

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

[] Preliminary Proxy Statement [] Confidential, for Use of the
Commission Only (as permitted by
Rule 14a-6(e)(2))

[X] Definitive Proxy Statement

[] Definitive Additional Materials

[] Soliciting Material Pursuant to sec.240.14a-11(c) or sec.240.14a-12

Yellow Corporation

(Name of Registrant As Specified In Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

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(1) Title of each class of securities to which transaction applies:

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the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

YELLOW CORPORATION LOGO

YELLOW CORPORATION
10990 Roe Avenue
Overland Park, Kansas 66207

NOTICE OF ANNUAL MEETING AND PROXY STATEMENTNOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD APRIL 16, 1998

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Yellow Corporation (the "Company") will be held at the Kansas City Downtown Marriott Hotel, 200 W. 12th Street, Kansas City, Missouri, on April 16, 1998 at 9:30 a.m., Central Daylight Time, to consider the following matters:

- I. The election of nine directors;
- II. The approval of the adoption of the 1997 Stock Option Plan;
- III. the approval of the appointment of Arthur Andersen LLP as independent public accountants of the Company for 1998; and
- IV. the transaction of such other business as may properly come before such meeting or any adjournment thereof.

Information regarding the matters to be acted upon at the Annual Meeting is contained in the accompanying Proxy Statement.

The close of business on February 16, 1998 has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

WHETHER YOU EXPECT TO ATTEND THE MEETING OR NOT, PLEASE COMPLETE, SIGN AND RETURN THE ACCOMPANYING PROXY SO THAT YOUR SHARES WILL BE REPRESENTED AT THE MEETING. Return it as promptly as possible in the enclosed envelope. No postage is required if mailed in the United States.

If you attend the meeting in person, you may revoke your proxy and cast your vote in person. If you receive more than one proxy because your shares are held in various names or accounts, each proxy should be completed and returned.

By Order of the Board of Directors:

William F. Martin, Jr.

Overland Park, Kansas
March 6, 1998

WILLIAM F. MARTIN, JR., Secretary

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS

YELLOW CORPORATION
10990 Roe Avenue
Overland Park, Kansas 66207

INTRODUCTION

This statement is furnished in connection with the solicitation by the Board of Directors of Yellow Corporation (the "Company"), a Delaware corporation, of proxies for use at the 1998 Annual Meeting of Stockholders of the Company, to be held at the Kansas City Downtown Marriott Hotel, 200 W. 12th Street, Kansas City, Missouri (the Company's telephone is 913/696-6100; mailing address 10990 Roe Avenue, Overland Park, Kansas 66211), at 9:30 a.m., Central Daylight Time, on April 16, 1998, and at any and all adjournments thereof. The Company's Annual Report (including audited financial statements) for the year ended December 31, 1997 accompanies this Proxy Statement, Notice of Annual Meeting of Stockholders and form of proxy, which will be mailed to stockholders on or about March 6, 1998. The Annual Report is not part of this proxy soliciting material except to the extent specifically incorporated herein by reference. A copy of the Company's annual report to the Securities and Exchange Commission on Form 10-K and the quarterly reports on Form 10-Q may be obtained without charge by writing the Treasurer of the Company at the above mailing address.

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING OF THE COMPANY

At the annual meeting, the Company's stockholders will consider and vote upon (1) the election of nine directors; (2) the approval of the adoption of the 1997 Stock Option Plan; and (3) the approval of the appointment of Arthur Andersen LLP as independent public accountants of the Company for 1998.

VOTING AND PROXIES

RECORD DATE; VOTING RIGHTS

Stockholders of record as of the close of business on February 16, 1998 will be entitled to notice of and to vote at the Annual Meeting of Stockholders of the Company or any adjournment thereof. On such date the Company had outstanding 28,031,285 shares of common stock, par value \$1.00 per share ("Common Stock"), which constitute the Company's only outstanding voting securities. Each share of Common Stock has one vote. Unless marked to the contrary, proxies received will be voted (1) for the election to the Board of all nominees to the Board of Directors; (2) for the adoption of the 1997 Stock Option Plan; (3) for the approval of the appointment of Arthur Andersen LLP as independent public accountants of the Company for 1998; and (4) in the discretion of the Proxy Committee on such other business as may properly come before the meeting.

A stockholder who has given a proxy may revoke it at any time prior to its exercise at the meeting by filing with the Secretary of the Company an instrument revoking it or a duly executed proxy bearing a later date, or by attending the meeting and voting. Attendance at the meeting does not by itself constitute revocation of the proxy. Approval the 1997 Stock Option Plan requires the affirmative vote of a majority of the outstanding shares as of the record date. The election of directors shall be determined by a plurality of the votes cast. Determination of the appointment of Arthur Andersen LLP as independent public accountants shall be by a majority of the votes cast.

Proxies marked as abstaining (including proxies containing broker non-votes) on any matter to be acted upon by stockholders will be treated as present at the meeting for purposes of determining a quorum but will not be counted as votes cast.

SOLICITATION OF PROXIES

The cost of the solicitation will be borne by the Company. In addition to the use of the mails, proxies may be solicited by the directors, officers and employees of the Company without additional compensation, by personal interview, telephone, telegram or otherwise. Arrangements may also be made with brokerage firms and other custodians, nominees and fiduciaries for the forwarding of soliciting material to the beneficial owners of common stock held of record by such persons. The Company will reimburse such respective brokers, custodians, nominees and fiduciaries for the reasonable out-of-pocket expenses incurred by them in connection therewith.

SUBMISSION OF PROPOSALS BY STOCKHOLDERS

Stockholders' proposals intended to be presented at the 1999 annual meeting must be received by November 13, 1998 to be eligible for inclusion in the proxy materials.

PRINCIPAL STOCKHOLDERS

As of January 31, 1998, the persons known to the Company to be beneficial owners of more than five percent of the Company's outstanding shares of Common Stock, the number of shares beneficially owned by them and by all executive officers and directors as a group, and the percent of such shares so owned were:

NAME AND ADDRESS OF BENEFICIAL OWNER -----	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP -----	PERCENT OF CLASS -----
Mellon Bank Corporation..... One Mellon Bank Center Pittsburgh, PA 15258	2,795,901(1)	9.97%
FMR Corp..... 82 Devonshire Street Boston, MA 02109	2,664,400(2)	9.5%
All executive officers and directors as a group (12 persons).....	233,742(3)	0.08%

(1) According to information provided to the Company, Mellon Bank Corporation had, through certain of its subsidiaries, the following voting and investment powers with respect to such shares: (a) sole voting power, 2,357,051 shares; (b) shared voting power, 24,400 shares; (c) sole investment power, 2,595,201 shares; and (d) shared investment power, 198,500 shares.

(2) According to information provided to the Company, FMR Corp. had, through certain of its subsidiaries, the following voting and investment powers with respect to such shares: (a) sole voting power, 53,400 shares; (b) shared voting power, 0 shares; (c) sole investment power, 2,664,400 shares; and (d) shared investment power, 0 shares.

(3) Executive officers and directors stock ownership includes: 1,292 shares held in employee stock plans; 185,000 shares which officers have the right to acquire within 60 days of such date through the exercise of stock options pursuant to the Company's 1992 Stock Option Plan; 17,425 shares which officers have the right to acquire within 60 days of such date through the exercise of stock options pursuant to the Company's 1996 Stock Option Plan; 15,500 shares which directors have the right to acquire within 60 days of such date through the exercise of stock options pursuant to the Company's Director Stock Compensation Plan; and 200 shares owned by a relative of a director as to which such director disclaims beneficial ownership.

I. ELECTION OF DIRECTORS

At the meeting, nine directors are to be elected to hold office until the 1999 Annual Meeting and until their successors are elected and have qualified. If any nominee should be unable to stand for election as a director, it is intended that the shares represented by proxies will be voted for the election of such substitute as management may nominate.

The following table sets forth information with respect to each nominee for election as a director of the Company. No nominee has any family relationship with any other director or executive officer of the Company.

