
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) May 17, 2007

YRC Worldwide Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-12255
(Commission File Number)

48-0948788
(IRS Employer
Identification No.)

10990 Roe Avenue, Overland Park, Kansas 66211
(Address of principal executive offices) (Zip Code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

YRC Worldwide Inc. (the "Company") renewed its asset-backed securitization ("ABS") facility as of May 18, 2007 on substantially the same terms as the prior facility. The renewed facility is due to expire on May 16, 2008. This facility utilizes the accounts receivables of the following subsidiaries of the Company: Yellow Transportation, Inc.; Roadway Express, Inc.; USF Holland Inc.; and USF Reddaway Inc. The ABS facility continues to provide a financing limit of \$650 million and a letter of credit issuance sub-limit of \$325 million. The interest rate under the ABS facility continues to be a variable rate based on A1/P1 rated commercial paper (5.29% at May 18, 2007), plus a fixed increment for utilization.

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 relevant Company subsidiaries may transfer trade receivables to YRRFC, which is designed to isolate the receivables for bankruptcy purposes. A third-party conduit must purchase from YRRFC an undivided ownership interest in those receivables. The percentage ownership interest in receivables that the conduit purchases may increase or decrease over time, depending on the characteristics of the receivables, including delinquency rates and debtor concentrations.

A copy of Omnibus Amendment No. 2, the amendment that effects the ABS facility renewal, is included with this Form 8-K as Exhibit 10.1 and is incorporated herein by reference.

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

On May 17, 2007, the stockholders of the Company approved the Company's Annual Incentive Bonus Program (the "Program"). The Program is similar to the program that the stockholders approved in 2002. The Program provides that the Compensation Committee of the Board of Directors (the "Compensation Committee") of the Company may designate certain senior executive officers and key employees to receive cash bonuses upon satisfaction of certain specified performance goals as set forth in the Program. The Compensation Committee establishes these goals from time-to-time, which may differ from employee-to-employee and from award-to-award. Stockholder approval of the Program permits the Company to deduct compensation under the Program in excess of the limits under Section 162(m) of the Internal Revenue Code of 1986, as amended.

A copy of the Program is included with this Form 8-K as Exhibit 10.2 and is incorporated herein by reference.

Item 8.01. Other Events

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., Sonax, S.A. de C.V. and Logistica ALM, S.A. de C.V (collectively, "Grupo Almex"). Pursuant to the settlement, the Company has agreed to pay the Gonzalez Family and Grupo Almex \$2.0 million and forgive 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 previously written off as uncollectible debt in 2005 as a part of the Company's acquisition consideration for USF Corporation. The Company previously accrued \$0.6 million of the \$2.0 million settlement. The remaining \$1.4 million will be expensed in the second quarter of 2007.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Omnibus Amendment No. 2 [Amendment No. 2 to Amended and Restated Receivables Sale Agreement and Amendment No. 2 to Second Amended and Restated Receivables Purchase Agreement], as of May 18, 2007, among Yellow Transportation, Inc., Roadway Express, Inc., USF Reddaway Inc. and USF Holland Inc., as Originators; Yellow Roadway Receivables Funding Corporation, as Seller; JPMorgan Chase Bank, N.A., SunTrust Bank, Wachovia Bank, National Association and ABN AMRO Bank, N.V., as Committed Purchasers; Falcon Asset Securitization Company LLC (f/k/a Falcon Asset Securitization Corporation), Three Pillars Funding LLC, Variable Funding Capital Company LLC (as assignee of Blue Ridge Asset Funding Corporation) and Amsterdam Funding Corporation, as Conduits; YRC Assurance Co. Ltd., as Co-Agent; Wachovia Bank, National Association, as LC Issuer; SunTrust Capital Markets, Inc., Wachovia Bank, National Association, ABN AMRO Bank, N.A., and JPMorgan Chase Bank, N.A., as Co-Agents; and JPMorgan Chase Bank, N.A., as Administrative Agent.
- 10.2 Annual Incentive Compensation Program

SIGNATURE

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

YRC WORLDWIDE INC.

