relates to the absence of a Material Adverse Effect of the type described in clause (i) of the definition of such term (as to which no representation or warranty is made hereby), each of the Seller’s representations and warranties contained in the RPA is correct as of the Effective Date, and (b) the Performance Guarantor hereby consents to the amendment herein contained and ratifies and confirms that the Performance Undertaking remains in full force and effect.

5. Effective Date. This Amendment shall become effective (the “**Effective Date**”) when each of the following conditions precedent has been satisfied or waived: (i) receipt by the Administrative Agent of counterparts of this Amendment, in form and substance acceptable to the Administrative Agent, duly executed by the Seller, the Performance Guarantor and the Required Co-Agents; (ii) receipt by the Administrative Agent of counterparts to the Consent, Waiver and Amendment No. 3 to Credit Agreement dated as of the date hereof, duly executed by the Performance Guarantor, certain of its Canadian and United Kingdom Affiliates, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto; (iii) the Seller shall have paid the reasonable legal fees and disbursements of the Administrative Agent’s counsel, Latham & Watkins LLP, invoiced on or prior to the date hereof; (iv) receipt by the Administrative Agent of counterparts of a Waiver and Amendment Fee Letter dated as of the

date hereof (the "**Waiver and Amendment Fee Letter**") duly executed by YRRFC and each of the Co-Agents that is executing a counterpart of this Amendment; and (v) receipt by the applicable Co-Agents of their waiver and amendment fees pursuant to the Waiver and Amendment Fee Letter.

6. Ratification. Except as modified hereby, the RPA is hereby ratified, approved and confirmed in all respects.

7. Reference to Agreement. From and after the Effective Date, each reference in the RPA to "this Agreement", "hereof", or "hereunder" or words of like import, and all references to the RPA in any and all agreements, instruments, documents, notes, certificates and other writings of every kind and nature shall be deemed to mean the RPA, as modified by this Amendment.

8. Costs and Expenses. The Seller agrees to pay all reasonable costs, fees, and out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by the Agents in connection with the preparation, execution and enforcement of this Amendment.

9. CHOICE OF LAW. THIS AMENDMENT SHALL BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW) WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.

10. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart via facsimile or other electronic transmission shall be deemed delivery of an original counterpart.

<Signature pages follow>

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their duly authorized officers as of the date hereof.

YELLOW ROADWAY RECEIVABLES FUNDING CORPORATION

By: /s/ Christina E. Wise
Name: Christina E. Wise
Title: President and Chief Executive Officer

YRC WORLDWIDE INC., as Performance Guarantor

By: /s/ Christina E. Wise
Name: Christina E. Wise
Title: Vice President and Treasurer

SUNTRUST ROBINSON HUMPHREY, INC., as Three Pillars Agent

By: /s/ Kecia P. Howson
Name: Kecia P. Howson
Title: Director

JPMORGAN CHASE BANK, N.A., as Falcon Agent and as Administrative Agent

By: /s/ John M. Kuhns
Name: John M. Kuhns
Title: Executive Director

WACHOVIA BANK, NATIONAL ASSOCIATION, as LC Issuer and as Wachovia Agent

By: /s/ Elizabeth R. Wagner
Name: Elizabeth R. Wagner
Title: Managing Director

THE ROYAL BANK OF SCOTLAND PLC, as Amsterdam
Agent

By: GREENWICH CAPITAL MARKETS, INC., as its
agent

By: /s/ David Viney

Name: David Viney

Title: Managing Director

**MEMORANDUM OF UNDERSTANDING ON THE
WAGE REDUCTION—JOB SECURITY PLAN**

YRC Inc. (successor to and currently doing business as Yellow Transportation and Roadway), USF Holland, Inc. and New Penn Motor Express, Inc. (each “the Employer”), by and through their multi-employer bargaining representative, Trucking Management, Inc. (“TMI”), and the Teamsters National Freight Industry Negotiating Committee (“TNFINC”) of the International Brotherhood of Teamsters (the “IBT” or the “Union”) hereby establishes The Wage Reduction—Job Security Plan (hereinafter the “Plan”) for the benefit of all of their employees. This Plan has been developed for the express purpose of allowing the Employer the ability to compete and provide job security for Teamster bargaining unit employees. This Plan is not, and is not intended to be, a plan governed by the Employee Retirement Income Security Act of 1974, as amended; rather, this Plan is an amendment to the NMFA per Section 4 that has been referred to as a Plan by the parties.

1. Employee Eligibility. During the period in which the Plan is effective (as set forth in Section 4 below), each IBT bargaining unit, full time employee of the Employer shall participate in the Plan. For purposes of the Plan, unless expressly stated to the contrary, the term “employee” means an IBT bargaining unit employee who is on the seniority list and is scheduled to perform work for the Employer when called, including a probationary employee, a regular employee on lay off status and casuals, and including employees who work on a percentage basis less than 40 hours per week.

2. Wage Reduction. Effective January 1, 2009, the Employer shall reduce by 10% employees’ gross wages or earnings paid, including the increases to wages described below in this Section 2 and the reduced wages in Section 8 below. Such wage reduction and/or reduced earnings shall include overtime and any premium pay, vacation, sick pay, holiday pay, funeral leave, jury duty, and other paid for time not worked. Wage and mileage rate increases outlined in Article 33 of the NMFA, effective April 1, 2009, April 1, 2010, April 1, 2011, and April 1, 2012 shall also be reduced by 10%. On March 31, 2013, the wage reduction contained in this Plan shall be eliminated, and the wages under the NMFA shall revert to the full rate which would be in effect under the NMFA on March 31, 2013 without the wage reduction. The cost of living adjustment provisions of Article 33 of the NMFA shall be suspended for the duration of the NMFA.

3. Equal Sacrifice of Non-Bargaining Unit Employees and their Participation.

(a) All non-bargaining unit employees (including management) will participate equally in the Plan, and the Employer will share the burden of sacrifices among all IBT bargaining unit and non-bargaining unit employees (including management), in each case, as described in this Section 3(a). The Employer must reduce the total compensation (defined as wages plus health and welfare and pension or retirement benefits) of all non-bargaining unit employees (including management) by the same percentage reduction (an “Equal Reduction”) in total compensation as is being applied to IBT bargaining unit employees. In determining the Equal Reduction for non-bargaining unit employees under this Plan, the Employer may include the monetary value of the following concessions imposed on non-bargaining unit employees in 2008: termination of retiree medical,

suspension of the defined contribution pension plan, freezing of the defined benefit pension plan, increase in the cost of health care, and the elimination of wage increases for 2009. Effective January 1, 2009, additional wage and benefit concessions must be imposed on non-bargaining unit employees to the extent needed to create an Equal Reduction. The Employer agrees not to increase wages (including bonuses) and benefits of current non-bargaining unit employees (including management) as an overall percentage beyond the effective overall total compensation percentage increases to be received by the bargaining unit employees. This shall not prevent the Employer from paying variable, performance based compensation as the Employer has paid in past practice. In the event it becomes necessary to exceed this overall percentage increase limit in order to retain employees for the efficient continued operation of the business, the Employer would request approval from the Subcommittee established in Section 11 below.

(b) The Employer and TNFINC agree to use their reasonable best efforts to achieve equal sacrifice in the total compensation of employees covered by non-Teamster and non-NMFA collective bargaining agreements.

4. Effective Dates; Relation to Collective Bargaining Agreement. This Plan will be mandatory for all employees, since job security is the number one asset the Employer, the Union and the employees all hope to share equally. This Plan will be submitted for secret ballot vote of all bargaining unit employees, and shall be put into effect if 50% plus one (1) of the bargaining unit employees voting, vote to adopt the Plan. The Plan will be effective on the first day of the first payroll period commencing after the date of ratification of the Plan (the "Effective Date"). This Plan terminates on March 31, 2013. This Plan is incorporated by reference into and shall be a part of the 2008-2013 National Master Freight Agreement and its Supplements (collectively referred to as "the NMFA"). If this Plan is not ratified by those employees of YRC Inc. and USF Holland Inc. that are covered by the NMFA by January 1, 2009, Employer may terminate this Plan and the warrants in Section 9 shall terminate and be forfeited.

5. Health, Welfare and Pension Contributions. The Employer agrees to continue to pay the full Health, Welfare and Pension contributions and increases in said contributions set forth in the NMFA and other Teamster bargaining agreements that accept the terms of this Plan and will continue for the life of this Plan to be signatory to such bargaining agreements.

6. Dispute Settlement. Disputes pertaining to the Plan are subject to the grievance procedure contained in the NMFA. However, any grievance filed hereunder, by either party, shall be referred initially to the Subcommittee established in Section 11 for disposition. If the Subcommittee fails to reach agreement, the matter will be referred to the Chairman of TNFINC and the President of the Employer in accordance with Article 8, Section 2(b)(2) of the NMFA. If the Chairman of TNFINC and the President of the Employer are unable to resolve the matter, the 30 additional days provided in Article 8, Section 2(b)(2) of the NMFA shall be considered as exhausted and the remaining provisions of Article 8, Section 2 shall govern.

7. Participation. An employee begins or continues participation in the Plan on the date of Plan implementation or the first day of the pay period following his/her

first day of regular and/or probationary employment.

8. New Hire.

A. Non-CDL Qualified Employees

Non-CDL qualified employees (excluding mechanics) hired after the effective date of the Plan begin participation in the Plan on their first day of employment at the following wage progression:

<u>Time of Service</u>	<u>Maximum Wage Reduction from New Hire Rate Prior to Reduction in Section 2 Above</u>
Effective First Day of Employment	Receive 70% of NMF A Wages
Effective First Day plus One (1) Year	Receive 75% of NMF A Wages
Effective First Day plus Two (2) Years	Receive 80% of NMFA Wages
Effective First Day plus Three (3) Years	Receive 100 % of NMFA Wages

“NMFA Wages” means 100% of the full NMFA rate for the applicable job classification after the agreed upon wage reduction.

B. CDL Qualified or Mechanics

CDL qualified employees and mechanics hired after the effective date of the Plan begin participation in the Plan on their first day of employment at the following wage progression:

<u>Time of Service</u>	<u>Maximum Wage Reduction from New Hire Rate Prior to Reduction in Section 2 Above</u>
Effective First Day of Employment	Receive 85% of NMFA Wages
Effective First Day plus One (1) Year	Receive 90% of NMFA Wages
Effective First Day plus Two (2) Years	Receive 95% of NMFA Wages
Effective First Day plus Three (3) Years	Receive 100 % of NMFA Wages

“NMFA Wages” means 100% of the full NMFA rate for the applicable job classification after the agreed upon wage reduction.

9. Warrants. Upon the Effective Date, warrants to purchase common stock of YRC Worldwide Inc. (“YRCW”) shall be issued to a trust or plan, the terms of which shall be agreed among the parties, for the benefit of employees (excluding casuals) sufficient to provide IBT-represented employees of the Employer who are participants in

the Plan with 15% of the equity of YRCW as of the issuance date. The warrants shall contain customary anti-dilution terms, registration rights and other terms to be agreed among the parties and shall be exercisable on January 1, 2010. The warrants shall expire on March 31, 2018. The warrants shall have an exercise price per share equal to the reporting closing price per share of YRCW common stock on the Effective Date. The parties shall work in good faith to establish a structure for a plan or trust to deliver the value of the warrants to the employees. It is the intent of the parties to optimize the tax structure such that the Employer receives a tax deduction of the warrant/share compensation paid to employees under this Section 9 and the IBT has adequate oversight over the trust or plan. The trust or plan shall not transfer the warrants but may transfer the shares received upon exercise of the warrants. Employees shall receive the benefit of the shares received upon exercise of the warrants on a reasonable pro rata basis to be agreed upon by the parties. For any employee who resigns, retires, dies or otherwise incurs a termination of employment, whether voluntary or involuntary, the employee (or his or her estate as applicable) shall continue to participate in the warrant trust or plan on the basis of the employee's savings contributions made through termination. If the Employer voluntarily terminates operations before the expiration of the current NMFA, the participating employees will continue to participate in the warrant trust or plan. If there is a change of control of YRC Worldwide Inc., the warrants shall accelerate their vesting and the Employees shall continue their participation in the warrant trust or plan.