NAME; PAST SERVICE -----	PRINCIPAL OCCUPATION; DIRECTORSHIPS; AGE -----	SHARES OF STOCK OWNED BENEFICIALLY, DIRECTLY OR INDIRECTLY AS OF JANUARY 31, 1998(1)(2) -----
NOMINEES FOR ELECTION AS DIRECTORS		
Klaus E. Agthe..... Director since 1984	Formerly director and North American Liaison for the VIAG Group, Munich, Germany (an international holding company); 67	4,545
Cassandra C. Carr..... Director since 1997	Senior Executive Vice President, Human Resources SBC Communications, Inc., San Antonio, Texas (Telecommunications) (Since 1994). Formerly President, Texas Division (1993-1994); 53	2,587
Howard M. Dean..... Director since 1987	Chairman and Chief Executive Officer (formerly President and Chief Executive Officer) of Dean Foods Company, Franklin Park, IL (processor and distributor of food products); Director of Nalco Chemical Company and Ball Corporation; 60	4,045
David H. Hughes..... Director since 1973	Formerly Director (Vice Chairman 1986-1990), President and Chief Operating Officer of Hallmark Cards, Inc., Kansas City, MO (greeting cards); Director of Western Resources, Inc.; 69	3,545

NAME; PAST SERVICE -----	PRINCIPAL OCCUPATION; DIRECTORSHIPS; AGE -----	SHARES OF STOCK OWNED BENEFICIALLY, DIRECTLY OR INDIRECTLY AS OF JANUARY 31, 1998(1)(2) -----
Ronald T. LeMay..... Director since 1994	Vice Chairman, President and Chief Operating Officer of Sprint Corporation, Kansas City, Missouri (Telecommunications) (since October 1997). Formerly Chief Executive Officer of Waste Management, Inc. (July 1997 -- October 1997); Director, President and Chief Operating Officer of Sprint Corporation, Kansas City, MO (1996-1997), Chief Executive Officer of the Sprint Telecommunications Venture (1995 -- 1996); Vice Chairman of Sprint Corporation (March 1995-February 1996); Director, President, and Chief Operating Officer, Long Distance Division, Sprint Corporation (October 1989 -- March 1995); Director of Imation Corporation and Ceridian Corporation; 52	3,545
John C. McKelvey..... Director since 1977	President and Chief Executive Officer of Midwest Research Institute, Kansas City, MO (scientific and technical research); 64	3,935
A. Maurice Myers..... Director since 1996	Chairman of the Company (since July, 1996). President and Chief Executive Officer of the Company (since April, 1996). Formerly President and Chief Operating Officer America West Airlines, Inc., Phoenix, AZ (Jan. 1994 -- Dec. 1995); President and Chief Executive Officer of Aloha Air Group, Inc., Honolulu, HI (Aug. 1983 -- Dec. 1993); Director of Hawaiian Electric Industries, Inc.; 57	185,000
William L. Trubeck..... Director since 1994	Senior Vice President-Finance and Chief Financial Officer, International MultiFoods, Inc., Minneapolis, MN (food distribution and production) (since February, 1997). Formerly Senior Vice President-Finance and Chief Financial Officer of SPX Corporation, Muskegon, MI (November 1994 -- October 1996); Senior Vice President and Chief Financial Officer of Honeywell, Inc., Minneapolis, MN (April 1993 -- October 1994); Chief Financial Officer, White & Case, New York, NY (1991-1993); 51	3,845
Carl W. Vogt..... Director since 1996	Senior Partner, Fulbright & Jaworski, L.L.P., Washington, DC (since 1994). Formerly Chairman, National Transportation Safety Board, Washington, DC (1992-1994); Managing Partner, Fulbright & Jaworski, L.L.P., Washington, DC (prior to 1994); 61	2,587

(1) These figures include shares beneficially owned by certain members of the families of the following directors or nominees for director, as to which shares the director or nominee disclaims beneficial ownership:

Mr. McKelvey, 200 shares. The figures also include 185,000 shares that Mr. Myers has a right to acquire within 60 days pursuant to the Company's 1992 Stock Option Plan; 1,500 shares which Mr. McKelvey has a right to acquire within sixty days pursuant to the stock option feature of the Company's Director Stock Compensation Plan; and 2,000 shares which Mrs. Carr and Messrs. Agthe, Dean, Hughes, LeMay, Trubeck and Vogt have a right to acquire within 60 days pursuant to the stock option feature of the Director Stock Compensation Plan.

(2) The percentage of the Company's outstanding stock owned by each nominee for director is less than one percent.

STRUCTURE AND FUNCTIONING OF THE BOARD OF DIRECTORS

The Board of Directors held five regularly scheduled meetings during 1997.

Audit Committee. The Audit Committee met three times during 1997. The Audit Committee consisted of William L. Trubeck, David H. Hughes, Howard M. Dean and Carl W. Vogt. The Committee's functions include consulting with the Company's independent public accountants concerning the scope and results of the audit, reviewing the evaluation of internal accounting controls and inquiring into special accounting-related matters.

Compensation Committee. The Compensation Committee met four times during 1997. The Compensation Committee consisted of Klaus E. Agthe, Cassandra C. Carr, Ronald T. LeMay and John C. McKelvey. The Committee's functions include making recommendations to the Board of Directors regarding compensation of officers and approving compensation strategies for executive officers; reviewing actions relating to officer compensation; and setting policy for the Company's pension and profit sharing plans.

Nominating Committee. The Nominating Committee consisted of the Chairman of the Board and the Chairmen of the Audit and Compensation committees. It met once during 1997. The Committee's functions include considering nominees for the Board of Directors and submitting to the whole Board for its consideration nominees approved by the Committee.

At the December, 1997 Board meeting, the Board decided to eliminate the Nominating Committee, effective with the first Board meeting in 1998, to be replaced by a Corporate Governance Committee. This Committee, which will include only outside directors, will have the following duties: (a) the organization, structure and responsibility of the Board and its Committees; (b) evaluation of the effectiveness of the Board and each Committee in the Company's corporate governance process; (c) review of the qualifications of prospective directors and the nomination of director candidates; (d) review of the appropriate level of outside directors' fees and retainers; and (e) determination of the appropriate ratio of inside and outside directors.

DIRECTORS' COMPENSATION

Directors who are not full time employees of the Company are paid an annual retainer for Board service of \$23,000; an annual retainer for Committee service of \$1,200 for each Committee on which a Director serves; an attendance fee of \$1,300 for each Board meeting and \$1,100 for each Committee meeting attended; and are reimbursed or made whole for all costs or expenses of any kind incurred by them relating to Board or Committee meetings. Committee chairmen receive an attendance fee of \$2,100 for each committee meeting attended. Directors may elect to defer receipt of the retainer and attendance fees. Pursuant to the terms of the Directors Stock Compensation Plan, a minimum of 50% of the Board and Committee retainers are to be paid in the form of Company common stock, with the stock award determined annually on the date of the Company's Annual Meeting of Stockholders based on the closing price of the Company's common stock on that date and the then-applicable level of Board and Committee retainers. The directors annually have the option of taking up to 100% of the Board and Committee retainers in Company common stock rather than cash. Also pursuant to the Directors Stock Compensation Plan, commencing on April 24, 1997 and annually on the first business day of each calendar year thereafter, the Directors receive option grants of 2,000 shares of the Company's common stock, with the options vesting after six months and exercisable for five years. A total

of 100,000 shares are reserved for award under the Directors Stock Compensation Plan. Directors who are full time employees of the Company are not paid any retainer or attendance fees for services as members of the Board or any Committee thereof.

During 1997, no incumbent Director attended fewer than 75% of the aggregate of the total number of meetings of the Board held during the period he was a Director and of Committees of the Board on which he served during the period that he was a Director.

EXECUTIVE COMPENSATION

There is shown below information concerning the annual and long-term compensation for services in all capacities to the Company for the fiscal years ended December 31, 1997, 1996 and 1995 of those persons who were, at December 31, 1997, the executive officers of the Company.