Date: May 23, 2007

By: /S/ DANIEL J. CHURAY

Daniel J. Churay
Executive Vice President,
General Counsel and Secretary

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Omnibus Amendment No. 2 [Amendment No. 2 to Amended and Restated Receivables Sale Agreement and Amendment No. 2 to Second Amended and Restated Receivables Purchase Agreement], as of May 18, 2007, among Yellow Transportation, Inc., Roadway Express, Inc., USF Reddaway Inc. and USF Holland Inc., as Originators; Yellow Roadway Receivables Funding Corporation, as Seller; JPMorgan Chase Bank, N.A., SunTrust Bank, Wachovia Bank, National Association and ABN AMRO Bank, N.V., as Committed Purchasers; Falcon Asset Securitization Company LLC (f/k/a Falcon Asset Securitization Corporation), Three Pillars Funding LLC, Variable Funding Capital Company LLC (as assignee of Blue Ridge Asset Funding Corporation) and Amsterdam Funding Corporation, as Conduits; YRC Assurance Co. Ltd., as Co-Agent; Wachovia Bank, National Association, as LC Issuer; SunTrust Capital Markets, Inc., Wachovia Bank, National Association, ABN AMRO Bank, N.A., and JPMorgan Chase Bank, N.A., as Co-Agents; and JPMorgan Chase Bank, N.A., as Administrative Agent.
10.2	Annual Incentive Compensation Program

OMNIBUS AMENDMENT NO. 2
[AMENDMENT NO. 2 TO AMENDED AND RESTATED RECEIVABLES SALE
AGREEMENT AND AMENDMENT NO. 2 TO SECOND AMENDED AND RESTATED
RECEIVABLES PURCHASE AGREEMENT]

THIS OMNIBUS AMENDMENT NO. 2 is entered into as of May 18, 2007 by and among:

(a) Yellow Transportation, Inc., an Indiana corporation, Roadway Express, Inc., a Delaware corporation, USF Reddaway Inc., an Oregon corporation, and USF Holland Inc., a Michigan corporation (each of the foregoing, an **“Originator”** and collectively, the **“Originators”**),

(b) Yellow Roadway Receivables Funding Corporation, a Delaware corporation (the **“Seller”**),

(c) JPMorgan Chase Bank, N.A., SunTrust Bank, Wachovia Bank, National Association, and ABN AMRO Bank, N.V. (each of the foregoing a **“Committed Purchaser”**),

(d) Falcon Asset Securitization Company LLC (f/k/a Falcon Asset Securitization Corporation), Three Pillars Funding LLC, Variable Funding Capital Company LLC (as assignee of Blue Ridge Asset Funding Corporation), 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 formerly known as USF Assurance Co. Ltd., individually and as agent for itself (in such latter capacity, a **“Co-Agent”**),

(f) Wachovia Bank, National Association, as letter of credit issuer (the **“LC Issuer”**);

(g) SunTrust Capital Markets, Inc., Wachovia Bank, National Association, ABN AMRO Bank, N.A., and JPMorgan Chase Bank, N.A., as **“Co-Agents,”** and

(h) JPMorgan Chase Bank, N.A., as administrative agent for the Groups (together with its successors in such capacity, the **“Administrative Agent”** and together with the Co-Agents, the **“Agents”**),

with respect to (i) that certain Amended and Restated Receivables Sale Agreement, dated as of May 24, 2005, by and among the Originators and the Seller (as heretofore amended, the **“Existing RSA”**), and (ii) that certain Second Amended and Restated Receivables Purchase Agreement, dated as of May 24, 2005, among the parties hereto other than the Originators (as heretofore amended, the **“Existing RPA”** and, together with the Existing RSA, the **“Existing Agreements”**).

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have their meanings as attributed to such terms in the Existing Agreements.

2. Amendments.

2.1 All references in the Existing Agreements to “Falcon Asset Securitization Corporation” are hereby replaced with “Falcon Asset Securitization Company LLC”.

2.2 Section 1.11 of the Existing RPA is hereby amended and restated in its entirety to read as follows:

Section 1.11. Grant of Security Interest.