10. Access to Employer Financial Records. The Employer shall submit an annual financial statement in the format of the BTS report to the Subcommittee established by Section 11, and TNFINC reserves the right on an annual basis to examine records of the Employer reasonably required to monitor Employer compliance with this Plan or utilize an independent auditor of its choice to do the same. Notwithstanding any request to the contrary, given applicable privacy laws and policies and for the protection of its bargaining and non-bargaining unit employees alike, the Employer will not share employee specific compensation information with the Subcommittee, TNFINC, the Union or any auditor other than the compensation information that Employer is required to publicly provide pursuant to Securities and Exchange Commission regulation. In the event an independent auditing firm is utilized by TNFINC, the Employer shall pay such independent auditor for such annual audit up to a maximum of ten thousand dollars (\$10,000). As a condition of being provided such statements, books and audit, TNFINC and the Subcommittee (and any accountant or auditor engaged on its behalf) must agree to maintain the confidentiality of any Employer financial statements and reports for the protection of the Employer, and to execute a reasonable confidentiality agreement if requested by the Employer in such form as the Employer may reasonably require.

11. Subcommittee to Monitor and Maintain Compliance. For purposes of monitoring and maintaining compliance with the terms of this Plan, the parties will establish a four person Subcommittee consisting of the Chairman of TNFINC or his designee, the Co-Chairman of TNFINC or his designee, the Employer's President or his designee and another officer of Employer or his designee. The Subcommittee shall meet quarterly, or more frequently if necessary, to exchange and discuss pertinent data, including but not limited to relevant payroll and related information, the reinvestment of capital into the Employer, and any and all subjects related to the financial operations of the Employer. The Subcommittee's decision regarding the interpretation of this Plan

shall be final and binding.

12. **Work Preservation.** The Employer agrees not to establish or buy any new non-union regular route common carrier freight LTL entity without the prior approval of the Union. The Employer agrees that it will not use any of the savings and other economic benefits derived from this Plan to provide capital to its parent for the purposes of significantly expanding the domestic and Canadian operations of YRC Logistics or any operations of the company that are not located in the U.S. or Canada. This Section 12 does not apply to the maintenance of existing operations or any existing contractual commitments.

13. **Termination.** The Employer agrees not to terminate the Plan before the termination date without approval of the Union. However, if the Plan is terminated with approval of the Union at any time, wage levels will revert or snap back to the full NMFA on a prospective basis, the warrants issued pursuant to Section 9 shall terminate and be forfeited and all other provisions of this Plan shall be null and void on a prospective basis, including (without limitation) Section 3.

14. **Bankruptcy Protection.** If the Employer files a Chapter 7 or 11 bankruptcy petition or is placed in involuntary bankruptcy proceeding, this Plan is automatically terminated and wages reverted to full NMFA on a prospective basis, unless the Union agrees in writing to continue the Plan, the warrants issued pursuant to Section 9 shall terminate and be forfeited and all other provisions of this Plan shall be null and void on a prospective basis, including (without limitation) Section 3.

15. **Type of Agreement.** This Plan shall be applicable to the NMFA and its supplements, which have been agreed to by the Employer and TNFINC.

16. **Fees and Expenses.** The Employer shall bear all fees, costs, and expenses of the IBT (including, without limitation, fees, costs and expenses of financial advisors or other representatives) incurred in connection with the negotiation of this Plan in an amount agreed to among the parties.

17. **Card Check and Neutrality.** Solely as to new non-union regular route common carrier freight LTL entities that Employer, its parent or holding company or subsidiaries of the Employer buy or establish on or after the date hereof, the parties to this Plan agree that, as soon as a Teamster Local Union, shows the new entity authorization cards signed by the majority of employees in the bargaining unit, the Local Union will be recognized as the exclusive bargaining representative for those employees. The Employer or its affiliated companies will remain neutral if the Local Union seeks to represent unrepresented employees for such a new entity. Neutrality means that the new entity will not make statements or take other actions opposing or advocating unionization. The new entity shall not demean the Union as an organization or its representatives as individuals. The new entity will inform all managerial employees and supervisors of their obligation under this neutrality agreement and will take prompt action to correct any violation of this Section 17. Disputes regarding the application of this Section 17 shall be resolved on an expedited basis by the Subcommittee established in Section 11.

18. **Representations/Warranties.** The effectiveness of the Plan shall be conditioned

upon the delivery from each of the chief executive officer and chief financial officer of YRCW of a compliance certificate to TNFINC on the Effective Date containing the following:

To my knowledge, based on due and reasonable inquiry, including a detailed review of the financial condition of YRC Worldwide Inc., after giving effect to this Plan, on the date of this certificate, there exists no event or condition which constitutes a default (as defined in the Credit Agreement dated August 17, 2007, as amended, among YRC Worldwide Inc., JP Morgan Chase, National Association, as administrative agent, the lenders a party thereto, the additional borrowers a party thereto) or which upon notice, lapse of time or both would, unless cured or waived, become or lead to such a default. The foregoing representation is based solely upon the facts on the date this certificate is made.

The parties agree that there shall be no cause of action against the officers who give this certificate or YRCW for punitive or consequential damages as a result of the inaccuracy of the representation in such certificate, except in the case of intentional fraud, willful misconduct or gross negligence.

19. Current Ownership. If a Change of Control of Employer (as defined below) occurs other than through a confirmation of a plan of reorganization in a Chapter 11 proceeding, this Plan is automatically terminated and wages reverted to full NMFA on a prospective basis unless the Union agrees in writing to continue the Plan, the warrants issued pursuant to Section 9 shall terminate and be forfeited and all other provisions of this Plan shall be null and void on a prospective basis, including (without limitation) Section 3. For the purposes of this Section 19, a "Change of Control," shall be deemed to have taken place if a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, purchases or otherwise acquires shares of YRCW after the date of this Agreement that, together with stock held by such person or group, constitutes more than 50 percent of the total voting power of the stock of YRCW where the current directors of YRCW (or directors that they nominate or their nominees nominate) no longer continue to hold more than 50% of the voting power of the board of directors).

20. Severability. The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provisions of this Plan, which shall remain in full force and effect.

21. Ratification. For the purposes of ratification, YRC Inc. and USF Holland Inc. shall be treated as one voting unit, and New Penn Motor Express, Inc. shall be treated as a separate voting unit.

In Witness of the foregoing Plan, the parties hereby acknowledge the Plan:

YRC Inc., USF Holland, Inc., New Penn Motor Express, Inc., and TMI:

By: /s/ Michael J. Smid
Date: 11/25/08

Teamsters National Freight Industry Negotiating Committee:

By: /s/ C. Thomas Keegel
Date: 11/25/08

REAL ESTATE SALES CONTRACT

THIS REAL ESTATE SALES CONTRACT (this "Contract" or "Agreement") is made effective as of December 19, 2008 (the "Effective Date") between NATMI TRUCK TERMINALS, LLC ("Buyer") and YRC Worldwide, Inc. ("Seller").

WITNESSETH

In consideration of Ten Dollars (\$10.00) and the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, Buyer hereby agrees to buy, and Seller hereby agrees to sell, upon the following terms and conditions, the Property (defined below in Section 7 (C)).

1. **PURCHASE PRICE.** The purchase price for the Property shall be \$150,437,143 (the "Purchase Price") allocated as set forth on Exhibit A, payable at the time of Closing (as defined in Section 8) by applying the Deposit (as defined in Section 2) and Buyer paying the balance by cash, cashier's check, certified check or wire transfer of funds, in each case, paid to the order of Seller.

2. **DEPOSIT.** Buyer shall deposit with the Escrow Agent (as defined in Section 9) within three (3) business days following expiration of the Seller Termination Period (defined below) (unless Seller properly terminates this Contract in accordance with Section 7(F) below), the sum of ONE MILLION DOLLARS (\$1,000,000) (the "Deposit"), which shall be held by the Escrow Agent and shall be applied prorata in accordance with the Purchase Price allocable to the Properties included in the applicable Closing against the applicable Purchase Price at the applicable Closing.

3. **POSSESSION.** Possession of the Property shall be given to the Buyer immediately after the applicable Closing.

4. **EVIDENCE OF TITLE.**

(A) Buyer may obtain a survey ("Survey") of each Property within twenty (20) days following the Effective Date. Within fifteen (15) days following the Effective Date, Seller shall obtain and cause to be delivered to Buyer a title insurance commitment issued by Chicago Title Insurance Company or one of its affiliates through the Escrow Agent (the "Commitment"), pursuant to which the title insurance company commits that at the Closing it will issue its owners policies of title insurance ("Buyer's Policies"), insuring fee simple title to each Property to be in Buyer's name in the total amount of the Purchase Price), free and clear of all liens, encumbrances, restrictions and conditions of title except the following (the "Permitted Exceptions"): (1) utility easements for utility service to the Property, (2) zoning ordinances, (3) legal highways, (4) real property taxes (and their lien, if any) which are not due as of Closing, (5) assessments which are not due as of Closing, (6) rights of way and easements which do not materially adversely affect title to or use or value of the Property, (7) any other restrictions, easements,

encumbrances or other matters which do not materially adversely affect title to or use or value of the Property, and (8) those matters disclosed in the Survey which do not materially adversely affect title to or use or value of the Property. Any liens, encumbrances, restrictions and conditions of title or Survey, if applicable, other than the "Permitted Exceptions" are herein referred to as the "Non-Permitted Exceptions".

(B) Buyer shall notify Seller in writing of any Non-Permitted Exceptions to which Buyer objects within five (5) days following Buyer's receipt of the Commitment and Surveys, if applicable. If Buyer does not provide Seller with said notice within such five (5) day period, Buyer shall be deemed to have accepted the state of title disclosed in the Commitment and shall have waived any right to object to any exceptions to Seller's title or the Surveys.

(C) Seller may, but shall not be obligated to, remove any Non-Permitted Exceptions so objected to by Buyer within five (5) days after receipt of Buyer's written notice under Section 4(B). Seller shall not be required to bring any action or proceeding or otherwise incur any expense in order to remove any such Non-Permitted Exception. If Seller is unable to remove any such Non-Permitted Exception within such five (5) day period, the Deposit shall be returned to Buyer forthwith and this Contract shall automatically terminate, relieving the parties of any further obligations and/or liabilities hereunder, unless Buyer notifies Seller in writing within five (5) days after the expiration of such five (5) day period that Buyer is willing to accept such title as Seller may be able to convey, without reduction of the Purchase Price and without further obligation on the part of the Seller, or Buyer requests Seller to substitute a List B Property (defined below) for the Property with the Non-Permitted Exceptions, in which case the provisions of Section 7(C) shall apply.

5. DEED. Seller shall convey, or cause the applicable Related Company (defined below in Section 7(E)) to convey, to Buyer fee simple title to each Property by recordable limited or special warranty deed (the "Limited Warranty Deed"). The parties agree that the Limited Warranty Deeds shall warrant title only as against those persons claiming by, through or under Seller or the Related Company, as applicable, but not otherwise, and shall be subject to the Permitted Exceptions and to all Non Permitted Exceptions accepted or deemed accepted by Buyer. Buyer shall pay all costs of recording each Limited Warranty Deed, all cost of title insurance and all transfer and conveyance taxes and fees.