SUMMARY COMPENSATION TABLE

(A) NAME AND PRINCIPAL POSITION	ANNUAL COMPENSATION				LONG-TERM COMPENSATION				
	(B) YEAR	(C) SALARY (\$)	(D) BONUS (\$)	(E) (1) OTHER ANNUAL COMP. (\$)	AWARDS		PAYOUTS		(I) (2) ALL OTHER COMP. (\$)
					(F) RESTRICTED STOCK AWARDS(S) (\$)	(G) OPTIONS/ SARS (#)	(H) LTIP PAYOUTS (\$)		
A. M. Myers President and Chief Executive Officer, Yellow Corporation	1997	\$550,000	\$369,150	\$75,441	0	170,000/0	0	0	0
	1996	\$412,722	\$ 96,249		0	400,000/0	0	0	0
	1995	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Herbert A. Trucksess, III Senior Vice President of Finance and Treasurer, Yellow Corporation	1997	\$220,997	\$115,260		0	50,000/0	0	0	0
	1996	\$204,996	\$ 25,625		0	75,000/0	0	0	\$ 944
	1995	\$200,688	0		0	0/0	0	0	\$3,323
William F. Martin, Jr. Senior Vice President & Secretary, Yellow Corporation	1997	\$191,580	\$ 94,832		0	25,000/0	0	0	0
	1996	\$186,000	\$ 23,250		0	75,000/0	0	0	\$ 944
	1995	\$181,331	0		0	0/0	0	0	\$5,361
Samuel A. Woodward Senior Vice President, Operations & Planning, Yellow Corporation	1997	\$209,100	\$103,502		0	25,000/0	0	0	0
	1996	\$ 93,289	\$ 23,429		0	75,000/0	0	0	0
	1995	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Mr. Myers' other annual compensation includes \$32,821 for reimbursement of club initiation fees. While the other three named executive officers receive certain perquisites from the Company, such perquisites do not reach the threshold for reporting of \$50,000 or ten percent of salary and bonus set forth in the applicable rule of the Securities and Exchange Commission.

(2) The compensation reported for 1995 and 1996 includes (a) shares allocated to the accounts of certain of the named executive officers under the Company's Stock Sharing Plan and (b) with respect to Mr. Trucksess and Mr. Martin, the cash replacement of the stock sharing contributions to which the named executives would have been entitled before application of legislative limitations.

OPTIONS AND STOCK APPRECIATION RIGHTS

The following tables summarize the option exercises by the executive officers named in the Summary Compensation Table above during 1997; the year-end value of their options; and the option grants to said executive officers during 1997.

OPTION AND SAR EXERCISES AND YEAR END VALUE TABLE (1)

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)	NUMBER OF UNEXERCISED OPTIONS AT FY-END (#) EXERCISABLE/ UNEXERCISABLE	NUMBER OF UNEXERCISED SARS AT FY-END (#) EXERCISABLE/ UNEXERCISABLE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FY-END (\$) EXERCISABLE/ UNEXERCISABLE	VALUE OF UNEXERCISED IN-THE-MONEY SARS AT FY-END (#) EXERCISABLE/ UNEXERCISABLE
A. M. Myers	200,000	\$3,075,000	0/370,000	0	0/\$4,102,500	0
H. A. Trucksess III	6,000	\$ 102,375	12,750/106,250	0	\$164,156/\$777,969	0
W. F. Martin, Jr.	18,750	\$ 296,297	0/81,250	0	0/\$751,094	0
S. A. Woodward	14,750	\$ 212,014	4,675/81,250	0	\$60,190/\$751,094	0

(1) The value of the Company's common stock on 12/31/97 was \$25.125.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS/SAR'S GRANTED (#)	PERCENT OF TOTAL(1) OPTIONS/SAR'S GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE (\$/SHARE)	EXPIRATION DATE	POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM	
					5%	10%
A. M. Myers	170,000	12.40%	\$16.875	3/20/07	\$1,804,210	\$4,572,150
H. A. Trucksess III	50,000	3.60%	\$24.050	7/15/07	\$ 756,000	\$1,916,500
W. F. Martin, Jr.	25,000	1.80%	\$24.050	7/15/07	\$ 378,000	\$ 958,250
S. A. Woodward	25,000	1.80%	\$24.050	7/15/07	\$ 378,000	\$ 958,250

(1) Includes grants to employees of certain of the Company's subsidiaries.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The compensation program for the Company's executive officers was established to allow the organization to attract and retain the caliber of executive whose leadership skills will enable the Company and its subsidiaries to effectively compete in their market segments. Additionally, the programs are intended to act as an incentive for the executives to attain the highest level of organizational performance and profitability by rewarding the executive for increasing levels of profit and stockholder value.

In conformance with the above compensation philosophy, the total annual compensation for all executive officers of the Company is determined by three elements, namely, (1) salary; (2) a potential annual incentive compensation award or bonus; and (3) participation in the Company's stock option plan.

Salary for the Company's executive officers is determined by analysis of three factors: (1) salary levels at service industries with gross revenues comparable to the Company, based upon survey data produced by Towers Perrin, a nationally-recognized executive compensation consulting firm; (2) evaluation of the individual executive officer's performance; and (3) the Company's ability to pay. The three factors are considered collectively but not pursuant to a precise formula. The Company's ability to pay is a threshold consideration. Individual executive performance is evaluated by reference to specific performance targets or goals that are established each year for each executive. While the Company has targeted the median of the range established by the survey group of service industries with gross revenues comparable to the Company, the actual 1997 base salaries of executive officers are generally below the median.

In July of 1996, an annual incentive compensation, or bonus, plan was implemented for the Company's executive officers that provides for the payment of varying levels of incentive award as expressed as a percent of annual base compensation, with the percentage increasing the higher an executive officer's position within the Company.

Each year a threshold, target, and maximum overall Company financial and personal measurement is to be established that ties each executive's annual compensation potential to the Company's annual business goals and individual performance. For 1997, the Committee decided to focus the executive group on the financial performance of the Company by basing potential awards on the financial measures only. Therefore, 50% of the award is based on operating income and 50% on return on capital compared to a peer group of publicly-held truck transportation companies. During 1997 the Company attained 98% of its operating income target and 100% of its return on capital target. Accordingly, the named executive officers received an incentive award equal to 99% of the target potential.

The awards of stock options during 1997 to the Company's executive officers (other than President and Chief Executive Officer A. Maurice Myers, whose compensation is discussed separately), were based upon survey data developed by Towers Perrin on the appropriate level of stock compensation for executives at companies with gross revenues comparable to the Company's. In granting stock options, the Committee takes into consideration the amount and value of any previous stock option grants. The awards granted in 1997 are based upon the closing price of the Company's common stock as reported by NASDAQ on the date of each grant, and the awards vest in equal installments over a four-year period. The 1997 awards of stock compensation to executive officers were entirely based on stock options due to the Committee's belief that options represent the most effective vehicle to incent management to increase profit and stockholder value.

PRESIDENT AND CEO COMPENSATION

The compensation of President and Chief Executive Officer A. Maurice Myers is the subject of an employment agreement dated March 20, 1996, the essential elements of which are detailed in the section of this proxy statement devoted to employment contracts, which discussion is hereby incorporated by reference. The Committee believes that the compensation package awarded to Mr. Myers was necessary to attract to the Company an executive with a proven track record of superior management performance in the transportation industry. The Committee notes that both Mr. Myers' base annual salary and the amount of his stock option awards are consistent with the Company's goal of targeting the median of the Towers Perrin survey group of companies. On March 3, 1997, Mr. Myers' employment agreement was amended to increase his target and maximum award of annual bonus to 70% and 140%, respectively, of base salary from 60% and 100% to conform the parameters of Mr. Myers' bonus program to what the Committee has proposed generally for all the Company's executive officers.

Mr. Myers' annual salary is subject to an annual review based upon the same criteria that were discussed earlier with respect to executive officer salary compensation generally. In lieu of a base salary increase during 1997, the Committee elected to provide for the payment of a \$1,000,000 life insurance policy for Mr. Myers.

Mr. Myers' 1997 annual incentive compensation award was determined in the same manner as previously described for executive officers generally.

Finally, the Committee has reviewed the provisions of Section 162(m) of the Internal Revenue Code, which was enacted in 1993, relating to the \$1 million deduction cap for executive salaries and believes that no compensation for the named executive officers will be governed by this regulation for 1997.