(a) The Seller hereby grants to the Administrative Agent for the ratable benefit of the Purchasers and the LC Issuer, a security interest in all of its right, title and interest, now owned or hereafter acquired, in the Receivables, the Related Security, each Collection Account, the Collections and proceeds thereof to secure payment of the Aggregate Unpaid, including its indemnity obligations under Article VIII and all other obligations owed hereunder to the Agents and the Purchasers. After a Servicer Default, the Administrative Agent, on behalf of the Purchasers and the LC Issuer, shall have, in addition to the rights and remedies it 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.

(b) Notwithstanding the foregoing, the Agents, the Purchasers and the LC Issuer hereby consent to the Seller’s declaration and payment to YRC Worldwide Inc. of dividends of Receivables as to which the Obligor thereof has taken any action, or suffered any event to occur, of the type described in Section 7.1(c) as if references to the Seller therein refer to such Obligor (each, a “**Bankrupt Receivable**”) free and clear of any Adverse Claim of the Agents, the Purchasers or the LC Issuer, **provided** that (i) no Servicer Default or Potential Servicer Default exists and is continuing as of the date on which such dividend is declared or made or will result from the making of such dividend; (ii) the Seller gives the Agents not less than 3 Business Days’ prior written notice of its intention to declare such a dividend which identifies the applicable Obligor by name and the then current outstanding balance of the Bankrupt Receivables to be distributed; (iii) prior to accepting any dividend of a Bankrupt Receivable, YRC Worldwide Inc. delivers to the Agents a written certificate signed by an authorized officer certifying that the Obligor on such Bankrupt Receivable either has been or will be promptly directed to make any payments in respect thereof to an address or account other than a Collection Account; and (iv) distribution of a Bankrupt Receivable will not alter its status as a Defaulted Receivable or

Delinquent Receivable, as applicable, as of any date prior to or in the month it is distributed pursuant to this Section 1.11(b).

2.3 The definitions in the Existing RPA of the following terms are hereby amended and restated in their entirety to read, respectively, as follows:

“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 Yellow Transportation, Inc. and Roadway Express, Inc., 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. and 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
5	May 2007	4 weeks	4/29/07 to 5/26/07
6	June 2007	5 weeks	5/27/07 to 6/30/07
7	July 2007	4 weeks	7/1/07 to 7/28/07
8	August 2007	4 weeks	7/29/07 to 8/25/07
9	September 2007	5 weeks	8/26/07 to 9/29/07
10	October 2007	4 weeks	9/30/07 to 10/27/07
11	November 2007	4 weeks	10/28/07 to 11/26/07
12	December 2007	5 weeks	11/27/07 to 12/29/07
1	January 2008	4 weeks	12/30/07 to 1/26/08
2	February 2008	4 weeks	1/27/08 to 2/23/08
3	March 2008	5 weeks	2/24/08 to 3/29/08
4	April 2008	4 weeks	3/30/08 to 4/26/08
5	May 2008	4 weeks	4/27/08-5/24/08

“Stated Liquidity Termination Date” means May 16, 2008 (or if such date is not a Business Day, the next preceding Business Day), as the same may be extended from time to time in accordance with the terms of Section 1.16.

2.4 Exhibit VIII to the Existing RPA is hereby amended and restated in its entirety to read as set forth in the Annex A hereto.

3. **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 in Section 4 below), and (ii) each of the Seller's representations and warranties contained in Section 3.1 of the Existing RPA is true and correct as of the Effective Date, and (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 2 above, no event has occurred and is continuing that will constitute an Event of Default or Potential Event of Default.

4. Effective Date. This Amendment shall become effective as of the date first above written (the "**Effective Date**") when the Administrative Agent has received counterparts of this Amendment, duly executed by each of the parties hereto.

5. Ratification. Each of the Existing Agreements, as modified hereby, is hereby ratified, approved and confirmed in all respects.

6. Reference to Agreement. From and after the Effective Date hereof, each reference in either of the Existing Agreements to "this Agreement", "hereof", or "hereunder" or words of like import, and all references to either of the Existing Agreements in any and all agreements, instruments, documents, notes, certificates and other writings of every kind and nature shall be deemed to mean the Existing RSA or the Existing RPA, as applicable, as modified by this Amendment.