6. UTILITIES, REAL ESTATE TAXES AND ASSESSMENTS, SELLER IMPROVEMENTS. At the applicable Closing, Seller shall pay all delinquent real estate taxes and assessments, including penalties and interest. There will be no proration of real estate taxes, utilities, insurance or other items customarily apportioned in sales of real property in the jurisdiction in which the Property is located. Instead, from and after the applicable Closing Date, the Seller shall be responsible for the payment of all real estate taxes and assessments, insurance premiums, utility charges and other items customarily apportioned in sales of real property related to each Property that accrues or is due at any time prior to the date of termination of the applicable Leaseback with respect to each Property (including that which is due or accrues at any time prior to the commencement date of the applicable Leaseback). This provision shall survive Closing.

7. INSPECTION AND DUE DILIGENCE.

(A) Seller agrees to provide Buyer with copies of any surveys of the Property in Seller's possession. Buyer, at its own expense, may have any such surveys updated or may obtain new surveys. Seller grants to Buyer and persons designated by Buyer permission to enter upon each Property in order to make surveys, bores, soil bearing tests and other tests, provided that said surveys and tests shall be approved in advance by the applicable Seller and shall be so conducted as not to damage the Property. Buyer hereby agrees to indemnify, defend and hold Seller harmless from and against any and all damages, liens, injuries, actions, claims or costs, including reasonable attorneys fees, arising in any manner, directly or indirectly, from Buyer's or its designees' activities on or with respect to the Property, which indemnity shall survive the termination of this Agreement for six months. Buyer shall (i) keep all information, data and reports concerning or arising from any such tests confidential to the extent permitted by applicable law and shall not disclose or divulge the same to any third party (other than a lender making a mortgage loan to Buyer with respect to the Property and any other parties who have a need to know in connection with Buyer's contemplated purchase of the Property) without Seller's prior written consent, which Seller may withhold in their sole and absolute discretion, and (ii) provide copies of all such information, data and reports to Seller upon written request therefor from Seller.

(B) Buyer shall have thirty (30) days from the Effective Date within which to conduct the surveys and tests referred to in Section 7(A) (the "Inspection Period"). In the event that Buyer does not terminate this Contract pursuant to Section 7(C) below, Buyer agrees to accept the Property in its present condition as of the Effective Date. Buyer represents and warrants that it is qualified through experience and training to make such investigation of the condition of the Property, both as to the type of investigation and as to the extent of the investigation, and that if Buyer is not qualified to make such investigation Buyer shall have the investigation made by persons who are so qualified. In purchasing and accepting the Property in its present condition, Buyer represents that it will rely solely upon its own investigation and will not rely upon any investigation or disclosure of Seller regarding the Property.

(C) During the Inspection Period Buyer may terminate this Contract upon written notice to Seller for any reason whatsoever in Buyer's sole discretion, in which event the Deposit (or balance as applicable) shall be returned to Buyer and this Agreement shall be terminated. If Buyer fails to give such notice of termination to Seller prior to the end of the Inspection Period, Buyer shall be deemed to have waived any objection to the Property and to have affirmed this Contract and elected to purchase the Property with no reduction in the Purchase Price. For purposes of this Contract, the "Property" shall be defined as those properties listed on List A on Page A-1 of Exhibit A ("List A"). Upon written notice to Seller at any time prior to the expiration of the Inspection Period, Buyer shall have the right to request Seller to delete any individual properties from List A ("Deleted Properties") and substitute on List A in the place of these Deleted Properties properties from List B ("List B") on Page A-1 of Exhibit A ("Substituted Properties"), provided that the aggregate allocated Purchase Price of the Substituted Properties equals or exceeds the aggregate allocated Purchase Price of the

Deleted Properties. Within five (5) business days of receipt by Seller of Buyer's written request for deletion and substitution of an individual property as herein provided, Seller shall have the option of either (i) agreeing to the applicable Deleted Properties and Substituted Properties requested by Buyer, or (ii) disagreeing with the Deleted Properties and Substituted Properties requested by Buyer, and in the case of such disagreement by Seller, the Deleted Properties shall be deleted from List A without substitution of any other properties, and the Purchase Price shall decrease by the Purchase Price allocated to the Deleted Properties. If Seller agrees to the Deleted Properties and Substituted Properties requested by Buyer as provided in (i) above, then the Purchase Price shall increase by the amount the aggregate allocated Purchase Price of the Substituted Properties exceeds the aggregate allocated Purchase Price of the Deleted Properties.

(D) Except as otherwise expressly provided herein, Seller has not made, and shall not be deemed to have made, and Buyer has not relied upon, any representation or warranty, either express or implied, to Buyer, or any person representing Buyer, or any person or entity upon which Buyer relies in purchasing the Property as to any matter whatsoever concerning the Property except for any representation or warranty expressly set forth in this Contract. Buyer acknowledges that the purchase of the Property by Buyer is on an "AS IS" basis. BUYER EXPRESSLY AGREES TO ACCEPT THE PROPERTY "AS IS" AND "WHERE IS." SELLER SHALL UNDER NO CIRCUMSTANCES BE DEEMED TO HAVE MADE, AND SELLER HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE PROPERTY AND EACH PART THEREOF, ANY ENVIRONMENTAL CONDITION WITH RESPECT TO THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE PRESENCE OF ANY POLLUTANT OR CONTAMINANT, INCLUDING ANY HAZARDOUS SUBSTANCE, IN, ON OR UNDER THE PROPERTY), AND THE ADEQUACY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE PROPERTY OR ANY PART THEREOF. SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTION OR STRICT OR ABSOLUTE LIABILITY IN TORT, OCCASIONED BY OR ARISING IN CONNECTION WITH THE CONDITION OR ANY ALLEGED CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, LIABILITY ARISING OUT OF ANY ENVIRONMENTAL CONDITION WITH RESPECT TO THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE PRESENCE OF ANY POLLUTANT OR CONTAMINANT, INCLUDING ANY HAZARDOUS SUBSTANCE, IN, ON OR UNDER THE PROPERTY). Seller has furnished to Buyer the documentation relative to the condition of the Property and the Seller listed on Exhibit "B" attached hereto and made a part hereof, but Seller has not made, and hereby disclaim, any representation or warranty with respect to the accuracy or completeness of such documentation. Seller shall not be obligated to conduct any inquiry or investigation regarding the condition of the Property in connection with this Contract. The provisions of this Section 7(D) and the disclosures of Seller in Exhibit "B" shall survive the delivery and recording of the Limited Warranty Deeds for record.

(E) Notwithstanding the foregoing paragraph (D), Seller represents, warrants and covenants that, on the date hereof and on the Closing Date (defined below): (i) it has full right and power and is duly authorized to enter into and perform this Agreement and each other agreement, certificate or other document executed by it in connection with the sale of the Property (collectively, the "Purchase Documents"); (ii) it owns and/or controls each entity that owns the Property (each a "Related Company"); (iii) there are no actions, suits or proceedings pending or, to the knowledge of Seller, threatened against or affecting Seller which, if determined adversely to Seller, would adversely affect its ability to perform its obligations under the Purchase Documents; and (iv) neither the execution, delivery or performance of the Purchase Documents (a) conflicts with, breaches or constitutes a default under, or will conflict with, breach or constitute a default under, (1) the charter documents or by-laws of Seller, (2) to the best of Seller's knowledge, any law or any order, writ, injunction or decree of any court or governmental authority, or (3) any agreement or instrument to which Seller is a party or by which it is bound or (b) results or will result in the creation or imposition of any lien or other encumbrance upon its property pursuant to any such agreement or instrument. These representations shall survive Closing (defined below).

(F) At any time prior to 5 p.m. (CST) on January 16, 2009 ("Seller Termination Period"), Seller may terminate this Contract upon written notice ("Termination Notice") to Buyer (time being of the essence) if, notwithstanding Seller's good faith efforts, Seller is unable to obtain the consent of the mortgage holder on the Properties to release its liens on the Properties at the Closing. To be effective, the Termination Notice must be accompanied by the Breakup Fee in immediately available funds. Upon such termination, the Deposit shall be returned to Buyer and this Contract shall be terminated. The "Breakup Fee" shall be (USD) \$750,000. If Seller fails to give such Termination Notice to Buyer prior to the end of the Seller Termination Period, Seller shall be deemed to have waived any right to terminate this Contract pursuant to this paragraph and to have affirmed this Contract.

8. CLOSING; DEPOSITS INTO ESCROW. This transaction shall be closed and settled and the Limited Warranty Deeds delivered to Buyer and the Purchase Price paid to Seller on or before January 30, 2009 ("Initial Closing Date"). Seller may elect to delay the Initial Closing Date until February 2, 2009 provided that Seller has so notified Buyer of such delayed Initial Closing Date by not later than 5 p.m. on January 27, 2009, Buyer may elect to delay until February 13, 2009 (the "Optional Closing Date" and the Initial Closing Date shall each individually be referred to as the "Closing Date") the Closing on no more than \$75,000,000 in aggregate Purchase Price of Properties, provided at least five (5) business days before the Initial Closing Date, Buyer delivers to Seller written notice of Buyer's election to delay Closing on such portion of the Properties along with a list of those Properties to be closed on the Optional Closing Date. On or before the applicable Closing Date, Seller shall deposit, or cause the Related Companies to deposit, the following with the Escrow Agent:

- (a) A duly executed Limited Warranty Deed for each Property;
- (b) A duly executed "Non Foreign Seller Affidavit" as required by Section 1445 of the Internal Revenue Code of 1986, as amended;

- (c) A duly executed Leaseback (as defined below) for each Property;
- (d) Such funds and other instruments, in recordable form or otherwise, as may be reasonably required by the Escrow Agent as a condition of the Closing;
- (e) A duly executed counterpart of the right of first offer for each Property in the form attached hereto as Exhibit "D" (each a "Right of First Offer"); and
- (f) Two (2) duly executed counterparts of a closing statement reflecting Closing cost allocations prepared by Seller and submitted to Buyer for Buyer's approval no later than five (5) days prior to the Closing Date (a "Closing Statement").

On or before the applicable Closing Date, Buyer shall deposit with the Escrow Agent:

- (a) The difference between the Purchase Price and the proportionate share of the Deposit (allocated based on Purchase Price of the applicable Properties) (i) less an amount to Buyer for actual closing costs incurred by Buyer or charged to Buyer pursuant to Section 9(e) of up to 1% of the applicable Purchase Price, (ii) plus any amounts paid by Seller (or any party related to Seller) to Buyer under that certain due diligence reimbursement letter between YRC Worldwide, Inc. and NorthAmerican Terminals Management, Inc. dated December 10, 2008, adjusted as provided herein;
- (b) A duly executed Leaseback for each property;
- (c) Such other funds and instruments, in recordable form or otherwise, as may be reasonably required by the Escrow Agent as a condition of the Closing;
- (d) A duly executed Right of First Offer for each Property;
- (e) A duly executed Closing Statement.

9. ACTIONS BY ESCROW AGENT. The following shall act as the escrow agent hereunder (the "Escrow Agent"):

Chicago Title Insurance Company
171 N. Clark, 04CI
Chicago, Illinois 60601
Attn: Cindy Malone
Phone #:312-223-3360
Fax #:312-223-5791

This Contract shall serve as escrow instructions to the Escrow Agent, subject to any supplementary strict joint order escrow instructions ; provided, however, that this Contract shall govern in the event of any conflict between said strict joint order instructions and any of the terms hereof. On the applicable Closing Date, if all the funds and documents set forth in Section 8 have been delivered to the Escrow Agent and if the Escrow Agent or the applicable title company is in a position to issue and will issue Buyer's Policies as described in Section 4, the Escrow Agent shall:

- (a) Cause the Limited Warranty Deeds and each Right of First Offer to be filed for record;
- (b) **[INTENTIONALLY LEFT BLANK];**
- (c) Cause the issuance and delivery to Buyer of the Buyer's Policies, as described in Section 4;
- (d) **[INTENTIONALLY LEFT BLANK];**
- (e) Charge to the account of Buyer escrow and related fees, the cost of recording the Limited Warranty Deeds and any other documents related to this Contract, title insurance costs, including premiums and costs of endorsements and Commitments, and transfer or conveyance taxes or fees; and
- (f) Pay to or upon the order of Seller the cash balance of the Purchase Price after deducting all amounts herein required to be paid by Seller, including any broker's commission payable by Seller as provided in Section 11.