Klaus E. Agthe, Chairman
Cassandra C. Carr
John C. McKelvey
Ronald T. LeMay

Members of the Compensation Committee

EMPLOYMENT CONTRACTS, CHANGE OF CONTROL AGREEMENTS
AND TERMINATION OF EMPLOYMENT AGREEMENTS

The Company has entered into an Employment Agreement with its Chairman, President and Chief Executive Officer A. Maurice Myers that contains the following essential terms and conditions: (a) a base salary of \$550,000 per year to be reviewed annually in accordance with the Company's normal salary policy for executive officers; (b) an annual bonus pursuant to which a target award in the amount of 70% of Mr. Myers' base salary, with a maximum of 140% of base salary, shall be established for each year, with the criteria for establishment of the target and parameters for payment to be determined annually by the Compensation Committee, at least 80% of the criteria established by the Committee being based on specific measurements of financial performance of the Company during the applicable year and the remaining percentage being based on non-financial criteria; (c) stock option awards on March 20, 1996 and March 20, 1997 based on the closing price of the Company's common stock on the NASDAQ exchange on those dates in the amount of 400,000 shares and 170,000 shares, respectively, with each award vesting 50% on the first anniversary of the award, and 25% vesting on the second and third anniversary of each award; (d) a supplemental retirement benefit providing Mr. Myers with the difference between the benefits that he would have received under the Company's pension plan if the service credited for benefit accrual purposes under the plan were 20 years plus his actual such service, if any, after his normal retirement date and the benefits actually payable to Mr. Myers under the pension plan, said supplemental retirement benefit vesting at the rate of 20% per year with Mr. Myers' becoming 100% vested on the fifth anniversary of his hire date; (e) payments in the event of Mr. Myers' termination "without cause," or resignation for "good reason" or following a "change of control", as those terms are defined in the Agreement ("change of control" having the same definition as set forth in the Company's Executive Severance Agreements, described below) in the amount of twice Mr. Myers' annual rate of compensation, including target bonus, at the time of termination, plus target bonus for the year of termination, and immediate vesting in all outstanding stock options and any incentive and benefit plans applicable at the time of termination; and (f) the payment of certain expenses regarding Mr. Myers' relocation to the Kansas City area from Phoenix, Arizona.

The Company has entered into Executive Severance Agreements (the "Agreements") with all the executive officers named in the Summary Compensation Table, as designated by the Board of Directors. (In the case of A. Maurice Myers, payments are only to the extent that they would exceed payments under the "change of control" provisions of Mr. Myers' Employment Agreement.)

In the event of a "Change in Control" of the Company followed within two years by (1) the termination of the executive's employment for any reason other than death, disability, retirement or "cause" or (2) the resignation of the executive due to an adverse change in title, authority or duties, a transfer to a new location, a reduction in salary, or a reduction in fringe benefits or annual bonus below a level consistent with the Company's practice prior to the Change of Control, the Agreements provide that the executive shall be paid a lump sum cash amount equal to the sum of (a) two times the executive's highest compensation (salary plus bonus) for any consecutive 12-month period within the previous three years and (b) a cash amount equal to the unvested portion (if any) of any profit sharing account of the executive under any profit sharing plan of the Company or its subsidiaries. If the executive is within 10 years of his normal retirement age (65), then the executive would be paid three times such highest compensation. A termination is for "cause" if it is the result of a conviction of a felony by a court of competent jurisdiction, which is no longer subject to direct appeal, or an adjudication by a court of competent jurisdiction, which is no longer subject to direct appeal, that the executive is mentally incompetent or that he is liable for negligence or misconduct in the performance of his duty to the Company.

"Change of Control" for the purpose of the Agreements shall be deemed to have taken place if: (i) A third person, including a "group" as defined in Section 13(D)(3) of the Securities Exchange Act of 1934, purchases or otherwise acquires shares of the Company and as a result thereof becomes the beneficial owner of shares of the Company having 20% or more of the total number of votes that may be cast for the election of directors of the Company; or (ii) as the result of, or in connection with any cash tender or exchange offer, merger or other business combination, or contested election, or any combination of the foregoing transactions,

the continuing directors shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company.

In addition, as described later (see discussion of the "1992 Stock Option Plan"), the Compensation Committee has provided a "Limited Right" in connection with certain stock options held by the executive officer who is a party to an Agreement. In the event of the purchase of Company stock pursuant to a tender or exchange offer by a party other than the Company for 20% or more of the Company's then outstanding shares, the "Limited Right" allows the executive to receive from the Company, upon surrender of outstanding options, an amount in cash equal to the then fair market value of the shares for which the "Limited Right" is exercised, less the exercise price and applicable withholding taxes. The "Limited Right" may be exercised within 30 days after the first purchase of Company stock pursuant to the tender or exchange offer.

COMMON STOCK PERFORMANCE

Set forth below is a line graph comparing the yearly 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 S&P Transportation Composite Index for the period of five years commencing December 31, 1992 and ending December 31, 1997.

Measurement Period (Fiscal Year Covered)	Yellow Corporation	S&P 500 Index	S&P Transportation
DEC 92	100	100	100
MAR 93	88.00	104.37	104.97
JUN 93	71.87	104.88	105.10
SEP 93	91.80	107.88	111.50
DEC 93	94.64	110.08	119.03
MAR 94	91.57	105.91	111.60
JUN 94	67.30	108.35	108.82
SEP 94	73.14	111.55	102.08
DEC 94	94.89	111.53	99.60
MAR 95	64.30	122.39	114.97
JUN 95	73.79	134.08	119.61
SEP 95	85.98	144.73	134.68
DEC 95	60.30	102.45	139.05
MAR 96	60.99	101.68	148.31
JUN 96	53.94	100.94	150.22
SEP 96	62.92	174.16	150.07
DEC 96	58.52	188.05	158.12
MAR 97	75.82	180.73	161.26
JUN 97	91.09	227.58	187.90
SEP 97	132.56	244.60	204.52
DEC 97	102.28	251.63	206.25

1992 STOCK OPTION PLAN

On April 24, 1992, the stockholders approved the adoption of the 1992 Stock Option Plan (the "1992 Plan"). 800,000 shares of common stock are available for grant under the 1992 Plan. The 1992 Plan expires on April 25, 2002, in that no awards may be made after that date.

The Company's 1992 Plan is administered by the Compensation Committee of the Board of Directors, none of whose members are eligible to receive an award under the 1992 Plan. The 1992 Plan covers executive, managerial, supervisory and professional employees of the Company and certain of its subsidiaries (including employee-directors and executive officers) and permits three types of awards: Grants of stock options, which are either Incentive Stock Options ("ISOs") or non-ISOs ("non-qualified options"); grants of stock options

coupled with a grant of stock appreciation rights ("SARs"); and grants of restricted stock awards. The 1992 Plan also provides for share delivery to employees otherwise eligible for an award under the Plan in lieu of cash incentive awards under any management incentive plan.

In determining the grant of awards to eligible employees, the Compensation Committee may consider the nature of the services rendered or that the Committee expects may be rendered by the employee, the employee's present and potential contributions to the success of the business, the number of years of effective service the employee is expected to have and such other factors as the Committee may deem relevant.

The option exercise price (or initial value in the case of an SAR) is 100% of the fair market value of the stock on the date of the grant, and may be paid in cash or by delivery of shares owned by the optionee. Options and SARs coupled with options become exercisable, at the earliest, on the first anniversary of the date of the grant. Restrictions on the sale or transfer of restricted stock awarded under the 1992 Plan will be lifted on a specified percentage of the total award each year, beginning one year after the date of grant. The time at which SARs and certain options become exercisable or restrictions lapse on restricted stock award shares is accelerated upon the occurrence of certain events, such as total and permanent disability or death of an employee while in the employ of the Company or a subsidiary, if the Company is wholly or partly liquidated, or is a party to a merger, consolidation or reorganization in which it is not the surviving entity, or upon the occurrence of certain events which may lead to a change of control of the Company. If not previously exercised, options or rights granted under the 1992 Plan expire either ten years or five years after the grant date.

1996 STOCK OPTION PLAN

On April 24, 1997, the stockholders approved the adoption of the 1996 Stock Option Plan (the "1996 Plan"). 1,400,000 shares of common stock are available for grant under the 1996 plan. The 1996 plan expires on July 18, 2006, in that no awards may be made after that date.

The 1996 plan is administered by the Compensation Committee of the Board of Directors, none of whose members are eligible to receive any award under the 1996 plan. The 1996 plan covers executive, managerial, supervisory and professional employees of the Company and certain of its subsidiaries (including employee-directors and executive officers) and permits two types of awards: Grants of non-qualified stock options and grants of stock options coupled with a grant of stock appreciation rights ("SARs"). The 1996 Plan also provides for share delivery to employees otherwise eligible for an award under the Plan in lieu of cash incentive awards under any management incentive plan.