7. 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 and any related amendments of their respective Liquidity Agreements.

8. CHOICE OF LAW. THIS AMENDMENT SHALL BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW).

9. 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.

<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 TRANSPORTATION, INC.

By: /s/ Sheila Taylor
Name: Sheila Taylor
Title: Vice President, Finance

ROADWAY EXPRESS, INC.

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

USF REDDAWAY INC.

By: /s/ Fritz Gerding
Name: Fritz Gerding
Title: Vice President Finance & CFO

USF HOLLAND INC.

By: /s/ Christopher Reehl
Name: Christopher Reehl
Title: Vice President Finance & CFO

YELLOW ROADWAY RECEIVABLES FUNDING CORPORATION

By: /s/ Todd Hacker
Name: Todd Hacker
Title: President

YRC ASSURANCE CO. LTD., AS AN UNCOMMITTED PURCHASER AND AS YRCA AGENT

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

WACHOVIA BANK, NATIONAL ASSOCIATION, AS A COMMITTED
PURCHASER, AS LC ISSUER AND AS VFCC AGENT

By: /s/ Eero H. Maki

Name: Eero H. Maki

Title: Director

VARIABLE FUNDING CAPITAL COMPANY LLC

BY: WACHOVIA CAPITAL MARKETS, LLC, ITS ATTORNEY-IN-FACT

By: /s/ Douglas R. Wilson, Sr.

Name: Douglas R. Wilson, Sr.

Title: Director

SUNTRUST CAPITAL MARKETS, INC., AS THREE PILLARS AGENT

By: /s/ Michael G. Maza

Name: Michael G. Maza

Title: Managing Director

SUNTRUST BANK, AS A COMMITTED PURCHASER

By: /s/ John Giegerich

Name: John Giegerich

Title: Managing Director

THREE PILLARS FUNDING LLC

By: /s/ Doris J. Hearn

Name: Doris J. Hearn

Title: Vice President

ABN AMRO BANK N.V., AS A COMMITTED PURCHASER AND AS AMSTERDAM
AGENT

By: /s/ Thomas Educate

Name: Thomas Educate

Title: Senior Vice President

AMSTERDAM FUNDING CORPORATION

By: /s/ Jill A. Gordon

Name: Jill A. Gordon

Title: Vice President

JPMORGAN CHASE BANK, N.A., AS A COMMITTED PURCHASER, AS
FALCON AGENT AND AS ADMINISTRATIVE AGENT

By: /s/ Joseph Esposito

Name: Joseph Esposito

Title: Vice President

FALCON ASSET SECURITIZATION COMPANY LLC

BY: JPMORGAN CHASE BANK, N.A., *ITS ATTORNEY-IN-FACT*

By: /s/ Joseph Esposito

Name: Joseph Esposito

Title: Vice President

YRC Worldwide Inc.
Annual Incentive Bonus Program

YRC Worldwide Inc. (the "Company") hereby adopts the YRC Worldwide Inc. Annual Incentive Bonus Program (this "Program") effective January 1, 2007, subject to the approval of the Company's stockholders at the annual meeting held on May 17, 2007. This Program is intended to incent the senior executive officers and key employees of the Company, including its subsidiaries, to obtain superior results for the Company on an annual basis.

Article I—Definitions

1.1 *Definitions.* As used in this Program, unless the context expressly requires a contrary meaning, the following capitalized terms shall have the following meanings:

"Committee" means the Compensation Committee of the Board of Directors of the Company, which shall be comprised solely of two or more outside directors within the meaning of Tax Code Section 162(m).

"Executive Officer" means an officer of the Company who is subject to Section 16 of the Securities Exchange Act of 1934, as amended.

"Participant" means a senior executive officer or key employee that the Committee designates to participate in this Program.

"Performance Goals" means the objective or objectives that the Committee establishes for measuring performance of Participants. Performance Goals may be described in terms of Company-wide objectives or objectives that are related to the performance of the individual Participant or of a unit, division, department or function within the Company in which the Participant works.