The Escrow Agent shall deliver to Seller a copy of the recorded Limited Warranty Deeds and each Right of First Offer and its escrow statement in duplicate showing all the charges and credits affecting the account of Seller. The Escrow Agent shall deliver to Buyer the recorded Limited Warranty Deeds and each Right of First Offer; copies of any recorded mortgage deposited by Buyer; Buyer's Policies; the balance, if any, of the funds deposited by Buyer remaining after disbursement in accordance with these directions; and its escrow statement in duplicate showing all charges and credits affecting the account of Buyer.

10. DEFAULT; REMEDIES.

- (a) If, at any time on or before the time of applicable Closing on the applicable Closing Date, Seller failed or refused to perform its obligations hereunder as and when provided in this Contract, as applicable, then and in any such case Buyer may (A) by written notice furnished to Seller and to the Escrow Agent, terminate this Contract, and in such event the Escrow Agent shall promptly return the Deposit (or remaining balance thereof if applicable) to Buyer, Seller shall pay the expenses of the Escrow Agent (including all title charges) through the date of such termination and

Buyer may seek monetary damages for all actual out of pocket costs and expenses incurred by Buyer prior to the date of Seller's failure or refusal to perform its obligations under this Contract, or (B) enforce specific performance of Seller's obligations under this Contract.

- (b) If a Closing does not occur because of a default by Buyer under this Agreement, and if such default is not cured within thirty (30) days from notice by Seller to Buyer, then: (i) this Agreement shall terminate; (ii) the Deposit (or remaining balance thereof if applicable) shall be paid to and retained by Seller as liquidated damages; and (iii) Seller and Buyer shall have no further obligations to each other. BUYER AND SELLER ACKNOWLEDGE THAT THE DAMAGES TO SELLER IN THE EVENT OF A BREACH OF THIS AGREEMENT BY BUYER WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE, THAT THE AMOUNT OF THE DEPOSIT REPRESENTS THE PARTIES' BEST AND MOST ACCURATE ESTIMATE OF THE DAMAGES THAT WOULD BE SUFFERED BY SELLER IF THE CLOSING SHOULD FAIL TO OCCUR AND THAT SUCH ESTIMATE IS REASONABLE UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT AND UNDER THE CIRCUMSTANCES THAT SELLER AND BUYER REASONABLY ANTICIPATE WOULD EXIST AT THE TIME OF SUCH BREACH. BUYER AND SELLER AGREE THAT SELLER'S RIGHT TO RETAIN THE DEPOSIT SHALL BE SELLER'S SOLE REMEDY, AT LAW AND IN EQUITY, FOR BUYER'S FAILURE TO PURCHASE THE PROPERTY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT.

11. BROKER. Buyer and Seller warrant and represent to one another that they have used no broker in connection with this transaction. Each party agrees to indemnify and save the other harmless from and against any and all claims for brokerage commissions arising from their respective dealings with any broker other than those identified in this Section 11. The foregoing warranties, representations and indemnities shall survive the delivery and recording of the Limited Warranty Deeds for record and shall not be merged into said Limited Warranty Deeds.

12. NOTICES. For the purposes of all notices and communications between the parties, the addresses of Buyer and Seller shall be as follows:

BUYER: North American Terminals Management, Inc.
201 West Street
Annapolis, MD 21401
Attn: Robert Ford
FAX #: 410-280-0100

SELLER: YRC Worldwide Inc.
P. O. Box 471
1077 Gorge Boulevard
Akron, Ohio 44309 0471
Attn: Real Estate and Properties
FAX#: (330) 258-2597

Any notices and other communications to be delivered by either party to the other pursuant to this Contract shall be in writing and shall be deemed delivered as follows, except as otherwise specifically provided in this Contract: (a) when hand delivered or telecopied (provided that telecopied notices must be confirmed within any applicable time period plus two (2) days by one of the following methods of notice); (b) one (1) business day after mailing by Federal Express or other overnight courier service; or (c) upon receipt (or refusal to accept delivery) by United States registered or certified mail, postage prepaid, return receipt requested, in each case addressed to the party to be charged with notice at the above recited address or the above recited telecopier number or such other address or telecopier number as either party from time to time may designate by notice delivered to the other; provided, however, that no notice of change of address or telecopier number shall be deemed given until actually received by the party to be notified. Except as otherwise specifically provided herein, in the computation of any period of time which shall be required or permitted hereunder or under any law for any notice or other communication or for the performance of any term, condition, covenant or obligation, the day from which such period runs shall be excluded and the last day of such period shall be included unless it is a Saturday, Sunday or legal holiday, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday or legal holiday.

13. NON-ASSIGNMENT BY BUYER. This Agreement and the rights granted hereunder are personal unto Buyer and may not be assigned, transferred or conveyed by Buyer in whole or in part without the prior written consent of Seller, which may be withheld by Seller in its sole and absolute discretion. Notwithstanding the foregoing, without Seller's consent Buyer may, by written notice delivered to Seller no later than three (3) business days prior to the Closing Date, designate individuals or entities other than Buyer to take title to the Property pursuant to the Limited Warranty Deeds.

14. LIKE-KIND EXCHANGE. Seller, at any time prior to the applicable Closing Date, may elect to effect a simultaneous or non-simultaneous tax-deferred exchange pursuant to Section 1031, and the regulations pertaining thereto, of the Internal Revenue Code of 1986, as amended. Buyer expressly agrees to cooperate with Seller in connection with any such exchange in any manner which shall not impose any additional cost or liability upon Buyer, including without limitation by executing any and all documents, including escrow instructions or agreements consenting to Seller's assignment of its rights and obligations hereunder to an exchange entity, which may be necessary to carry out such an exchange; provided, however, that Buyer shall not be required to take title to any property in order to accommodate Seller in

effecting the exchange; and provided further, however, that Seller's election to effect such an exchange shall not delay the applicable Closing Date.

15. MISCELLANEOUS:

(A) This Contract: (i) contains the entire agreement between the parties and no promise, representation, warranty, covenant, agreement, or understanding not specifically set forth in this Contract shall be binding upon either party; (ii) may not be amended, modified, or supplemented in any manner except in writing signed by the parties; (iii) shall be construed and governed under the laws of the state of New York without regard to the principles of choice of law and conflicts of law; (iv) shall not be construed more stringently in favor of one party against the other regardless of which party has prepared the same; (v) shall be binding upon, and inure to the benefit of, the parties and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns; (vi) shall not be binding until this Contract shall be executed and delivered by the parties, to each other; and (vii) may be executed in counterparts, each of which shall be deemed an original, but which all together constitute the same instrument.

(B) Any person executing this Contract on behalf of a corporation, limited liability company, trust, partnership or other entity represents and warrants that such person is authorized to execute and deliver this Contract on behalf of such entity.

(C) The failure of either party to insist upon strict performance of any provision of this Contract shall not be deemed a waiver of any rights or remedies at any other time.

(D) The exhibits attached hereto are incorporated herein by this reference.

(E) In the event of any conflict between this Contract and an exhibit, the exhibit shall control.

(F) Headings are for convenience only and are not a part of this Contract.

(G) The invalidity or unenforceability of any term or provision shall not affect the validity or enforceability of the remainder of this Contract.

(H) The parties agree to obtain, execute, deliver, and file such additional documents, instruments, and consents as may be reasonably requested by either party, at the sole cost and expense of the requesting party, in order to fully effectuate the terms and conditions of this Contract.

(I) Risk of loss with respect to each Property shall remain with Seller until applicable Closing is completed. Seller shall maintain in full force and effect all of Seller's existing fire and extended coverage insurance on the Property until the applicable Closing Date. Seller's existing insurance policy shall be canceled as of the applicable Closing Date and Buyer shall obtain new insurance at such time. If, prior to the

applicable Closing Date, any building or other improvement on any Property is damaged or destroyed by any cause in any amount, Seller shall promptly notify Buyer and Buyer shall have the option (i) to terminate this Contract by notice to Seller (such notice to be given within five (5) days after Buyer is given notice of such damage or destruction), or (ii) to proceed with this transaction, in which latter event Buyer shall receive all proceeds of insurance payable by reason of such damage or destruction, or (iii) to request Seller to delete the damaged or destroyed Property from List A ("Deleted Casualty Property") and substitute on List A in place of the Deleted Casualty Property a property from List B ("Casualty Substituted Property"), in which case the provisions of Section 7(C) shall apply; provided that the allocated price of the Casualty Substituted Property equals or exceeds the allocated price of the Deleted Casualty Property (and the Purchase Price shall be increased by the amount the allocated price of the Casualty Substituted Property exceeds the allocated price of the Deleted Casualty Property); provided, however, that if such damage or destruction is in an amount which is equal to or less than twenty-five percent (25%) of the replacement cost of the improvements and fixtures constituting a portion of the applicable Property, Buyer shall not have the option to terminate this Contract if Seller shall agree in writing to (a) promptly cause such damaged building or improvement to be replaced or restored to the condition it was in prior to such damage or destruction or (b) deliver to Buyer on the applicable Closing Date (or subtract from the Purchase Price an amount equal to the sum of) all proceeds of insurance payable by reason of such damage or destruction together with the additional amount, if any, which is required to replace or restore such damaged building or improvement to the condition it was in prior to such damage or destruction. If Buyer elects to cancel this Contract pursuant to this Section 15(I), Seller shall cause the Escrow Agent to refund the Deposit to Buyer, and neither party shall thereafter have any further rights, duties or liabilities under this Agreement.

(J) If, before the applicable Closing Date, all or any material portion of any Property is taken or a proceeding is commenced to take the same by eminent domain or private sale in lieu thereof, Buyer, at its option, may elect (i) to proceed to Closing, or (ii) to cancel this Contract, or (iii) to request Seller to delete the applicable Property from List A on Exhibit A ("Deleted Condemnation Property") and substitute on List A in place of the Deleted Condemnation Property a property from List B ("Condemnation Substituted Property"), in which case the provisions of Section 7(C) shall apply; provided that the allocated price of the Condemnation Substituted Property equals or exceeds the allocated price of the Deleted Condemnation Property (and the Purchase Price shall be increased by the amount the allocated price of the Condemnation Substituted Property exceeds the allocated price of the Deleted Condemnation Property). Such election shall be made by written notice from Buyer to Seller given not more than five (5) days after written notice from Seller to Buyer of such condemnation affecting the Property. If Buyer elects to cancel this Contract in such event, Seller shall cause the Escrow Agent to refund the Deposit (or remaining portion thereof if applicable) to Buyer, and neither party shall thereafter have any further rights, duties or liabilities under this Contract. If Buyer elects to proceed to Closing without requesting a Condemnation Substituted Property, Seller shall assign to Buyer all of Seller's rights, title and interest in and to any awards that may be payable for such taking.

16. LEASEBACK. At the applicable Closing the parties shall execute a lease for each Property substantially in the form attached hereto as Exhibit "C" (each a "Leaseback").