In determining the grants of awards to eligible employees, the Compensation Committee may consider the nature of the services rendered or that the Committee expects may be rendered by the employee, the employee's present and potential contributions to the success of the business, the number of years of effective service the employee is expected to have and such other factors as the Committee may deem relevant. The maximum number of shares with respect to which options or SARs may be granted during any calendar year to any employee under the Plan is 200,000 shares.

The option exercise price (or initial value in the case of an SAR) is 100% of the fair market value of the stock on the date of the grant, and may be paid in cash or by delivery of shares owned by the optionee. Options and SARs coupled with options become exercisable, at the earliest, on the first anniversary of the date of the grant. The time at which SARs and options become exercisable is accelerated upon the occurrence of certain events, such as total and permanent disability or death of an employee while in the employ of the Company or a subsidiary, if the Company is wholly or partly liquidated, or is a party to a merger, consolidation or reorganization in which it or an entity controlled by it is not the surviving entity. If not previously exercised, options or rights granted under the 1996 Plan expire ten years after the grant date.

DEFINED CONTRIBUTION PLANS

Prior to January 1, 1995, the Company's executive officers participated in two defined contribution plans -- the Yellow Freight Profit Sharing Trust and the Yellow Freight Stock Sharing Plan. Effective January 1, 1995, these plans were merged to create the Yellow Corporation Retirement Savings Plan. The Plan covers all the regular full-time and part-time office, clerical, sales, supervisory and executive personnel of the Company and participating subsidiaries (excluding directors who are not salaried employees) employed in the United States and not covered by a collective bargaining agreement. A total of 5,155 employees were participants in 1997.

Each year the Board of Directors determines the amount of contributions to the trust based primarily upon the Company's profitability and/or the Plan's debt obligation. No contribution was made to the Plan in 1997.

The Employee Retirement Income Security Act of 1974 ("ERISA"), as amended by subsequent legislation, may prevent the contribution to or allocation under the defined contribution plans of the amount to which a participant would otherwise be entitled. The Company has a policy of replacing contributions to which a participant would have been entitled before application of the legislative limitations by means of an annual cash payment to affected participants. The policy allows a participant to defer any annual cash payment through a non-qualified, unfunded, deferred compensation arrangement.

Plan Provision -- Two accounts are maintained for each participant, a Company Managed Account and an Employee Managed Account. Company contributions and forfeitures are allocated to the Company managed account, which vests at the rate of 20% per year of service. Vested benefits are paid upon termination of employment, but an active participant may withdraw a portion of his prior Profit Sharing Account, subject to certain limitations.

The Plan trustee may borrow funds to finance purchases of Company stock (a "purchase loan"). Each year, the Company may make a contribution to the Plan from Company earnings. The amount of Company contributions can vary from year to year, according to Company profits. This contribution (and any dividends on shares of stock in the Plan purchased with an outstanding loan) may be used to repay any purchase loan. As the loan is repaid, stock will be allocated to each participant's account. If there is no loan outstanding, or if a contribution in excess of the amount needed to service debt on any outstanding loan is made, cash or stock purchased by the contribution will be allocated directly to each participant's Company Managed Account. Participants vote allocated shares; the Plan trustee votes unallocated shares in the same proportion as the allocated shares are voted.

The numbers of shares allocated to a participant in any year is based on a formula that compares the participant's earnings with those of all other eligible employees. The shares allocated to the accounts of certain of the named executive officers in 1995 and 1996 are detailed in Footnote (2) to the Summary Compensation Table.

The Plan also contains provisions for a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code. This arrangement allows a participant to contribute up to 15% of his annual earnings before, or after, federal income taxes to his Employee Managed Account. For 1997, the maximum annual participant contribution was \$9,500. There is no company matching contribution.

A participant may choose to invest his Employee Managed Account among a number of investment alternatives. In addition, after reaching age 55 a participant may transfer 50% or 100% of his Company Managed Account's value into one or more of the investment funds.

Accounts become payable upon cessation of employment, retirement at or after age 65, and in the event of total and permanent disability or death. Participants have various options as to the time and method of payment. An active participant may withdraw a portion of his before-tax deposits, subject to certain limitations. After-tax deposits may be withdrawn for any reason.

The amounts which the named executive officers chose to have deposited in the Section 401(k) portion of the Plan, subject to the 15% and maximum annual participant limitation, are included in the salary column of the Summary Compensation Table.

DEFINED BENEFIT PENSION PLAN

The Company and certain of its subsidiaries' officers participate in a noncontributory, defined benefit pension plan. Such plan covers all regular full-time and regular part-time office, clerical, sales, supervisory and executive personnel of the Company and participating subsidiaries (excluding directors who are not salaried employees) who are at least age 21, are employed in the United States and are not otherwise covered by a pension plan under a collective bargaining agreement. Pension plan benefits are calculated solely on salaries and cash bonuses. Compensation reported in the Summary Compensation Table includes amounts which are not covered compensation under the pension plan. Participants are vested after five years of service.

A participant retiring at age 65 will receive an annual pension benefit (single life basis) amounting to 1 2/3% of his final average annual compensation paid in the five highest consecutive years of the participant's last ten consecutive years of participation, multiplied by his total years of participation, the sum of which is reduced by 50% of the amount of his primary Social Security entitlement at retirement (prorated if participation is less than 30 years). The pension of the highest-paid executive officers will probably be reduced from the above formula because of ERISA limitations.

The following table sets forth the gross annual benefits (single life at age 65), before deduction of the applicable primary Social Security offset amount (a maximum of 50% of the participant's primary Social Security benefits at 30 years of participation), payable upon retirement under the defined benefit pension plan for specified remuneration and years of service classifications, part of which may be paid pursuant to the supplemental retirement income agreements discussed below:

PENSION VALUE TABLE

ELIGIBLE REMUNERATION(1)	YEARS OF SERVICE				
	15	20	25	30	35
200,000	50,000	66,650	83,350	100,000	116,650
225,000	56,250	75,000	93,750	112,500	131,250
250,000	62,500	83,350	104,150	125,000	145,850
300,000	75,000	100,000	125,000	150,000	175,000
350,000	87,500	116,650	145,850	175,000	204,150
400,000	100,000	133,350	166,650	200,000	233,350
450,000	112,500	150,000	187,500	225,000	262,500
500,000	125,000	166,650	208,350	250,000	291,650
550,000	137,500	183,350	229,150	275,000	320,850
600,000	150,000	200,000	250,000	300,000	350,000
650,000	162,500	216,650	270,850	325,000	379,150
700,000	175,000	233,350	291,650	350,000	408,350
750,000	187,500	250,000	312,500	375,000	437,500
800,000	200,000	266,650	333,350	400,000	466,650
850,000	212,500	283,350	354,150	425,000	495,850

(1) Eligible Remuneration as used in this table is defined as final average covered compensation (salary and annual bonus) for the five highest consecutive years of the participant's last ten consecutive years of participation preceding termination of employment under the plan.

ERISA, as amended by subsequent legislation, limits covered compensation under the pension plan to \$160,000 in 1997 and imposes maximum annual benefit limitations, which may cause a reduction in the pension payable under the pension plan. The Company enters into nonqualified, unfunded supplemental

retirement income agreements with affected participants which are designed to provide those benefits intended by the pension plan before application of the legislative limitations.

The named executive officers have credited years of service in the plan as follows: Mr. Myers, 1 year, Mr. Trucksess, 3 years, Mr. Woodward, 1 year, and Mr. Martin, 17 years.

RELOCATION POLICY

The Company's executive officers, as well as other salaried employees, are covered by the Company's relocation policy. The policy reimburses employees for certain moving expenses when the employee is transferred to a new location and is required by the Company to move his residence. Items covered by the policy include the expense of a trip to the new location to select a new home, car mileage expenses, certain expenses associated with terminating any lease at the old location, temporary living expenses at the new location, travel expenses for trips home during the transition period, cost of transporting certain household goods and reimbursement for en route travel expenses or airfare for transporting the employee's family to the new location. In addition, except for certain newly-hired employees moving to their initial assignment, transferred employees are paid a predetermined lump sum to cover miscellaneous moving costs and expenses.