"Performance Period" means the period established by the Committee with respect to which the Performance Goals will be measured.

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

Article II—Administration

2.1 *Administration.* The Committee, in its discretion, shall be responsible for the administration of this Program. The Committee is authorized to interpret this Program, to prescribe, amend and rescind rules and regulations deemed advisable to protect the interests of the Company and to make all other administrative determinations necessary for the efficient administration of this Program. Any determination, interpretation or other action that the Committee makes or takes under this Program's provisions shall be conclusive and binding upon all Participants and all other persons.

2.2 *Delegation by Committee.* Except in the case of any Executive Officer whose award, if any, the Committee shall determine, the Committee may delegate to the Company's chief executive officer or an officer to whom he delegates, the authority to determine any award under this Program for a Participant who is not an Executive Officer. The Company's chief executive officer or delegated officer shall have the same powers to make determinations under this Program with respect to those awards as the Committee has under this Program; *provided* that all decisions must be consistent with any limitations or directions of the Committee.

Article III—Participation

3.1 *Eligibility.* For each Performance Period, the Committee will determine, in its discretion, which senior executive officers and key employees, who are in a position to influence the Company's success, will participate in this Program. Absent a determination to the contrary, it shall be assumed that the Executive Officers will be Participants.

3.2 *New hires and changes in position.* Individuals hired or promoted during a Performance Period into a position appropriate for participation in this Program may either participate in the already existing period on a pro-rated basis or be held out until the beginning of the next Performance Period. Each Participant who transfers into a position no longer appropriate for participation in this Program may either continue to participate in the already existing Performance Period, participate on a pro-rated basis up to the date of the transfer or cease participation for the entire Performance Period. The Committee, the chief executive officer or his delegated officer (as appropriate) shall make all such determinations in their respective sole discretion.

3.3 *Terminations.* Participants who terminate their employment during the Performance Period or prior to the payment of the award may be entitled to a prorated award if such termination is by reason of death, disability, retirement or involuntary termination without cause, all as determined in accordance with the Company's normal policies, any applicable employment agreement or as the Committee, the chief executive officer or his delegated officer (as appropriate) determines. Participants who terminate employment during the Performance Period or prior to the payment of the award for any other reason will forfeit their award under this Program, unless the Committee, the chief executive officer or his delegated officer (as appropriate) determines otherwise.

Article IV—Payment of Award

4.1 *Determining amount of the award.* Subject to Article V, the Committee will determine each Participant's Performance Goals for an applicable Performance Period, including any threshold, target or maximum amounts applicable to the award. Following the end of the Performance Period, the Committee will determine the award that each Participant earned based on the Participant's achievement of the Performance Goals. Each award shall be evidenced by a notation on the Company's books and records and shall be subject to the terms and conditions as the Committee prescribes in its sole discretion.

4.2 *Adjustment of awards.* Subject to Section 5.4, the Committee may make adjustments in the Performance Goals to compensate for any changes that significantly alter the basis upon which the goals were determined. The Committee also may make reductions, in its sole discretion, to the amounts of any awards as needed to achieve fair and equitable distribution of awards. These reductions may be made before or after the end of the Performance Period. The Committee may reduce the amount of an award if a Participant fails to achieve applicable individual objectives or milestones.

4.3 *Timing of payment.* Payments of awards will be paid in cash only after the Committee's approval. Payments will be made no later than two and one-half months following the end of the applicable Performance Period, unless the Participant defers receipt pursuant to a Company-sponsored deferred compensation plan, arrangement or agreement.

Article V—Compliance with Section 162(m) of the Tax Code

5.1 *Section 162(m) limitations.* Notwithstanding any other provision of this Program, the Committee intends that any award under this Program granted to a Participant who is a “covered employee” within the meaning of Tax Code Section 162(m) be “performance-based compensation” within the meaning of Tax Code Section 162(m). These awards shall be conditioned on the achievement of one or more Performance Goals set forth in Section 5.2 that the Committee shall generally establish within 90 days of the commencement of the applicable Performance Period; *provided* that the outcome of the Performance Goals is substantially uncertain at the time the Performance Goals are established, and shall otherwise comply with the requirements of Tax Code Section 162(m).