17. ACCEPTANCE. In the event this Contract is not signed simultaneously by both parties, it shall be considered to be an offer made to the other party by the party first executing it. In such event, the offer shall automatically expire at midnight, Akron, Ohio time, on December 19, 2008, unless one copy of this Contract executed by the party to whom this offer has been made shall have been actually received by the party making the offer, or its attorney, prior to the aforementioned expiration date.

SELLER:

YRC WORLDWIDE , INC.,
a Delaware corporation

By: /s/ Timothy A. Wicks
Name: Timothy A. Wicks
Its: Executive Vice President and
Chief Financial Officer
Date: December 18, 2008

BUYER:

NATMI TRUCK TERMINALS, LLC,
a Delaware limited liability company

By: /s/ Robert Fordi
Name: Robert Fordi
Its: President
Date: December 18, 2008

FIRST AMENDMENT
TO
REAL ESTATE SALES CONTRACT
(YRC / NATM [Sale/Leaseback])

January 21, 2009 (the "**Effective Date**")

THIS FIRST AMENDMENT TO REAL ESTATE SALES CONTRACT (this "**Amendment**") is entered into by and between YRC WORLDWIDE INC. ("**Seller**"), a Delaware corporation, as seller, and NATMI TRUCK TERMINALS, LLC ("**Buyer**"), a Delaware limited liability company, as buyer.

Recitals

A. Effective as of December 19, 2008 Buyer and Seller entered into that certain Real Estate Sales Contract (the "**Sale/Leaseback Contract**"), whereby Buyer agreed to purchase from Seller, and Seller agreed to sell to Buyer, those certain improved real properties located in various locations, as more particularly described in the Sale/Leaseback Contract.

B. Buyer and Seller have agreed to amend the Sale/Leaseback Contract as set forth below.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which hereby are acknowledged, Seller and Buyer hereby agree as follows:

Agreements

1. **Defined Terms.** All capitalized terms not defined herein shall have the meanings ascribed to them in the Sale/Leaseback Contract.

2. **Effect of this Amendment.** Except as expressly modified in this Amendment, the Sale/Leaseback Contract shall continue in full force and effect according to its terms and Buyer and Seller hereby ratify and affirm all their respective rights and obligations under the Sale/Leaseback Contract.

3. **Conflicting Provisions.** In the event any term or provision contained herein conflicts with the Sale/Leaseback Contract, the terms and provisions of this Amendment shall control.

4. **Waiver of Inspection Period; First Close Properties.** Buyer waives its right to terminate the Sale/Leaseback Contract pursuant to Section 7(B) thereof as to those properties listed on **Exhibit "A"**, attached hereto and incorporated herein by reference (the "**First Close Properties**").

5. Waiver of Inspection Period; Environmental Properties.

(a) Buyer waives its right to terminate the Sale/Leaseback Contract pursuant to Section 7(B) thereof as to those properties set forth on **Exhibit "B"**, attached hereto and incorporated herein by reference (collectively, the "**Environmental Properties**"), save and except for environmental issues located on the Environmental Properties.

(b) Buyer shall have until 5:00 pm (CST) on the Optional Closing Date to elect to not acquire the Environmental Properties if Buyer determines, in Buyer's sole discretion, that the environmental issues associated with the Environmental Properties are unacceptable.

6. Waiver of Inspection Period; Structural Properties.

(a) Buyer waives its right to terminate the Sale/Leaseback Contract pursuant to Section 7(B) thereof as to the Phoenix, Arizona property and the Kearny, New Jersey property (collectively, the "**Structural Properties**"), save and except completion of structural improvements on the Structural Properties.

(b) Buyer shall have until 5:00 pm (CST) on the Optional Closing Date to elect to not acquire the Structural Properties if Buyer determines, in Buyer's reasonable discretion, that the structural issues associated with the Structural Properties are unacceptable.

7. Waiver of Inspection Period; Title Objections Properties.

(a) The period for Seller to remove Non-Permitted Exceptions pursuant to Section 4(C) of the Sale-Leaseback Contract shall expire on the Closing Date as to the applicable Property, and although Seller has no obligation to cure such Non-Permitted Exceptions, to the extent Seller has agreed to make attempts to cure such Non-Permitted Exceptions and is unable to do so, Buyer shall have those rights as set forth in Section 4(C). Buyer acknowledges and agrees that any statement on **Exhibit "C"** hereto does not create an affirmative obligation on Seller to cure any title objection.

(b) Buyer waives its right to terminate the Sale/Leaseback Contract pursuant to Section 7(B) thereof as to those properties listed on **Exhibit "C"**, attached hereto and incorporated herein by reference ("**Title Objection Properties**"), save and except for those specific title objections listed on **Exhibit "C"** and if Seller cannot or will not cure any of Buyer's title objections listed on **Exhibit "C"**, Buyer can elect, in its reasonable discretion, not to acquire that specific Title Objection Property.

(c) Buyer shall have until 5:00 pm (CST) on the Optional Closing Date to elect not to acquire the Title Objection Properties if Buyer determines, in Buyer's reasonable discretion, that Seller has not cured the title objections outlined in detail on **Exhibit "C"**.

8. List A Properties. The properties located at 1265 LaQuinta Drive, Orlando, Florida, and 12855 48th Avenue South, Seattle, Washington are hereby transferred from List B to List A.

9. Closing.

(a) The Initial Closing Date shall be defined as January 30, 2009 (Friday). Seller and Buyer agree to close the transaction described in the Sale/Leaseback Contract, as amended by this Amendment, with a "dry" closing on January 29, 2009 (Thursday), with a funding on January 30, 2009 (Friday). The First Close Properties shall be closed and settled on the Initial Closing Date. Any of the Environmental Properties, the Structural Properties or the Title Objection Properties that Buyer, in its sole discretion, elects to purchase on the Initial Closing Date shall be closed and settled on the Initial Closing Date.

(b) The Optional Closing Date shall remain February 13, 2009 (Friday). If Buyer elects to acquire any or all of the Environmental Properties, the Structural Properties and/or the Title Objection Properties that were not previously acquired on the Initial Closing Date, then they shall be closed and settled on the Optional Closing Date.

10. Leaseback Tenants.

(a) The tenants who will be leasing each of the Properties under the Leaseback pursuant to Section 16 of the Sale/Leaseback Contract shall be as set forth on Exhibit "D", attached hereto and incorporated herein by reference.

(b) In addition, the first paragraph of Article 16 of the Leaseback shall be amended in its entirety and replaced with the following:

Tenant shall indemnify, protect, hold harmless, and shall defend at its own expense, Landlord, Landlord's mortgagees, Landlord's investment manager, Landlord's asset manager, Landlord's property manager, and their respective officers, employees, contractors, invitees and/or agents (collectively, "Landlord, et al."), against any and all claims and demands made by or arising from Tenant's officers, employees, contractors, invitees and/or agents (collectively, "Tenant, et al.") and/or from the actual or alleged act or omission of Tenant, et al. (except to the extent arising from Landlord, et al.'s gross negligence or willful misconduct, in which event this indemnity will not apply to the party committing the wrongful act in direct proportion to the extent of the gross negligence or willful misconduct), as well as those claims and demands arising from Tenant's failure to comply with any applicable environmental laws or regulations (as described in more detail previously herein) and with any covenants of this Lease Agreement on its part to be performed.

Tenant agrees to waive all claims against Landlord, et al. on account of any loss or damage from whatsoever cause (other than gross negligence or willful misconduct of Landlord, et al., in which event this waiver will not apply to the party committing the wrongful act in direct proportion to the extent of the gross negligence or willful misconduct) which may occur to it or its property in the use and occupancy of the Leased Premises, the giving of this waiver being one of the considerations upon which this Lease Agreement is granted.

Landlord shall indemnify, protect, hold harmless, and shall defend at its own expense, Tenant against any and all claims and demands made by or arising from Landlord's gross negligence or willful misconduct.

11. Leaseback. Article 14 and Article 15 of the Leaseback to be executed is hereby deleted in its entirety and substituted in its place is the new Article 14 and Article 15 set forth on Exhibit "E", attached hereto and incorporated herein by reference.

12. Sprinklers Repairs; Repaving; Roof Replacement.

(a) Attached hereto as Exhibit "F" and incorporated herein by reference is a list of those Properties on which Buyer has not been able to complete its sprinkler inspections (the "Sprinkler Properties"). Prior to the Initial Closing Date, Buyer will provide Seller with a list of those Sprinkler Properties that fail to comply with applicable Laws (defined in the Leaseback) or that are not in working order (collectively, the "Defects"). At the applicable Closing Date, Seller and Buyer will each execute an agreement reasonably acceptable to each other that obligates Seller to cure any Defects to the Sprinkler Properties.

(b) Attached hereto as Exhibit "G" and incorporated herein by reference is a list of repaving obligations that Seller agrees to perform and the time periods to complete (the "Repaving Obligations").

(c) At the applicable Closing Date Buyer shall receive a credit against the Purchase Price to offset the cost to repair or replace the roofs on the following properties in the amounts listed below:

1. Chula Vista: \$55,000;
2. San Jose: \$68,000;
3. Chicago North: \$82,500;
4. Brooklyn: \$207,000;
5. Queens: \$300,000. Note: In addition, Seller agrees to share 50/50 any cost to replace the roof if the cost exceeds \$300,000; provided, however, this additional Seller commitment shall not exceed \$360,000 (for a total Seller commitment of \$660,000);
6. Orlando: \$48,000; and
7. Seattle: \$325,000.

Buyer covenants to complete all roof repairs or replacements within eighteen (18) months of the applicable Closing Date.

13. Counterpart; Facsimile Signature. Facsimile signatures appearing hereon shall be deemed an original and this document may be executed simultaneously on two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, Seller and Buyer execute this Amendment to be enforceable on the Effective Date.

SELLER:

YRC WORLDWIDE INC.,
a Delaware corporation

By: /s/ Timothy A. Wicks
Name: Timothy A. Wicks
Title: Executive Vice President and Chief Financial Officer

BUYER:

NATMI TRUCK TERMINALS, LLC,
a Delaware limited liability company

By: I&G Terminals, LLC, its managing member
By: LaSalle Income & Growth Fund V, its managing member

By: /s/ Brian Kuzniar
Name: Brian Kuzniar
Its: Vice President

SECOND AMENDMENT
TO
REAL ESTATE SALES CONTRACT
(YRC / NATM [Sale/Leaseback])

February 12, 2009 (the "**Effective Date**")

THIS SECOND AMENDMENT TO REAL ESTATE SALES CONTRACT (this "**Amendment**") is entered into by and between YRC WORLDWIDE INC. ("**Seller**"), a Delaware corporation, as seller, and NATMI TRUCK TERMINALS, LLC ("**Buyer**"), a Delaware limited liability company, as buyer.

Recitals

A. Effective as of December 19, 2008 Buyer and Seller entered into that certain Real Estate Sales Contract (as amended, the "**Sale/Leaseback Contract**"), whereby Buyer agreed to purchase from Seller, and Seller agreed to sell to Buyer, those certain improved real properties located in various locations, as more particularly described in the Sale/Leaseback Contract.

B. Effective January 21, 2009 Seller and Buyer executed that certain First Amendment to Real Estate Sales contract which, among other things, addressed matters relating to First Close Properties, Environmental Properties, Structured Properties, Title Objection Properties and List A Properties.

C. Buyer and Seller have agreed to further amend the Sale/Leaseback Contract as set forth below.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which hereby are acknowledged, Seller and Buyer hereby agree as follows:

Agreements

1. Defined Terms. All capitalized terms not defined herein shall have the meanings ascribed to them in the Sale/Leaseback Contract.

2. Effect of this Amendment. Except as expressly modified in this Amendment, the Sale/Leaseback Contract shall continue in full force and effect according to its terms and Buyer and Seller hereby ratify and affirm all their respective rights and obligations under the Sale/Leaseback Contract.