The policy pays closing costs on a home purchased by a transferred executive officer or other key employee. The policy also gives such an employee the option of either (1) selling his home at the old location for its estimated value to an employee relocation assistance firm or (2) selling his home himself or through a real estate agent. If the first option is chosen and the home sells for less than the amount paid to the employee, the relocation assistance firm is reimbursed by the Company for the difference between what it pays the employee and the selling price, plus its expenses, costs and fees. If the second option is chosen, the employee is reimbursed for normal selling expenses and receives a cash incentive for selling the home to a third party rather than selling it to a relocation assistance firm.

In 1997, pursuant to the terms of Mr. Myers' Employment Agreement described above, Mr. Myers received or was reimbursed for \$4,749 in relocation expenses. Mr. Woodward received \$63,196.03 under the Company's relocation policy.

II. PROPOSED 1997 STOCK OPTION PLAN

On July 15, 1997, the Board of Directors adopted the 1997 Stock Option Plan (the "Plan") subject to stockholders' approval where required by applicable Securities and Exchange Commission or stock market regulations. The Board of Directors believes this plan will be of significant benefit to the Company in attracting and retaining key executive employees at the Company and its operating subsidiaries, and providing a long range incentive for such employees to work for the continued success of the Company. The 1997 Stock Option Plan is required in addition to the existing 1992 and 1996 Stock Option Plans because of the Company's continuing desire to extend the incentive of stock options to a significant number of management and supervisory personnel in the Company and its operating subsidiaries. 1,400,000 shares are reserved for award under the Plan. The maximum number of shares with respect to which options or SARs may be granted during any calendar year to any employee under the Plan is 200,000 shares.

The Board recommends that stockholders vote for approval and adoption of the Plan so that the Company can continue to attract, motivate, and retain those key employees who are largely responsible for the Company's future.

The 1997 Plan is in all respects identical to the previous 1996 Plan in that awards are restricted to stock option grants or share appreciation rights. It is the Board of Directors' belief that stock options and share appreciation rights are the most effective incentive and motivational vehicles.

The full text of the proposed Plan is attached to this proxy statement as Exhibit A. This description of the proposed Plan is qualified in its entirety by reference to Exhibit A.

Adoption of the Plan requires the affirmative vote of a majority of the outstanding shares as of the record date. As a result of such voting requirement, abstentions and broker non-votes will have the effect of votes "against" this proposal.

III. PROPOSAL TO APPROVE APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors has appointed Arthur Andersen LLP as independent public accountants of the Company for 1998. The appointment of independent public accountants by the Board of Directors is submitted annually for approval by the stockholders. Although stockholder approval is not required, if the stockholders do not ratify the appointment, the Board of Directors will reconsider the matter. A representative of Arthur Andersen LLP will be present at the Annual Meeting of Stockholders to respond to appropriate questions, and he will have an opportunity to make a statement if he desires to do so.

IV. OTHER MATTERS

The Board of Directors does not intend to bring any other business before the meeting and it is not aware that anyone else intends to do so. If any other business comes before the meeting, it is the intention of the persons named in the enclosed form of proxy to vote as proxies in accordance with their best judgment.

PLEASE EXERCISE YOUR RIGHT TO VOTE BY PROMPTLY COMPLETING, SIGNING AND RETURNING THE ENCLOSED PROXY FORM. You may later revoke the proxy, and if you are able to attend the meeting, you may vote your shares in person.

BY ORDER OF THE BOARD OF DIRECTORS:

William F. Martin, Jr.
WILLIAM F. MARTIN, JR.
Secretary

Overland Park, Kansas
March 6, 1998

EXHIBIT A

YELLOW CORPORATION
1997 STOCK OPTION PLAN

1. PURPOSE

The Yellow Corporation 1997 Stock Option Plan is designed to enable qualified executive, managerial, supervisory and professional personnel of Yellow Corporation and its Subsidiaries to acquire or increase their ownership of common stock of the Company on reasonable terms. The opportunity so provided is intended to foster in participants a strong incentive to put forth maximum effort for the continued success and growth of the Company and its Subsidiaries, to aid in retaining individuals who put forth such efforts, and to assist in attracting the best available individuals in the future.

2. DEFINITIONS

When used herein, the following terms shall have the meaning set forth below:

2.1 "Award" shall mean an Option or SAR.

2.2 "Board" means the Board of Directors of Yellow Corporation.

2.3 "Committee" means the members of the Board's Compensation Committee who are non-employee directors as defined in Rule 16b-3 of the Securities and Exchange Commission as it exists on the effective date of the Plan or as subsequently amended or interpreted and are "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986 and the regulations thereunder.

2.4 "Company" means Yellow Corporation.

2.5 "IRC '86" means the Internal Revenue Code of 1986, as in effect as of the effective date of the Plan or as thereafter amended, and applicable regulations.

2.6 "Fair Market Value" means with respect to the Company's Shares the closing price of the Shares as reported by NASDAQ or if the closing price is not reported, the bid price of the Shares as reported by NASDAQ on the date on which the value is to be determined or, if the stock did not trade on that date, the next preceding date on which such stock traded.

2.7 "Grantee" means a person to whom an Award is made.

2.8 "Non-Qualified Stock Option" or "NQSO" means an Option awarded under the Plan which by its terms and conditions is not, and is not intended to be, an "Incentive Stock Option" as defined by IRC '86.

2.9 "Option" means the right to purchase, at a price, for a term, under conditions, and for cash or other considerations fixed by the Committee in accordance with the Plan, and subject to such other limitations and restrictions as the Plan and the Committee impose, a number of shares specified by the Committee.

2.10 "Plan" means the Company's 1997 Stock Option Plan.

2.11 "SAR" means a right to surrender to the Company all or a portion of an Option and to be paid therefor an amount, as determined by the Committee, no greater than the excess, if any, of (i) the Fair Market Value, on the date such right is exercised, of the Shares to which the Option or portion thereof relates, over (ii) the aggregate option price of those Shares.

2.12 "Shares" means shares of the Company's common stock or, if by reason of the adjustment provisions hereof any rights under an Award under the Plan pertain to any other security, such other security.

2.13 "Subsidiary" means any business, whether or not incorporated, in which the Company, at the time an Award is granted to an employee thereof, or in other cases, at the time of reference, owns directly or indirectly not less than 50% of the equity interest.

2.14 "Successor" means the legal representative of the estate of a deceased Grantee or the person or persons who shall acquire the right to exercise an Option or an SAR, by bequest or inheritance or by reason of the death of the Grantee, as provided in accordance with Section 9 hereof.

2.15 "Term" means the period during which a particular Option or SAR may be exercised.

2.16 "QDRO" means a qualified domestic relations order as defined by IRC '86 or Title I of the Employee Retirement Income Security Act, or the rules thereunder.

3. ADMINISTRATION OF THE PLAN

3.1 The Plan shall be administered by the Committee.

3.2 The Committee shall have plenary authority, subject to the provisions of the Plan, to determine when and to whom Awards shall be granted, the Term of each Award, the number of Shares covered by it, the participation by Grantee in other plans, and any other terms or conditions of each such Award. The Committee may grant such additional benefits in connection with any Award as it deems appropriate. The number of Shares, the Term, the other terms and conditions of a particular kind of Award and any additional benefits granted in connection with any Award need not be the same, even as to Awards made at the same time. The Committee's actions in making Awards and fixing their size, Term and other terms and conditions and in granting any additional benefits in connection with any Award shall be conclusive on all persons.

3.3 The Committee shall have the sole responsibility for construing and interpreting the Plan, for establishing and amending such rules and regulations as it deems necessary or desirable for the proper administration of the Plan, and for resolving all questions arising under the Plan. Any decision or action taken by the Committee arising out of or in connection with the construction, administration, interpretation and effect of the Plan and of its rules and regulations shall, to the extent permitted by law, be within its absolute discretion, except as otherwise specifically provided herein, and shall be conclusive and binding upon all Grantees, all Successors, and any other persons, whether that person is claiming under or through any Grantee or otherwise.

3.4 The Committee shall regularly inform the Board as to its actions with respect to all Awards under the Plan and the Terms and conditions of such Awards in a manner, at such times, and in such form as the Board may reasonably request.