5.2 *Performance Goals.* The Performance Goals that the Committee may use for awards of Tax Code Section 162(m) performance-based compensation shall be based on one or more of the following financial measures:

- balance sheet measurements such as receivable turnover, internal rate of return or increase in net present value
- cash flow (including operating cash flow and free cash flow)
- cash flow return on investment (which equals net cash flow divided by total capital)
- common share price (including growth measures and total stockholder return)
- diluted earnings per share
- earnings before interest and taxes
- earnings growth
- earnings measures/ratios
- economic value added
- expense targets
- financial return ratios
- gross margin
- increase in the fair market value of the Company’s common shares
- net earnings
- net operating income after tax
- net operating income after tax growth
- market share
- operating income
- return on assets
- return on capital
- return on committed capital
- return on investment
- return on revenues
- total earnings
- revenue
- revenue growth
- total return to shareholders

The Committee, at the time the applicable Performance Goals are established, may provide that the formula for the goals may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts and any unusual, nonrecurring gain, loss or expense, even if such inclusions or exclusions are not in accordance with generally accepted accounting principles or in accordance with those principles on an inconsistent basis.

5.3 *Maximum payment.* The maximum aggregate amount of any performance-based compensation award that the Company or its subsidiaries may pay in any one calendar year to a Participant who is a “covered employee” subject to Tax Code Section 162(m) shall not exceed \$5 million.

5.4 *Adjustments.* Notwithstanding any provision of this Program to the contrary, with respect to any award that is subject to provisions of this Article V, the Committee may not adjust upwards the amount of an award payable, nor may it waive the achievement of the applicable Performance Goals, except to the extent that Tax Code Section 162(m) permits.

5.5 *Other restrictions.* The Committee shall have the power to impose any other restrictions on awards subject to Article V as it may deem necessary or appropriate to insure that such awards satisfy all requirements for “performance-based compensation” within the meaning of Tax Code Section 162(m).

Article VI—General Provisions

6.1 *Non-transferability.* Except as the Committee specifies, a Participant’s rights and interests under this Program shall not be in any manner subject to sale, transfer, assignment, pledge, encumbrance or charge prior to the Participant’s actual receipt of payment of any award; and any attempt to so sell, transfer, assign, pledge, encumber or charge prior to receipt shall be void.

6.2 *Withholding.* The Company shall have the right to deduct from all awards any taxes or other withholdings that the law requires to be withheld with respect to awards.

6.3 *Compliance with Section 409A.* The payments under this Program are intended to constitute a short-term deferral payments within the meaning of proposed Treasury Regulation §1.409A-1(b)(4) and to be exempt from Tax Code Section 409A . To the extent applicable, the Committee shall interpret and construe this Program in accordance with Tax Code Section 409A and the regulations and other interpretative guidance issued thereunder. In carrying out such intent, the Committee may take any and all action it determines is necessary or appropriate to preserve the intended tax treatment of the payments under this Program and/or to comply with Tax Code Section 409A .

6.4 *No guarantee of employment.* Nothing in this Program or any action taken because of this Program will confer upon any Participant the right to be retained in the service of the Company nor limit the right of the Company to discharge or otherwise deal with any Participant without regard to the existence of this Program.

6.5 *Amendment and termination.* The Committee (or full Board of Directors of the Company) may terminate, amend or modify this Program at anytime without notice to or consent of any Participant. All awards are purely discretionary in the judgment of the Committee. This Program does not constitute a promise or agreement as to either the payment or amount of any award.

6.6 *References, construction and interpretation.* As used in this Program, references to “including” mean, “including (without limitation)”; to “persons” include both natural and legal entities; to the masculine, include the feminine and neutral (and *vice versa*); and to the singular include the plural (and *vice versa*). The headings in this Program are for convenience only and shall not be used to interpret or construe this Program.

6.7 *Governing law.* This Program will be construed in accordance with and governed by the laws of the State of Delaware.