3. Conflicting Provisions. In the event any term or provision contained herein conflicts with the Sale/Leaseback Contract, the terms and provisions of this Amendment shall control.

4. Optional Closing Date. The original Optional Closing Date of February 13, 2009 (Friday) is hereby deleted in its entirety, and the new Optional Closing Date shall be March 6, 2009 (Friday).

5. Counterpart; Facsimile Signature. Facsimile signatures appearing hereon shall be deemed an original and this document may be executed simultaneously on two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) and the same instrument.

IN WITNESS WHEREOF, Seller and Buyer execute this Amendment to be enforceable on the Effective Date.

SELLER:

YRC WORLDWIDE INC.,
a Delaware corporation

By: /s/ Timothy A. Wicks
Name: Timothy A. Wicks
Its: Executive Vice President and
Chief Financial Officer

BUYER:

NATMI TRUCK TERMINALS, LLC,
a Delaware limited liability company

By: /s/ Brian Kuzniar
Name: Brian Kuzniar
Its: Vice President

AMENDMENT

**YRC WORLDWIDE INC. DEFINED CONTRIBUTION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
(Effective January 1, 2005)**

WHEREAS, YRC Worldwide Inc. (the "Company") maintains the YRC Worldwide Inc. Defined Contribution Supplemental Executive Retirement Plan (the "Plan") for the purpose of providing deferred compensation for a select group of management and highly compensated employees of the Company and its participating affiliates;

WHEREAS, Section 5.1 of the Plan provides that the Company, through action of its Board of Directors or its delegated representative, may amend the Plan at any time;

WHEREAS, the Company has determined to amend the Plan to eliminate Employer Make-Up Accruals after May 31, 2008;

NOW, THEREFORE, BE IT RESOLVED THAT effective June 1, 2008, the Plan shall be amended as set forth below:

Section 3.1 of the Plan is hereby amended and restated in its entirety to provide as follows:

3.1 Employer Make-Up Accruals. Each Participant whom the Committee designates as eligible for Employer Make-Up Accruals for a Plan Year will be credited with an annual accrual equal to the non-matching employer contribution the Participant would have received for such year under the applicable Underlying Plan without regard to the section 401(a)(17) of the Code compensation limitation in effect under such plan (e.g., \$230,000 for 2008), minus the actual non-matching employer contribution credited to the Participant's account under the applicable underlying Plan for such year. Effective June 1, 2008, Participants shall no longer receive Employer Make-Up Accruals.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officer on the 30th day of May, 2008.

YRC WORLDWIDE INC.

By: /s/ Harold D. Marshall

Name: Harold D. Marshall

Title: Vice President – Employee Benefits

AMENDMENT NO. 4

**YELLOW CORPORATION PENSION PLAN
(Effective December 31, 2008)**

WHEREAS, YRC Worldwide Inc. (the "Corporation") maintains the Yellow Corporation Pension Plan (the "Plan") for the benefit of employees of the Corporation and its participating affiliates; and

WHEREAS, Section 11.1 of the Plan authorizes the Corporation to amend the Plan at any time in its discretion;

WHEREAS, the Corporation now desires to amend the Plan to reflect the issuance of new regulations issued under Section 415 of the Internal Revenue Code and to make certain other changes;

NOW, THEREFORE, effective January 1, 2008 (except as otherwise provided herein), the Plan is amended as follows:

A. Section 2.1(l) is amended to read as follows:

(l) Corporation: YRC Worldwide Inc. (formerly known as Yellow Roadway Corporation, Yellow Corporation, and Yellow Freight System, Inc. of Delaware).

B. Section 2.1(r) is amended to read as follows:

(r) Employer: YRC Worldwide Inc. (formerly known as Yellow Roadway Corporation, Yellow Corporation, and Yellow Freight System, Inc. of Delaware), a corporation existing under the laws of the State of Delaware, or its successor or successors and where provided by Article XIII, "Employer" shall also refer to a Participating Affiliated Company.

C. Section 4.4 is amended to read as follows:

4.4 Maximum Pension Benefit. Notwithstanding any provision in this Plan, in no event shall the annual benefit of any Participant exceed the maximum permissible benefit under Section 415(b) of the Code. The limitations of Section 415(b) of the Code and the Treasury regulations issued thereunder are hereby incorporated by reference. For purposes of applying such limitations, a Participant's Section 415 compensation includes all items of remuneration described in Treasury Regulation Section 1.415(c)-2(b), but excludes the items of remuneration described in Treasury Regulation Section 1.415(c)-2(c). Section 415 compensation shall also include cash compensation not currently includible in the Participant's gross income by reason of the application of Code Sections 125, 129, 401(k) and 132(f)(4). For limitation years beginning on or after July 1, 2007, compensation that is paid after severance from employment with the Employer shall be included in Section 415

compensation if: (i) the compensation is paid by the later of (A) 2 1/2 months after severance from employment with the Employer, or (B) the end of the limitation year that includes such date of severance, and if (ii) either (A) the compensation is regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or shift differentials), commissions, bonuses, or other similar compensation, and would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer, or (B) the compensation is payment for unused accrued bona fide sick, vacation or other leave, but only if the Participant would have been able to use the leave if employment had continued, or would have been received by the Participant pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Participant at the same time if the Participant had continued in employment with Employer and only to the extent that the payment is includible in the Participant's gross income. Any payment not described above is not considered Section 415 compensation if paid after severance from employment, even if it is paid within 2 1/2 months following severance from employment or by the end of the applicable limitation year, except for payments to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Section 414(u) of the Code) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service. In no event shall the compensation used for purposes of applying the limitations of Section 415 of the Code to a limitation year exceed the limitation under Code Section 401(a) (17), as adjusted pursuant to Code Section 415(d), that applies for such year. The limitation year means the Plan Year.

IN WITNESS WHEREOF, the Corporation has caused this Amendment to be executed by its duly authorized officer on the 31st day of December, 2008.

YRC WORLDWIDE INC.

By: /s/ Harold D. Marshall
Name: Harold D. Marshall
Title: Vice President – Employee Benefits

UNION EMPLOYEE OPTION PLAN

February 12, 2009

The following describes the Union Employee Option Plan (this "Plan") of YRC Worldwide Inc. (the "Company"), which is designed to compensate Qualifying Employees (defined below) for past and current service:

1. The Company will issue options to purchase the Company's common stock ("options") to Qualifying Employees as of the Effective Date(s) as described in Sections 3 and 4. "Qualifying Employees" means U.S. and Canadian union employees of the Company and its subsidiaries (including those employees represented by unions other than the International Brotherhood of Teamsters) who are either employed and working on January 8, 2009 or on seniority boards as of January 8, 2009, even if they are not working; *provided*, that "Qualifying Employees" does not include casual employees. Only union employees who are employed by bargaining units who have ratified the wage reduction described in the Memorandum of Understanding dated November 25, 2008 (the "MOU"), between the International Brotherhood of Teamsters and certain subsidiaries of the Company, can be "Qualifying Employees".
2. The maximum number of options granted under this Plan will be 11,394,758.
3. Section 4 of the wage reduction described in the MOU defines the "Effective Date" for each bargaining unit that ratifies the wage reduction in the MOU. For the purposes of Qualifying Employees who are employed by the bargaining units that ratified the MOU as it applies to the 2008-2013 National Master Freight Agreement ("NMFA") or concurrently ratified other union contracts on the same date as the ratification of the MOU as it applies to the NMFA, the "Effective Date" shall be the date upon which the certificate that Section 18 of the MOU requires the Company to deliver is accepted in its final form by the representatives of TNFINC under Section 11 of the MOU.
4. The options shall be granted to Qualifying Employees on the applicable Effective Date(s). The number of options granted to each Qualifying Employee shall be determined as set forth in Exhibit A. Each Qualifying Employee shall be notified and furnished appropriate documentation as quickly as reasonably possible after the date of the Qualifying Employee's specific grant. The number of options to all Qualifying Employees and any potential Qualifying Employees from bargaining units that have not yet ratified the MOU may not exceed the maximum number of options defined in Section 2. 57,000 options may be withheld from allocation to specific employees to cure any administrative errors in distributing the grants. If the shareholders of the Company approve this Plan, any options that are not granted by December 31, 2009 shall be reallocated and granted on the first trading day of 2010 as determined in Exhibit A. Only whole numbers of options may be granted. If, after the final grant on the first trading day in 2010 there remain any options that could not be granted because they would result in options to purchase partial shares, those options shall be forfeited and cancelled.

5. Each option will have an exercise price equal to the closing price of the Company's common stock trading on The NASDAQ Stock Market on the applicable Effective Date (or the first trading day of 2010 for options not granted by December 31, 2009), or if the applicable Effective Date is not on a trading day, on the first trading day following the applicable Effective Date.
6. The options granted to a Qualifying Employee shall vest in full on the first anniversary of the applicable Effective Date of the options. Once vested, the options shall become exercisable and remain exercisable for 10 years following the applicable Effective Date of the option (the "Exercise Period"), at which time they shall terminate.
7. The options shall include a cashless exercise provision and shall provide for a net exercise for paying each Qualifying Employee's withholding taxes at applicable statutory rates.
8. If a Qualifying Employee terminates employment for any reason other than death or disability, the Qualifying Employee shall retain all vested options and, in addition, any options that would have otherwise vested following the date of his or her termination of employment shall vest according to normal vesting schedule in the option. For the avoidance of doubt, if a Qualifying Employee is terminated for any reason other than death or disability prior to the first anniversary of the Effective Date, the options shall vest on such first anniversary of the Effective Date. All vested options shall remain the property of the Qualifying Employee and be exercisable during the Exercise Period. The Company shall not be liable to a Qualifying Employee for the inability of the Qualifying Employee to exercise any option pending implementation of any decision or outcome to determine vesting or termination of options under this Plan.
9. If
 - (a) a Qualifying Employee dies or becomes permanently and totally disabled, and
 - (b) after presentation to the Company's stockholders, the stockholders approve this Plan,then the Qualifying Employee, or the Qualifying Employee's estate, guardian or legal representative shall retain all vested options and, in addition, any options that would have otherwise vested following the date of his or her death or disability shall vest immediately. A Qualifying Employee shall be considered "permanently and totally disabled" if the Qualifying Employee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Qualifying Employee's employer. The existence of a permanent and

total disability shall be evidenced by such medical certification as the Secretary of the Company or his or her designee shall require.

10. If a "Change of Control" of the parent company, YRC Worldwide Inc., occurs prior to the time the options vest, so long as this Plan shall have been approved (whether prior to or after the occurrence of a "Change of Control") by the stockholders of the Company, the options shall accelerate and become fully vested and become an option to receive, upon exercise and payment of the strike price, the same consideration that other stockholders of the Company would receive as result of the Change of Control. For the purposes of this Section, a "Change of Control" shall be deemed to have taken place if:
 - (a) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), purchases or otherwise acquires shares of the Company after the applicable Effective Date of the option that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of the Company;
 - (b) a third person, including a "group" as defined in Section 13(d)(3) of the Exchange Act purchases or otherwise acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) shares of the Company after the applicable Effective Date of the option and as a result thereof becomes the beneficial owner of shares of the Company having 35% or more of the total number of votes that may be cast for election of directors of the Company; or
 - (c) 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 the Company or any successor to the Company during any 12-month period.

For the purposes of this Section 10, "Business Combination" means any transaction that 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 the Company; and "Continuing Director" means a director of the Company who meets the definition of Continuing Director contained in Section 7 of Subparagraph C of Article Seventh of the Certificate of Incorporation of the Company.