4. ELIGIBILITY

Awards may be made under the Plan only to employees of the Company or a Subsidiary who have executive, managerial, supervisory or professional responsibilities. Officers shall be employees for this purpose, whether or not they are also Directors, but a Director who is not such an employee shall not be eligible to receive an Award. Awards may be made to eligible employees whether or not they have received prior Awards, under the Plan or under any previously adopted plan, and whether or not they are participants in other benefit plans of the Company. In making a determination concerning the granting of Awards to eligible employees, the Committee may take into account the nature of the services they have rendered or that the Committee expects they will render, their present and potential contributions to the success of the business, the number of years of effective service they are expected to have and such other factors as the Committee in its sole discretion shall deem relevant.

5. SHARES SUBJECT TO PLAN

Subject to adjustment as provided in Section 18 below, 1,400,000 Shares are hereby reserved for issuance in connection with Awards under the Plan. The Shares so issued may be unreserved Shares held in the treasury however acquired or Shares which are authorized but unissued. Any Shares subject to issuance upon exercise of Options shall once again be available for issuance in satisfaction of Awards to the extent that (i) cash is issued in satisfaction of the exercise of such Shares or (ii) the Option expires or terminates unexercised as to any Shares covered thereby. Subject to adjustment as provided in Section 18 below, the maximum number of Shares with respect to which options or SARs may be granted during any calendar year to any employee under the Plan shall be 200,000 Shares.

6. GRANTING OF OPTIONS

6.1 Subject to the terms of the Plan, the Committee may from time to time grant Options to eligible employees.

6.2 The purchase price of each Share subject to Option shall be fixed by the Committee, but shall not be less than 100% of the Fair Market Value of the Share on the last business day prior to the date the Option is granted.

6.3 Each Option shall expire and all right to purchase Shares thereunder shall cease on the date fixed by the Committee, which subject to the terms of the Plan, shall not be later than the tenth anniversary of the grant date of the Option.

6.4 Each Option shall become exercisable at the time, and for the number of Shares, fixed by the Committee. Except to the extent otherwise provided in or pursuant to Sections 9 and 10, no Option shall become exercisable as to any Shares prior to the first anniversary of the date on which the Option was granted.

7. STOCK APPRECIATION RIGHTS

7.1 The Committee may, in its discretion, grant an SAR to the holder of an Option, either at the time the Option is granted or by amending the instrument evidencing the grant of the Option at any time after the Option is granted and more than six months before the end of the Term of the Option, so long as the grant is made during the period in which grants of SARs may be made under the Plan.

7.2 Each SAR shall be for such Term, and shall be subject to such other terms and conditions, as the Committee shall impose. The terms and conditions may include Committee approval of the exercise of the SAR, limitations on the time within which and the extent to which such SAR shall be exercisable, limitations on the amount of appreciation which may be recognized with regard to such SAR, and specification of what portion, if any, of the amount payable to the Grantee upon his exercise of an SAR shall be paid in cash and what portion, if any, shall be payable in Shares. If and to the extent that Shares are issued in satisfaction of amounts payable on exercise of an SAR, the Shares shall be valued at their Fair Market Value on the date of exercise.

7.3 Except to the extent otherwise provided in or pursuant to Sections 9 and 10, no SAR shall be exercisable during the first six months after its date of grant.

7.4 Upon exercise of an SAR the Option, or portion thereof, with respect to which such right is exercised shall be surrendered and shall not thereafter be exercisable.

8. NON-TRANSFERABILITY OF RIGHTS

No rights under any Award shall be transferable otherwise than by will or the laws of descent and distribution or pursuant to a QDRO, and the rights, and except to the extent otherwise provided in Section 12, the benefits, of any such Award may be exercised and received, respectively, during the lifetime of the Grantee only by him or by his guardian or legal representative or by an "alternate payee" pursuant to a QDRO.

9. DEATH OR TERMINATION OF EMPLOYMENT

9.1 Subject to the provisions of the Plan, the Committee may make such provisions concerning exercise or lapse of Options or SARs on death or termination of employment as it shall in its discretion determine. No such provision shall extend the Term of an Option or SAR, nor shall any such provision permit an Option or SAR to be exercised prior to six months after the date on which it was granted, except in the event of death or termination by reason of disability.

9.2 Transfers of employment between the Company and a Subsidiary, or between Subsidiaries, shall not constitute termination of employment for purposes of any Award. The Committee may specify in the terms and conditions of an Award whether any authorized leave of absence or absence for military or government

service or for any other reason shall constitute a termination of employment for purposes of the Award and the Plan.

10. PROVISIONS RELATING TO TERMINATION OF THE COMPANY'S SEPARATE EXISTENCE

The Committee may provide that in the event that the Company is to be wholly or partly liquidated, or agrees to participate in a merger, consolidation or reorganization in which it, or an entity controlled by it, is not the surviving entity, any or all Options and SARs granted under the Plan shall be immediately exercisable in full.

11. WRITINGS EVIDENCING AWARDS

Each Award granted under the Plan shall be evidenced by a writing which may, but need not, be in the form of an agreement to be signed by the Grantee. The writing shall set forth the nature and size of the Award, its Term, the other terms and conditions thereof, other than those set forth in the Plan, and such other information as the Committee directs. Acceptance of any benefits of an Award by the Grantee shall be conclusively presumed to be an assent to the terms and conditions set forth therein, whether or not the writing is in the form of an agreement to be signed by the Grantee.

12. EXERCISE OF RIGHTS UNDER AWARDS

12.1 A person entitled to exercise an Option or SAR may do so by delivery of a written notice to that effect specifying the number of Shares with respect to which the Option or SAR is being exercised and any other information the Committee may prescribe.

12.2 The notice shall be accompanied by payment in full for the purchase price of any Shares to be purchased with such payment being made in cash; shares of the Company's common stock having a Fair Market Value equivalent to the purchase price of such Shares; a combination thereof; or cashless exercise pursuant to the Cashless Exercise Program offered by the Company. No Shares shall be issued upon exercise of an Option until full payment has been made therefor.

12.3 The notice of exercise of an SAR shall be accompanied by the Grantee's copy of the writing or writings evidencing the grant of the SAR and the related Option.

12.4 Upon exercise of an Option or SAR, the Grantee may request in writing that the Shares to be issued in satisfaction of the Award be issued in the name of the Grantee and another person as joint tenants with right of survivorship or as tenants in common.

12.5 All notices or requests provided for herein shall be delivered to the Secretary of the Company.

13. EFFECTIVE DATE OF THE PLAN AND DURATION.

13.1 The Plan shall become effective on July 15, 1997, subject to stockholder approval at the 1998 Annual Meeting of Stockholders of the Company where such approval is required by applicable SEC or stock market regulations.

13.2 No Awards may be granted under the Plan on or after July 16, 2007 although the terms of any Award may be amended at any time prior to the end of its Term in accordance with the Plan.

14. DATE OF AWARD

The date of an Award shall be the date on which the Committee's determination to grant the same is final, or such later date as shall be specified by the Committee in connection with its determination.

15. STOCKHOLDER STATUS

No person shall have any rights as a stockholder by virtue of the grant of an Award under the Plan except with respect to Shares actually issued to that person.

16. POSTPONEMENT OF EXERCISE

The Committee may postpone any exercise of an Option or SAR for such time as the Committee in its discretion may deem necessary in order to permit the Company (i) to effect or maintain registration of the Plan or the Shares issuable upon the exercise of an Option or an SAR under the Securities Act of 1933, as amended, or the securities laws of any applicable jurisdiction, (ii) to permit any action to be taken in order to comply with restrictions or regulations incident to the maintenance of a public market for its Shares, or (iii) to determine that such Shares and the Plan are exempt from such registration or that no action of the kind referred to in (ii) above needs to be taken; and the Company shall not be obligated by virtue of any terms and conditions of any Award or any provision of the Plan to recognize the exercise of an Option or an SAR to sell or issue shares in violation of the Securities Act of 1933 or the law of any government having jurisdiction thereof. Any such postponement shall not extend the Term of an Option or SAR. Neither the Company nor its directors or officers shall have any obligation or liability to the Grantee of an Award, to the Grantee's Successor or to any other person with respect to any Shares as to which the Option or SAR shall lapse because of such postponement.