11. For the avoidance of doubt, transfers of employment between the Company and a subsidiary, or between subsidiaries, shall not constitute a termination of employment for purposes of the options.
12. For the avoidance of doubt, authorized leaves of absence from the Company shall not constitute a termination of employment for purposes of the options. For purposes of the options, an authorized leave of absence shall be an absence while the Qualifying Employee is on military leave, sick leave, or other bona fide leave of absence so long as

the Qualifying Employee's right to employment with the Company is guaranteed by statute, a contract or Company policy.

13. Subject to Section 7, to the extent Qualifying Employees have taxable income in connection with the grant, vesting or exercise of the options or the delivery of shares of Company common stock, the Company is authorized to withhold from any compensation payable to Qualifying Employees, including shares of common stock that the Company is to deliver to the Qualifying Employees, any taxes required to be withheld by foreign, federal, state, provincial or local law.
14. No rights under the options shall be transferable otherwise than by will, the laws of descent and distribution or pursuant to a qualified domestic relations order ("QDRO"), and, except to the extent otherwise provided herein, the rights and the benefits of the options may be exercised and received, respectively, during the lifetime of the Qualifying Employee only by the Qualifying Employee or by the Qualifying Employee's guardian or legal representative or by an "alternate payee" pursuant to a QDRO.
15. Notwithstanding any other provision of this Plan, the options shall not be effective and exercisable until the Company's shareholders approve the issuance of options and the common stock issuable upon exercise of the options, in each case, pursuant to this Plan. If, after presentation to the Company's shareholders, the Company's shareholders do not approve the issuance of options and the common stock issuable upon exercise of the options, in each case, pursuant to this Plan, the options shall automatically terminate. The Company agrees to file a Registration Statement covering the options and the shares under this Plan no later than 30 days following the date the shareholders of the Company approve this Plan.
16. Under no circumstances will the Company be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any person, whether or not foreseeable and regardless of the forum in which such a claim may be brought, with respect to this Plan or the Company's role as Plan sponsor.
17. Notwithstanding anything else in this Plan, the shares received upon exercise of the options may not be sold, pledged or hypothecated until such time as the Company complies with all regulatory requirements regarding registration of the shares to be issued under the terms of this Plan.
18. The Plan has been designed so that the grant, vesting, exercise and payments of awards hereunder are not subject to the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). To the extent that an award or payment, or the settlement or deferral thereof, is or becomes subject to Section 409A of the Code, except as the Compensation Committee (the "Committee") of the Board of Directors of the Company otherwise determines in writing, the award shall be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the grant, payment, settlement or deferral shall not be subject to any additional taxation applicable under Section 409A of the Code.

19. The Plan described above represents the plan of the Company regarding the union options. The Company shall be this Plan's sponsor and shall administer this Plan. The Company may appoint a Plan administrator for this purpose. The Committee is authorized to amend and modify this Plan for the purposes of administration to address additional details such as (without limitation) the impact of stock splits, stock dividends, recapitalizations or other similar transactions or events and administrative matters. Any such amendments or modifications shall be final and binding on the Qualifying Participants with Compensation Committee approval. However, the Committee described in Paragraph 11 of the MOU must approve any amendments of this Plan, and its decisions shall be final and binding with respect to the Qualifying Employees with respect to these amendments.
20. This Plan shall be governed, construed and administered in accordance with the laws of the State of Delaware without giving effect to the conflict of laws principles.
21. Notwithstanding any other provision of this Plan, this Plan is not a guarantee of employment for any Qualifying Employee, and no person subject to the benefits of this Plan may argue that this Plan impacts any decision regarding the continued employment of the Qualifying Employee.
22. In the event of any conflict or inconsistency between this Plan and the MOU, the provisions of this Plan shall prevail.

UNION EMPLOYEE STOCK APPRECIATION RIGHT PLAN

February 12, 2009

The following describes the Union Employee Stock Appreciation Right Plan (this "Plan") of YRC Worldwide Inc. (the "Company"), which is designed to compensate Qualifying Employees (defined below) for past and current service:

1. The Company will issue stock appreciation rights ("SARs") with respect to the Company's common stock to Qualifying Employees as of the Effective Date(s) as described in Sections 3 and 4. Each SAR shall give a Qualifying Employee the right to receive a cash payment from the Company equal to the difference of the closing price of the Company's common stock on the date of exercise less the exercise price of the SAR on the date of grant. "Qualifying Employees" means U.S. and Canadian union employees of the Company and its subsidiaries (including those employees represented by unions other than the International Brotherhood of Teamsters) who are either employed and working on January 8, 2009 or on seniority boards as of January 8, 2009, even if they are not working; *provided*, that "Qualifying Employees" does not include casual employees. Only union employees who are employed by bargaining units who have ratified the wage reduction described in the Memorandum of Understanding dated November 25, 2008 (the "MOU"), between the International Brotherhood of Teamsters and certain subsidiaries of the Company, can be "Qualifying Employees".
2. The maximum number of SARs granted under this Plan will be 11,394,758.
3. Section 4 of the wage reduction described in the MOU defines the "Effective Date" for each bargaining unit that ratifies the wage reduction in the MOU. For the purposes of Qualifying Employees who are employed by the bargaining units that ratified the MOU as it applies to the 2008-2013 National Master Freight Agreement ("NMFA") or concurrently ratified other union contracts on the same date as the ratification of the MOU as it applies to the NMFA, the "Effective Date" shall be the date upon which the certificate that Section 18 of the MOU requires the Company to deliver is accepted in its final form by the representatives of TNFINC under Section 11 of the MOU.
4. The SARs shall be granted to Qualifying Employees on the applicable Effective Date(s). The number of SARs granted to each Qualifying Employee shall be determined as set forth in Exhibit A. Each Qualifying Employee shall be notified and furnished appropriate documentation as quickly as reasonably possible after the date of the Qualifying Employee's specific grant. The number of SARs to all Qualifying Employees and any potential Qualifying Employees from bargaining units that have not yet ratified the MOU may not exceed the maximum number of SARs defined in Section 2. 57,000 SARs may be withheld from allocation to specific employees to cure any administrative errors in distributing the grants. If the shareholders of the Company shall have rejected the Stock Option Plan, any SARs that are not granted by December 31, 2009 shall be reallocated and granted on the first trading day of 2010 as determined in Exhibit A. Only whole numbers of SARs may be granted. If, after the final grant on the first trading day in 2010

there remain any SARs that could not be granted because they would result in partial SARs, those SARs shall be forfeited and cancelled.

5. Each SAR will have an exercise price equal to the closing price of the Company's common stock trading on The NASDAQ Stock Market on the applicable Effective Date (or the first trading day of 2010 for SARs not granted by December 31, 2009), or if the applicable Effective Date is not on a trading day, on the first trading day following the applicable Effective Date.
6. The SARs shall vest in full on the first anniversary of the applicable Effective Date of the SAR. Once vested, the SARs shall become exercisable and remain exercisable for 10 years following the applicable Effective Date of the SAR (the "Exercise Period"), at which time they shall terminate.
7. The SARs shall provide for a net exercise for paying each Qualifying Employee's withholding taxes at applicable statutory rates.
8. If a Qualifying Employee terminates employment for any reason of other than death or disability, the Qualifying Employee shall retain all vested SARs and, in addition, any SARs that would have otherwise vested following the date of his or her termination of employment shall vest according to normal vesting schedule in the SAR. For the avoidance of doubt, if a Qualifying Employee is terminated for any reason other than death or disability prior to the first anniversary of the Effective Date, the SARs shall vest on such first anniversary of the Effective Date. All vested SARs shall remain the property of the Qualifying Employee and be exercisable during the Exercise Period. The Company shall not be liable to a Qualifying Employee for the inability of the Qualifying Employee to exercise any SAR pending implementation of any decision or outcome to determine vesting or termination of SARs under this Plan.
9. If
 - (a) a Qualifying Employee dies or becomes permanently and totally disabled, and
 - (b) after presentation to the Company's stockholders, the stockholders reject the Union Employee Stock Option Plan of the Company dated as of even date herewith (the "Stock Option Plan"),

then the Qualifying Employee, or the Qualifying Employee's estate, guardian or legal representative shall retain all vested SARs and, in addition, any SARs that would have otherwise vested following the date of his or her death or disability shall vest immediately. A Qualifying Employee shall be considered "permanently and totally disabled" if the Qualifying Employee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering

employees of the Qualifying Employee's employer. The existence of a permanent and total disability shall be evidenced by such medical certification as the Secretary of the Company or his or her designee shall require.

10. If a "Change of Control" of the parent company, YRC Worldwide Inc., occurs on or after the date the shareholders of the Company shall have rejected the Stock Option Plan, the SARs shall accelerate and become fully vested and become the right to receive in cash the value (as determined in good faith by the Compensation Committee (the "Committee") of the Board of Directors of the Company) of the consideration per share that shareholders of the Company would receive as result of the Change of Control less the exercise price per share of the SARs. For the purposes of this Section, a "Change of Control" shall be deemed to have taken place if:
 - (a) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), purchases or otherwise acquires shares of the Company after the applicable Effective Date of the SAR that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of the Company;
 - (b) a third person, including a "group" as defined in Section 13(d)(3) of the Exchange Act purchases or otherwise acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) shares of the Company after the applicable Effective Date of the SAR and as a result thereof becomes the beneficial owner of shares of the Company having 35% or more of the total number of votes that may be cast for election of directors of the Company; or
 - (c) 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 the Company or any successor to the Company during any 12-month period.

For the purposes of this Section 10, "Business Combination" means any transaction that 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 the Company; and "Continuing Director" means a director of the Company who meets the definition of Continuing Director contained in Section 7 of Subparagraph C of Article Seventh of the Certificate of Incorporation of the Company.

11. For the avoidance of doubt, transfers of employment between the Company and a subsidiary, or between subsidiaries, shall not constitute a termination of employment for purposes of the SARs.
12. For the avoidance of doubt, authorized leaves of absence from the Company shall not constitute a termination of employment for purposes of the SARs. For purposes of the

SARs, an authorized leave of absence shall be an absence while the Qualifying Employee is on military leave, sick leave, or other bona fide leave of absence so long as the Qualifying Employee's right to employment with the Company is guaranteed by statute, a contract or Company policy.

13. Subject to Section 7, to the extent Qualifying Employees have taxable income in connection with the grant, vesting or exercise of the SARs, the Company is authorized to withhold from any compensation payable to Qualifying Employees, any taxes required to be withheld by foreign, federal, state, provincial or local law.
14. No rights under the SARs shall be transferable otherwise than by will, the laws of descent and distribution or pursuant to a qualified domestic relations order ("QDRO"), and, except to the extent otherwise provided herein, the rights and the benefits of the SARs may be exercised and received, respectively, during the lifetime of the Qualifying Employee only by the Qualifying Employee or by the Qualifying Employee's guardian or legal representative or by an "alternate payee" pursuant to a QDRO.
15. Notwithstanding any other provision of this Plan, the SARs shall not be effective and exercisable until the Company's shareholders reject the issuance of options and the common stock issuable upon exercise of the options, in each case, pursuant to the Stock Option Plan. If, after presentation to the Company's shareholders, the Company's shareholders approve the issuance of options and the common stock issuable upon exercise of the options, in each case, pursuant to the Stock Option Plan, the SARs shall automatically terminate.
16. Under no circumstances will the Company be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any person, whether or not foreseeable and regardless of the forum in which such a claim may be brought, with respect to this Plan or the Company's role as Plan sponsor.
17. Notwithstanding anything else in this Plan, the SARs may not be sold, pledged or hypothecated.
18. The Plan has been designed so that the grant, vesting, exercise and payments of awards hereunder are not subject to the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). To the extent that an award or payment, or the settlement or deferral thereof, is or becomes subject to Section 409A of the Code, except as the Compensation Committee (the "Committee") of the Board of Directors of the Company otherwise determines in writing, the award shall be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the grant, payment, settlement or deferral shall not be subject to any additional taxation applicable under Section 409A of the Code.
19. The Plan described above represents the plan of the Company regarding the union SARs. The Company shall be this Plan's sponsor and shall administer this Plan. The Company may appoint a plan administrator for this purpose. The Committee is authorized to

amend and modify this Plan for the purposes of administration to address additional details such as (without limitation) the impact of stock splits, stock dividends, recapitalizations or other similar transactions or events and administrative matters. Any such amendments or modifications shall be final and binding on the Qualifying Participants with Compensation Committee approval. However, the Committee described in Paragraph 11 of the MOU must approve any substantive amendments of this Plan, and its decisions shall be final and binding with respect to the Qualifying Employees with respect to these amendments.

20. This Plan shall be governed, construed and administered in accordance with the laws of the State of Delaware without giving effect to the conflict of laws principles.
21. Notwithstanding any other provision of this Plan, this Plan is not a guarantee of employment for any Qualifying Employee, and no person subject to the benefits of this Plan may argue that this Plan impacts any decision regarding the continued employment of the Qualifying Employee.
22. In the event of any conflict or inconsistency between this Plan and the MOU, the provisions of this Plan shall prevail.

Subsidiaries of YRC Worldwide Inc.
at December 31, 2008

<u>Name</u>	<u>Percentage Ownership</u>	<u>Jurisdiction of Incorporation or Formation</u>
Express Lane Service, Inc.	100%	Delaware
JHJ International Transportation Co., Ltd.	50% ¹	China
OPK Insurance Co. Ltd.	100%	Bermuda
Reimer Finance LP	1% ²	New Brunswick
Roadway LLC	100%	Delaware
Roadway Next Day Corporation	100%	Pennsylvania
New Penn Motor Express, Inc.	100%	Pennsylvania
YRC Inc.	100%	Delaware
Reimer Express Lines Ltd.	100%	Canada
Reimer Express Driver Training Institute Inc.	100%	Canada
Reimer Finance LP	99% ²	New Brunswick
Roadway Express International, Inc.	100%	Delaware
Transcontinental Lease, S. de R.L. de C.V.	.01% ³	Mexico
Roadway Express, S.A. de C.V.	99.99% ⁴	Mexico
Roadway Reverse Logistics, Inc.	100%	Ohio
Transcontinental Lease, S. de R.L. de C.V.	99.99% ³	Mexico
Roadway Express, S.A. de C.V.	.01% ⁴	Mexico
Yellow Transportation of British Columbia Inc.	100%	British Columbia
Yellow Transportation of Ontario Inc.	100%	Ontario
YRC Transportation, S.A. de C.V.	41.1% ⁵	Mexico
YRC Transportation, S.A. de C.V.	58.9% ⁵	Mexico
YRC Services S. de R.L. de C.V.	100%	Mexico
Yellow Roadway Receivables Funding Corporation	100%	Delaware
YRC Association Solutions, Inc.	100%	Delaware
YRC Assurance Co. Ltd.	100%	Bermuda
YRC Enterprise Solutions Group Inc.	100%	Delaware
YRC International Investments, Inc.	100%	Delaware
YGPS (EU) Limited	100%	United Kingdom
YRC Logistics Limited	100%	United Kingdom
YRC Logistics B.V.	100%	Netherlands
YRC Logistics Inc. S.R.L.	99% ⁶	Peru
YRC Logistics Inc. S.R.L.	90% ⁷	Argentina
YRC Logistics Inc. Ltda.	99% ⁸	Colombia
YRC Logistics Inc. Limitada	99% ⁹	Chile
YRC Worldwide Pte. Ltd.	100%	Singapore
YRC Logistics Asia Limited	100%	Hong Kong
Shanghai Jiayu Logistics Co., Ltd.	65% ¹⁰	China
GPS Worldwide Malaysia Sdn Bhd	100%	Malaysia
PT Meridian IQ Indonesia International	100%	Indonesia
Meridian IQ Jin Jiang Logistics Co., Ltd.	75% ¹¹	China
YRC Logistics (Thailand) Co. Ltd.	100%	Thailand
YRC Logistics China (Hong Kong) Limited	100%	Hong Kong
YRC Logistics Hong Kong Limited	100%	Hong Kong
YRC Logistics India Private Limited	100%	India
YRC Logistics Japan Limited	100%	Japan
YRC Logistics Korea Limited	100%	Korea
YRC Logistics Malaysia Sdn Bhd	100%	Malaysia
YRC Logistics Philippines Inc.	100%	Philippines
YRC Logistics Singapore Pte. Ltd.	100%	Singapore
YRC Logistics Taiwan Limited	100%	Taiwan
YRC Logistics Vietnam Limited	100%	British Virgin Islands

<u>Name</u>	<u>Percentage Ownership</u>	<u>Jurisdiction of Incorporation or Formation</u>
YRC Mortgages, LLC	100%	Delaware
YRC North American Transportation, Inc.	100%	Delaware
YRC Regional Transportation, Inc.	100%	Delaware
IMUA Handling Corporation	100%	Hawaii
USF Bestway Inc.	100%	Arizona
USF Canada Inc.	100%	Delaware
USF Dugan Inc.	100%	Kansas
USF Glen Moore Inc.	100%	Pennsylvania
USF Holland Inc.	100%	Michigan
USF Holland International Sales Inc.	100%	Nova Scotia
USF Mexico Inc.	100%	Delaware
USF Reddaway Inc.	100%	Oregon
USF RedStar LLC	100%	Delaware
USF Sales Corporation	100%	Delaware
USF Technology Services Inc.	100%	Illinois
USFreightways Corporation	100%	Delaware
YRC Logistics Services, Inc.	100%	Illinois
YRC Logistics Inc.	100%	Ontario
YRC Logistics Services Inc.	100%	Quebec
YRC Logistics, S. de R.L. de C.V.	99.97% ¹²	Mexico
Meridian IQ Leasing, S. de R.L. de C.V.	99.97% ¹³	Mexico
Meridian IQ Servicios, S. de R.L. de C.V.	99.97% ¹⁴	Mexico
YRC Logistics Supply Chain Solutions Inc.	100%	Ontario
USF Logistics (Mexico) Inc.	100%	Delaware
YRC Logistics, S. de R.L. de C.V.	.03% ¹²	Mexico
Meridian IQ Leasing, S. de R.L. de C.V.	.03% ¹³	Mexico
Meridian IQ Servicios, S. de R.L. de C.V.	.03% ¹⁴	Mexico
USF Logistics Services (Puerto Rico) Inc.	100%	Delaware
YRC Worldwide Technologies, Inc.	100%	Delaware
YRC Logistics, Inc.	100%	Delaware
YRC Logistics Global, LLC	100%	Delaware
Globe.com Lines, Inc.	100%	Delaware
YRC Logistics Inc. S.R.L.	1% ⁶	Peru
YRC Logistics Inc. S.R.L.	10% ⁷	Argentina
YRC Logistics Inc. Ltda.	1% ⁸	Colombia
YRC Logistics Inc. Limitada	1% ⁹	Chile

1 JHJ International Transportation Co., Ltd. is owned 50% by YRC Worldwide Inc. and 50% by a third party.

2 Reimer Finance LP is owned 99% by YRC Inc. and 1% by YRC Worldwide Inc.

3 Transcontinental Lease, S. de R.L. de C.V. is owned 99.99% by YRC Inc. and .01% by Roadway Express International, Inc.

4 Roadway Express, S.A. de C.V. is owned 99.99% by YRC Inc. and .01% by Transcontinental Lease, S. de R.L. de C.V.

5 YRC Transportation, S.A. de C.V. is owned 58.9 % by YRC Inc. and 41.1% by Yellow Transportation of Ontario, Inc.

6 YRC Logistics Inc. S.R.L. is owned 99% by YRC International Investments, Inc. and 1% by YRC Logistics, Inc.

7 YRC Logistics Inc. S.R.L. is owned 90% by YRC International Investments, Inc. and 10% by YRC Logistics, Inc.

8 YRC Logistics Inc. Ltda. is owned 99% by YRC International Investments, Inc. and 1% by YRC Logistics, Inc.

9 YRC Logistics Inc. Limitada is owned 99% by YRC International Investments, Inc. and 1% by YRC Logistics, Inc.

10 Shanghai Jiayu Logistics Co., Ltd. is owned 65% by YRC Logistics Asia Limited and 35% by a third party.

11 Meridian IQ Jin Jiang Logistics Co., Ltd. is owned 75% by YRC Logistics Asia Limited and 25% by a third party.

12 YRC Logistics, S. de R.L. de C.V. is owned 99.97% by YRC Logistics Services, Inc. and .03% by USF Logistics (Mexico) Inc.

13 Meridian IQ Leasing, S. de R.L. de C.V. is owned 99.97% by YRC Logistics, S. de R.L. de C.V. and .03% by USF Logistics (Mexico) Inc.

14 Meridian IQ Servicios, S. de R.L. de C.V. is owned 99.97% by YRC Logistics, S. de R.L. de C.V. and .03% by USF Logistics (Mexico) Inc.

Consent of Independent Registered Public Accounting Firm

The Board of Directors
YRC Worldwide Inc.:

We consent to the incorporation by reference in the registration statements (Nos. 333-108081 and 333-123760) on Form S-4 and (Nos. 333-16697, 333-59255, 333-49620, 333-88268, 333-121370, 333-121470, 333-124847, 333-139691, 333-144958, and 333-150941) on Form S-8 of YRC Worldwide Inc. of our reports dated March 2, 2009, with respect to the consolidated balance sheets of YRC Worldwide Inc. and subsidiaries as of December 31, 2008 and 2007 and the related consolidated statements of operations, cash flows, shareholders' equity and comprehensive income (loss) for each of the years in the three-year period ended December 31, 2008, and the related financial statement schedule, and the effectiveness of internal control over financial reporting as of December 31, 2008, which reports appear in this annual report on Form 10-K of YRC Worldwide Inc. for the fiscal year ended December 31, 2008.

The audit report on the consolidated financial statements of YRC Worldwide Inc. and subsidiaries referred to above contains an explanatory paragraph stating that, as discussed in Note 9 to the consolidated financial statements, on January 1, 2007 the Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*.

/s/ KPMG LLP

Kansas City, Missouri
March 2, 2009

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULES 13A-14 AND 15D-14,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William D. Zollars, certify that:

- (1) I have reviewed this report on Form 10-K of YRC Worldwide Inc.;
- (2) Based on my knowledge, this 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 report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2009

/s/ William D. Zollars

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

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULES 13A-14 AND 15D-14,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Timothy A. Wicks, certify that:

- (1) I have reviewed this report on Form 10-K of YRC Worldwide Inc.;
- (2) Based on my knowledge, this 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 report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2009

/s/ Timothy A. Wicks

Timothy A. Wicks
Executive Vice President
& Chief Financial 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 annual report of YRC Worldwide Inc. on Form 10-K for the year ended December 31, 2008, as filed with the Securities and Exchange Commission of the date hereof (the "Report"), I, William D. Zollars, Chief Executive Officer of YRC Worldwide Inc., 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 YRC Worldwide Inc.

Date: March 2, 2009

/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 annual report of YRC Worldwide Inc. on Form 10-K for the period ended December 31, 2008, as filed with the Securities and Exchange Commission of the date hereof (the "Report"), I, Timothy A. Wicks, Chief Financial Officer of YRC Worldwide Inc., 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 YRC Worldwide Inc.

Date: March 2, 2009

/s/ Timothy A. Wicks

Timothy A. Wicks
Executive Vice President
& Chief Financial Officer