17. TERMINATION, SUSPENSION OR MODIFICATION OF PLAN

The Board may at any time terminate, suspend or modify the Plan. However, no termination, suspension or modification of the Plan shall adversely affect any right acquired by any Grantee or any Successor under an Award granted before the date of such termination, suspension or modification, unless such Grantee or Successor shall consent; but it shall be conclusively presumed that any adjustment for changes in capitalization as provided for herein does not adversely affect any such right. Any member of the Board who is an officer or employee of the Company or a Subsidiary shall be without vote on any proposed amendment to the Plan, or on any other matter which might affect that member's individual interest under the Plan.

18. ADJUSTMENT FOR CHANGES IN CAPITALIZATION

Any increase in the number of outstanding Shares of the Company occurring through stock splits or stock dividends after the adoption of the Plan shall be reflected proportionately in an increase in the aggregate number of Shares then available for the grant of Awards under the Plan, or becoming available through the termination, surrender or lapse of Awards previously granted but unexercised, and in the number of Shares subject to Awards then outstanding; and a proportionate reduction shall be made in the per share option price as to any outstanding Options. Any fractional shares resulting from such adjustment shall be eliminated. If changes in capitalization other than those considered above shall occur, the Board shall make such adjustment in the number or class of shares, remaining subject to Awards then outstanding and in the per share option price as the Board in its discretion may consider appropriate to reflect such change in capitalization, and all such adjustments shall be conclusive upon all persons.

19. DELIVERY OF SHARES IN LIEU OF CASH INCENTIVE AWARDS

19.1 Any employee otherwise eligible for an Award under the Plan who is eligible to receive a cash incentive payment from the Company under any management incentive plan may make application to the Committee in such manner as may be prescribed from time to time by the Committee, to receive Shares from the Plan in lieu of all or any portion of such cash payment.

19.2 The Committee may in its discretion honor such application by delivering Shares from the Plan to such employee equal in Fair Market Value to that portion of the cash payment otherwise payable to the employee under such incentive plan for which a Share delivery is to be made in lieu of cash payment.

19.3 Any Shares delivered to employees under the Plan in lieu of cash incentive payments shall come from the aggregate number of Shares authorized for use by the Plan and shall not be available for any other Awards under the Plan.

19.4 Such applications and such delivery of Shares shall not be permitted on or after July 16, 2007.

20. LOANS

20.1 The Company may make loans to Grantees for the sole purpose of exercising Option Awards under the Plan and meeting the Federal tax consequences of such exercise. Such loans shall be subject to the terms and conditions established by the Committee from time to time which shall in all cases include those specific items contained in this Section 20 as well as such other items as may be established by the Committee.

20.2 No loan shall exceed the exercise price of the option to be exercised plus the amount of Federal income taxes reasonably estimated to be due at the exercise of the option or within the next following seven month period.

20.3. No loan shall have a term exceeding five years subject to renewal at the discretion of the Committee. Notwithstanding any other terms of the loan, each loan shall be fully due and payable on the loan recipient's termination of employment, except that in the case of termination due to disability, the Committee at its discretion may extend the terms of the loan beyond termination.

20.4 Interest shall be charged on the loan with a rate established by the Committee but in no case less than an amount equal to any dividends payable during the term of the loan on the Shares being purchased by the Grantee at the exercise of the Option. Such minimum interest rate shall be determined by dividing the dividends paid on such Shares during the preceding twelve months by the Option price for such Shares.

20.5 If such a loan is made to a Grantee, the Company shall not deliver a certificate or any shares purchased with the loan proceeds, until such time as the loan is repaid.

21. NO-UNIFORM DETERMINATION

The Committee's determination under the Plan including, without limitation, determination of the persons to receive Awards, the form, amount and type of Awards (e.g. NQSOs, SARs), the terms and provisions of Awards and the written material evidencing such Awards, the grant of additional benefits in connection with any Award, and the granting or rejecting of loans or applications for delivery of stock in lieu of cash bonus or incentive payments need not be uniform and may be made selectively among otherwise eligible employees, whether or not such employees are similarly situated.

22. TAXES

The Company is authorized to pay or withhold the amount of any tax attributable to any amounts payable under any Awards, and the Company may defer making payment of any Award if any such tax, charge or assessment may be pending until indemnification to its satisfaction. This authority shall include authority to withhold or receive Shares and to make cash payments in respect thereof in satisfaction of an individual's tax obligations.

23. TENURE

An employee's right, if any, to continue in the employ of the Company or a Subsidiary shall not be affected by the fact that he is a participant under this Plan. At the sole discretion of the Committee, an employee terminated for cause may be required to forfeit all of his rights under the Plan, except as to Options or SARs already exercised.

24. APPLICATION OF PROCEEDS

The proceeds received by the Company from the sale of its Shares under the Plan shall be used for general corporate purposes.

25. OTHER ACTIONS

Nothing in the Plan shall be construed to limit the authority of the Company to exercise its corporate rights and powers, including, by way of illustration and not by way of limitation, the right to grant options for proper corporate purposes otherwise than under the Plan to any employee or any other person, firm,

corporation, association or other entity, or to grant options to, or assume options of, any person in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of all or any part of the business and assets of any person, firm, corporation, association or other entity.

26. GOVERNING LAW

The Plan and all determinations made and actions taken pursuant hereto shall be governed by and construed in accordance with the laws of the State of Delaware.

Please mark your votes as indicated in this example /x/

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR ALL PROPOSALS.

1. ELECTION OF DIRECTORS:

FOR all nominees listed (except as marked to the contrary to the right). // WITHHOLD AUTHORITY to vote for all nominees. //

Nominees - Klaus E. Agthe, Cassandra C. Carr, Howard M. Dean, David H. Hughes, Ronald T. LeMay, John C. McKelvey, A. Maurice Myers, William L. Trubeck, Carl W. Vogt

(To withhold authority to vote for any individual nominee, write that nominee's name on the line provided below.)

----- The Board of Directors recommends a vote FOR all director nominees listed.

2. PROPOSAL TO APPROVE THE ADOPTION of the 1997 Stock Option Plan. // // // //

3. PROPOSAL TO APPROVE THE APPOINTMENT of Arthur Andersen LLP as independent public accountants of the Corporation for 1998. // // //

4. OTHER BUSINESS: In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

CONFIDENTIAL VOTE REQUESTED //

Please sign exactly as name appears to the left. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee, or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

----- Signature

----- Signature if held jointly

Dated: _____, 1998

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED POSTAGE-PAID ENVELOPE. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

----- FOLD AND DETACH HERE

[Yellow Corporation Logo]

Dear Stockholder,

Attached is the proxy card that can be used to vote your shares of Yellow Corporation common stock. Whether you expect to attend the Annual Meeting or not, please complete, sign and return the accompanying proxy so that your shares will be represented at the meeting. Return it as promptly as possible in the enclosed envelope. No postage is required if mailed in the United States.

If you are receiving more than one set of annual meeting material you may be able to save your company money by combining stockholder accounts. Sometimes when stock is purchased in two or more transactions slight differences in registration can result in multiple accounts. For example, misspelled names or the use of middle initials on some purchases but not on others may cause separate accounts to be established. Please contact our transfer agent ChaseMellon Shareholder Services at 1-800-851-9677 for information on combining these accounts.

Thank you for investing in Yellow Corporation.

YELLOW CORPORATION
PROXY

ANNUAL MEETING OF STOCKHOLDERS, APRIL 16, 1998
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

The undersigned hereby appoints A. MAURICE MYERS, HOWARD M. DEAN AND WILLIAM L. TRUBECK, and each of them, with full power of substitution, Proxies of the undersigned to vote all shares of Common Stock of Yellow Corporation, standing in the name of the undersigned or with respect to which the undersigned is entitled to vote, at the Annual Meeting of Stockholders of Yellow Corporation, to be held at the Kansas City Downtown Marriott Hotel, 200 W. 12th Street, Kansas City, Missouri, on Thursday, April 16, 1998, at 9:30 a.m., and at any adjournments thereof.

If more than one of the above named Proxies shall be present in person or by substitution at such meeting or at any adjournment thereof, the majority of said Proxies so present and voting, either in person or by substitution, shall exercise all of the powers hereby given. The undersigned hereby revokes any proxy heretofore given to vote at such meeting.

(Continued and to be SIGNED and dated on the reverse side.)

FOLD AND DETACH HERE